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**Congress of the United States**  
**House of Representatives**

Washington, DC 20515-2103

October 10, 2003

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

SENT VIA FACSIMILE  
(202) 523-0014

RE: Petition P3-03

Dear Mr. Secretary and Commissioners:

I am writing to express my strong support for the petition filed by United Parcel Service (UPS) for an exemption **from** the prohibition against Non-Vessel Operating Common Carriers (NVOCCs) entering into confidential contracts with their customers. I believe dramatic changes in the marketplace since the passage of the Ocean Shipping Reform Act (OSRA) of 1998 **justify** the granting of such an exemption.

The published tariff system required for NVOCCs under OSRA was intended to protect **shippers** and guarantee liability coverage. However, the unprecedented consolidation of ocean carriers since the passage of OSRA has resulted in the loss of major U.S. flagged carriers and made such a regulatory scheme obsolete.

UPS operates a global, sophisticated, integrated, intermodal transportation network. It is designated as a "carrier" in both the surface and air freight industries. The published **tarriff** system places UPS at a competitive disadvantage when trying to meet the comprehensive needs of their customers.

I respectfully urge the Maritime Commission to act favorably upon the petition filed by UPS and grant the requested exemption. Accordingly, I ask that this correspondence be made part of the docket and record of decision on this petition.

Sincerely,



**James P. McGovern**  
Member of Congress