



May 28, 2003

The Honorable Norman Y. Mineta
Secretary of Transportation
400 7th Street, S.W.
Washington D.C. 20590

Re: Docket OST-2003-14480

Dear Secretary Mineta:

On behalf of Mitsubishi Digital Electronics America, Inc., I am writing to express our opposition to IATA's proposal, known as Resolution 502, to reduce the international standard used to determine the rate to be charged on low-density, high volume shipments.

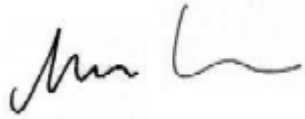
Mitsubishi Digital Electronics America, Inc. (MDEA) is a wholly owned subsidiary of the Mitsubishi Electric Corporation. Our headquarters is located in Irvine, California. We were the first to market upgradeable High-Definition televisions in July of 1998 and first to market Digital Televisions with integrated digital tuners in August of 2001. Our current market share in this sector is 22.2%. In order to continue delivery of our high-quality, cutting edge products at a reasonable cost to consumers, we must rely heavily on components and/or products delivered through international air freight. Hence, should Resolution 502 be adopted as proposed by the IATA, it would have an adverse impact on our ability to provide our customers with products in the most efficient manner possible.

Resolution 502 proposes to lower the density standard from 6000 cubic centimeters per kilogram to 5000 cubic centimeters per kilogram. This proposal, while masked as an update to an existing standard, could have the effect of increasing air freight shipping costs at an estimated 15 percent to 20 percent which will, in turn, affect customer pricing. In short, the customers will bear the brunt of this increase. Furthermore, this proposal will be disproportionately borne by the consumer electronics community since the industry ships many products and components by international air freight.

In addition, the higher costs resulting from IATA Resolution 502 for companies looking to ship low density cargo by international air freight will affect economic growth, consumer prices, and jobs in high technology and other sectors currently facing challenging economic conditions. Foreign flag carriers – not US airlines – would receive more than half of this revenue as they derive more of their revenue from cargo shipment than do their US counterparts.

Mitsubishi Digital Electronics America, Inc. urges the U.S. Department of Transportation to not grant an exemption from U.S. antitrust laws for IATA's proposed change to Resolution 502.

Sincerely,

A handwritten signature in black ink, appearing to read 'Angela Lee', written in a cursive style.

Angela Lee
Manager, Government and Industry Relations

cc: Lisa Daye, Traffic, MDEA
Kent Lofthouse, Vice-President, Procurement, MDEA
Leslie Moore, Assistant General Counsel, MEUS Legal
Patty Mura, Customs Compliance, MDEA
Perry Pappous, Vice-President, H.R. & Administration, MDEA
Robert Perry, Vice-President, Marketing, MDEA
Mike Stapleton, Vice-President, Traffic & Distribution, MDEA