

By: White (29th), Smith, Johnson (19th),  
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Harvey

To: Rules

SENATE CONCURRENT RESOLUTION NO. 579

1 A CONCURRENT RESOLUTION URGING THE U.S. DEPARTMENT OF  
2 TRANSPORTATION TO GRANT UNITED PARCEL SERVICE'S (UPS) APPLICATION  
3 FOR DESIGNATION TO PROVIDE NEW AIR EXPRESS SERVICE TO CHINA UNDER  
4 THE NEW AIR SERVICES AGREEMENT.

5 WHEREAS, on October 28, 1999, UPS submitted its application  
6 to the United States Department of Transportation (DOT) for  
7 aviation operating rights to the People's Republic of China; the  
8 application formally launched the company's bid to obtain the one  
9 new slot reserved for a United States carrier to serve the China  
10 market; and

11 WHEREAS, in its formal application, UPS argued its selection  
12 would provide far more economic benefit for United States  
13 businesses and workers than would any other applicant's; the  
14 company also asserted that UPS's selection would finally expand  
15 service competition to the Chinese marketplace while providing  
16 much-needed capacity in the air express and general air freight  
17 markets; and

18 WHEREAS, UPS has served the nations of Asia since 1988 and  
19 operates an extensive network within China through a partnership  
20 with a Chinese carrier, including UPS-branded operations in 21  
21 major business centers; the company is seeking to expand its  
22 Chinese service by utilizing UPS jet freighter aircraft; and

23 WHEREAS, in coming months, the Department of Transportation  
24 will select one additional United States-based passenger or cargo  
25 carrier to fly directly into China, starting in April 2001;  
26 currently, three United States and three Chinese carriers have the  
27 authority to serve the United States-China market; UPS noted that

28 Federal Express currently hold all competing air carriers at a  
29 disadvantage since it is the only air express/freight carrier with  
30 Chinese operating rights; and while there is plenty of capacity  
31 and competition in the passenger market with five United States  
32 and Chinese passenger carriers, there is unmet and growing demand  
33 for additional capacity in the air express/freight sector, UPS  
34 argued; awarding the designation to UPS will bring competition to  
35 the marketplace, provide much needed service in the air  
36 express/freight market and provide far more economic benefits to  
37 the United States than would the designation of any other United  
38 States air carrier; unlike any other applicant, UPS connects every  
39 business and residence in the United States every day to China;  
40 and the new designee must be able to provide this type of  
41 integrated express service needed for the next century; and

42 WHEREAS, granting this application will provide tremendous  
43 economic benefits to consumers and communities in both Mississippi  
44 and the United States:

45 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF  
46 MISSISSIPPI, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN, That  
47 we do hereby urge the United States Department of Transportation  
48 in the strongest possible terms to award this new designation to  
49 United Parcel Service (UPS) to provide new air express service to  
50 the People's Republic of China under the new United States-China  
51 air services agreement.

52 BE IT FURTHER RESOLVED, That certified copies of this  
53 resolution be forwarded to the Honorable Rodney Slater, Secretary  
54 of Transportation and to each member of Mississippi's  
55 congressional delegation.