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DEPT. OF TRANSPORTATION

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**BEFORE THE
U.S. DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.**

Application of)
)
UNITED PARCEL SERVICE CO.)
)
for an exemption Pursuant to 49 U.S.C.)
40109 (U.S.-Japan))
_____)

Docket OST 98- 35178

**APPLICATION OF UNITED PARCEL SERVICE CO.
FOR AN EXEMPTION**

Communications with respect to this document should be served upon:

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UNITED PARCEL SERVICE CO.

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Date: February 12, 1998

NOTICE: Any person who wishes to support or oppose this Application must file an answer with the Department's Documentary Services Division by February 27, 1998, and must serve that answer upon UPS and all persons served with this Application.

**BEFORE THE
U.S. DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.**

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UNITED PARCEL SERVICE CO.)	Docket OST 98-_____
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**APPLICATION OF UNITED PARCEL SERVICE CO.
FOR AN EXEMPTION**

United Parcel Service Co. ("UPS") hereby applies, pursuant to 49 U.S.C. section 40109 and Part 302.400 of the Department of Transportation's (the "DOT" or "the Department") Procedural Regulations for an exemption from 49 U.S.C. 41102 to authorize UPS to provide scheduled all-cargo (property and mail) air transportation between a point or points in the United States and two points in Japan, and beyond each of those points to two points with full traffic rights between all points on the route. In support of this Application, UPS states as follows:

1. The authority requested herein will enable UPS to take advantage of the new U.S.-Japan route authority contained in the 1998 Memorandum of Consultations (the "1998 MOU" or "MOU") between the governments of the United States and Japan signed on January 30, 1998.

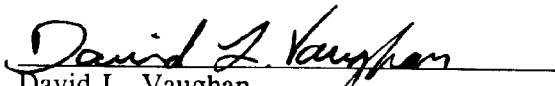
2. Simultaneously herewith, UPS is filing an Application for a Certificate of Public Convenience and Necessity granting it the same authority being applied for herein.

UPS requests that this exemption request be granted on an expedited basis and be effective until UPS's underlying certificate application is granted. UPS hereby incorporates by reference in this Exemption Application the information contained in that Certificate Application. In view of the non-controversial nature of the requested exemption, and the extensive officially noticeable information about UPS on file at the Department, UPS requests a waiver of the usual evidentiary requirements of Part 302.402 of the Department's Regulations.

3. The information in the Certificate Application demonstrates that UPS is a citizen of the United States, is fit and that the grant of both that Application and this Exemption are in the public interest.

WHEREFORE, UPS respectfully requests the Department of Transportation to grant the above-described exemption and to grant such other and further relief as may be necessary or appropriate.

Respectfully submitted,


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Date: February 12, 1998