

PAT ROBERTS
KANSAS

109 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510-1605
202-224-4774

United States Senate

WASHINGTON, DC 20510-1605

September 26, 2003

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

P3-03

RECEIVED
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FEDERAL MARITIME COMMISSION
SECRETARY

Dear Secretary VanBrakle:

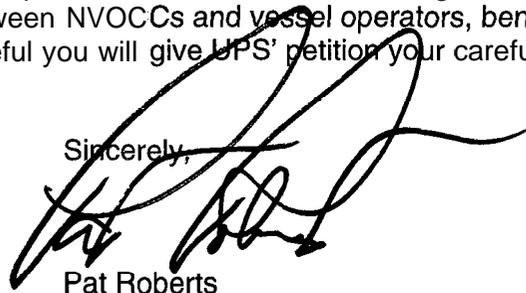
I write to support the United Parcel Service's (UPS) petition currently pending before the Federal Maritime Commission (FMC) (Petition P3-03). It is my understanding that UPS has filed for an exemption from the prohibition of Non-Vessel Operating Common Carriers (NVOCCs) from entering into confidential contracts with their customers. Due to UPS' operational design and recent developments within the ocean shipping industry, the regulations governing NVOCCs deserve revision.

The state of the U.S. ocean shipping industry has changed significantly since passage of the Ocean Shipping Reform Act (OSRA) (Public Law 105-258). In the late 1990s, most NVOCCs were small companies that neither owned ocean vessels nor the cargo being shipped. In order to protect shippers and guarantee liability coverage, OSRA required NVOCCs to operate under a published tariff system with their customers. Since that time 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 carriers now compete with NVOCCs.

UPS operates a sophisticated, integrated, intermodal transportation network that includes air, rail, surface and NVOCC transportation. It is deemed a carrier in the surface and air freight industries. In addition, UPS makes significant annual capital investments to its asset-based transportation infrastructure. This sets UPS apart from the companies that first raised concerns about the regulatory requirements of NVOCCs.

Congress granted broad exemption authority to the FMC to address changes in the ocean shipping industry. By granting this petition the FMC will acknowledge these dramatic changes and level the playing field between NVOCCs and vessel operators, benefitting consumers around the world. I am hopeful you will give UPS' petition your careful review and appreciate your consideration.

Sincerely,



Pat Roberts

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