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July 25, 2003

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Federal Maritime Commission
800 North Capitol Street
Washington DC 20573
Attn: Hon. **Steven R. Blust**, Chairman

P3-03



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FEDERAL MARITIME COMMISSION

Re: UPS Application for Exemption

Dear **Chairman Blust**:

The **Pentair** Tools Group supports the petition of UPS for an exemption under Section 16 of the Shipping Act of 1984 for the purpose of offering service contracts to its shippers.

PTG is engaged in importation of portable and stationary power tools, accessories and components. In our business we ship approximately 7,000 **TEUs** of freight annually in international ocean commerce. Our fleet consists mainly of portable and **stationary** tools in **full** containers. Our shipments principally originate in China and Taiwan. Our most prominent destinations **are west** Tennessee, USA

Our principal **customers** are home centers and industrial distributors. To remain competitive in our industry, in addition to advantageous pricing, we offer our customers integrated logistics services **including** just in time deliveries, inventory management and competitive **product** cost including cost of transportation

We have been 8 UPS shipper for approximately one year. The UPS service **features** that **are** most valuable to our business include on time shipping schedules, financing options and brokerage services.

It would be beneficial to us **if UPS** were able to offer service contracts, with confidential time-volume rates and enhanced service **features** customized to our **particular** needs. While **UPS's existing service is often presents the best transportation solution, the ability to negotiate confidential rates for the ocean portion of our freight movements, coupled with UPS's end-to-end air or surface services in the USA, would enable us to get the most value for our shipping expenditures and enhance the specialized value-added features we could offer to our customers.** This would allow us **more flexibility** in selecting suppliers and enable us to provide **a more** competitive product. This is very important to us in light of intense price and service pressure we **face from our** foreign **competitors.**

Accordingly, we support the UPS petition, and we request the Commission to grant it.

Sincerely yours:

Bob Brown
MANAGER, SUPPLIER ALLIANCES