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COMMITTEE ON ENERGY AND COMMERCE
 SUBCOMMITTEE ON ENERGY AND AIR QUALITY
 SUBCOMMITTEE ON TELECOMMUNICATIONS AND THE INTERNET
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Congress of the United States
 House of Representatives

Karen McCarthy

September 24, 2003

<http://www.house.gov/karenmccarthy>

DEMOCRATIC CAUCUS
 STEERING COMMITTEE

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

Re: **Petition P3-03**

Dear Secretary VanBrakle:

I write in support of the **United Parcel Service (UPS) petition** currently pending before the Federal Maritime Commission (FMC). I understand the 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 operates **the** most sophisticated intermodal transportation network in **the** world. Their network 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 set UPS apart from the companies that first raised concerns about the regulatory status of NVOCCs.

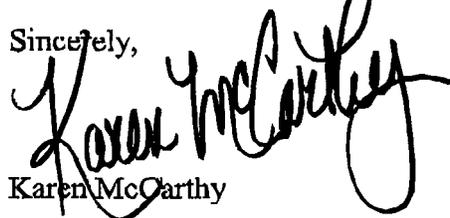
During consideration of the Ocean Shipping **Reform Act (OSRA)** revisions of 1998, Congress carefully considered all aspects of the ocean shipping industry, including the role of NVOCCs. Based on the nature of ocean shipping at the time, Congress **determined** that NVOCCs should be regulated **differently than vessel operators**. **In** the late 1990s, 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.

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 SECRETARY

The UPS petition is precisely **the** reason Congress granted such broad exemption authority to the FMC. While anticipating 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.

I fully support this **petition** and hope that you will, **give** it the utmost consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen McCarthy". The signature is written in a cursive, flowing style with a large loop at the end of the last name.

Karen McCarthy

KM:jm