

Joseph Carnes
President

BAX Global Inc.
440 Exchange
PO Box 19571
Irvine, CA 92623-9571 USA
Tel: 714.442.7700
Fax: 714.442.2800
jcarnes@baxglobal.com

Transportation and Logistics Worldwide

244 637

DEPT. OF TRANSPORTATION
DOCKETS

2003 MAY 29 P 3:46



May 29, 2003

Hon. Norman Mineta
Secretary of Transportation
United States Department of Transportation
Docket Management Facility
Nassif Building, Room PL-401
400 Seventh Street SW
Washington, DC 20590-0001

Re: Docket OST-2003-14480 - 25

Dear Sir:

We wish to express concern for the recent initiative submitted by the International Air Transport Association known as IATA Resolution 502. It proposes changing the means by which the air cargo industry converts cargo volume to paid weight and is the subject of the docket noted above.

The proposal amounts to a thinly veiled cost increase that will impact many of our customers by as much as 20-percent. IATA's rationale, that newer aircraft and engines can uplift increased payloads but fail to deliver the anticipated benefit because air cargo density has decreased, is alleged but to our knowledge has not been proven.

BAX Global provides transportation and supply chain solutions to many of the world's leading companies and has for over 30-years. Most employ air cargo for at least a portion of their transportation needs. Many have communicated the negative impact this proposal will have on their business. We understand, share these concerns, and wish to echo the protests of our customers.

The recent financial plight of many airlines is known and understood. While sharing the concerns of our shipper and consignee customers, we also realize that the airlines must return to financial health. We acknowledge the growing role played by cargo in the airlines' business overall. We believe airlines will realize greater benefit by sharpening disciplines, improving process quality and reliability, and by distinguishing their services on the basis of excellence. In other words, the airlines need to improve their cost model, as many others have, before the market will embrace any type of cost increase.

Sincerely,

Joseph Carnes
President
BAX Global