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

Washington, DC 205154305

September 22, 2003

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

Dear Commissioners:

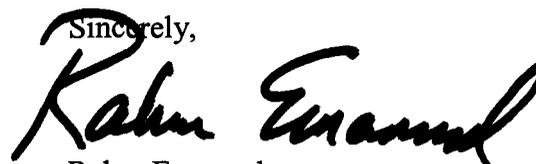
I am writing to request that you consider the United Parcel Service's application for an exemption from the prohibition on Non-Vessel Operating Common Carriers (NVOCCs) from entering into confidential contracts with its customers. Due to the operational characteristics of UPS and recent developments within the ocean shipping marketplace, the antiquated regulatory scheme governing NVOCCs should be revised. I write in strong support of the UPS petition currently pending before the Federal Maritime Commission.

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

The UPS petition, citing the recent evolution of the ocean shipping marketplace, is precisely the reason that Congress granted such broad exemption authority to the Federal Maritime Commission. While anticipating dramatic changes in the ocean shipping industry with the passage of OSRA, Congress did not consider how quickly or how smoothly the market could adapt to these changes. By granting this petition, the Commission will acknowledge these changes, level the playing field between NVOCCs and vessel operators, and ultimately benefit ocean shipping consumers around the world.

I am hopeful the Commission will give every consideration to the UPS petition and make an equitable decision based upon the merits of the UPS case. Thank you for your attention and consideration of my request.

Sincerely,



Rahm Emanuel  
Member of Congress

cc: The Honorable Stephan R. Blust  
Chairman, Federal Maritime Commission