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Congress of the United States  
House of Representatives  
September 19, 2003

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

Dear Secretary VanBrakle:

We would like to take this opportunity to extend our support of the UPS petition, which is currently pending before the Federal Maritime Commission requesting an exemption from the prohibition on Non-Vessel Operating Common carriers from entering into confidential contracts with their customers.

During its consideration of the Ocean Shipping Reform Act revisions of 1998, Congress carefully considered all aspects of the ocean shipping industry including the role of NVOCCs. Based on the nature of ocean shipping at the time, Congress determined that NVOCCs should be regulated differently than vessel operators. In the late 1990's, most NVOCCs were small enterprises that neither owned ocean vessels nor the cargo being shipped. In order to protect shippers and to guarantee liability coverage, Congress determined that NVOCCs should operate under a published tariff system when dealing with their customers.

Since the passage of OSRA, the state of the U.S. ocean shipping industry has changed dramatically. There has been unprecedented consolidation among ocean carriers resulting in the loss of major U.S. flagged carriers. These carriers, in an effort to offer customers a full range of services, have created vertically integrated logistics companies that now compete with NVOCCs.

UPS operates the most sophisticated and integrated transportation network in the world. Their operation includes air, rail, surface and NVOCC transportation, and is deemed a carrier in the surface and air freight industries. UPS makes significant annual capital investments to its' asset-based transportation infrastructure. These facts alone set UPS apart from the companies that first raised concerns about the regulatory status of NVOCCs.

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# Congress of the United States

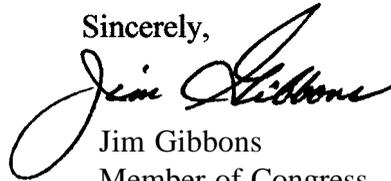
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Bryant L. VanBrakle, Secretary  
September 19, 2003  
page 2, cont.

The UPS petition above mentioned, citing the recent evolution of the ocean shipping market place, is precisely the reason Congress granted such broad exemption authority to the FMC. 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. By granting this petition, the FMC will acknowledge these changes, level the playing field between NVOCCs and vessel operators, and ultimately benefit ocean shipping consumers around the world.

We would request that the Federal Maritime Commission give the UPS petition utmost consideration and render an equitable decision based upon the merits of the UPS case.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Gibbons", written in a cursive style.

Jim Gibbons  
Member of Congress