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Congress of the United States
House of Representatives
Washington, DC 20515-0511
September 23, 2003

Bryant L. VanBrakle
Secretary
Federal Maritime Commission
800 North Capitol Street, NW
Washington, DC 20573

Dear Commissioners:

I am writing to ask that you consider United Parcel Service's (UPS) petition, P3-03, currently pending before the Federal Maritime Commission (FMC).

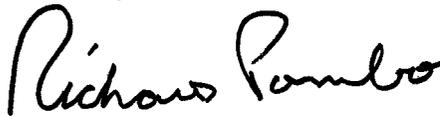
It is my understanding that UPS has filed for an exemption from the prohibition on Non-Vessel Operating Common Carriers (NVOCCs) from entering into confidential contracts with their customers. UPS is asking that the regulatory scheme governing NVOCCs be revised due to the operational characteristics of UPS and recent developments within the ocean shipping marketplace.

As you know, the U.S. ocean shipping industry has changed dramatically since passage of the *Ocean Shipping Reform Act* (OSRA) revisions of 1998. There has been unprecedented consolidation among ocean carriers resulting in the loss of major U.S. flagged carriers. In an effort to offer customers a full range of services, these very same carriers have created vertically integrated logistics companies that now compete with NVOCCs.

While anticipating dramatic changes in the ocean shipping industry with the passage of OSRA, Congress did not contemplate how fast or how smoothly the market could adapt to these changes.

I am hopeful the FMC will give the UPS petition to negotiate confidential contracts with their customers the utmost consideration and render an equitable decision based upon the merits of the UPS case.

Sincerely,



RICHARD W. POMBO
Member of Congress

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