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The Blackstone Group®

May 3, 2004

Via Fax -202-493-2251

U.S. Department of Transportation
Room PL-401
400 Seventh Street S.W.
Washington, DC 20590-0001

USCG-2003-14472-29

MARAD-2003-15171-31

Re: Opposition to Joint Notice of Proposed Rulemaking
USCG-2003-14472 / MARAD-2003-15171 (the "Proposed Rule")

Ladies and Gentlemen:

We are holder of all of the interests in Great Lakes Transportation LLC ("GLT"), the owner and/or operator of eight U.S. coastwise trade vessels. We are a coastwise trade citizen.

We are a private equity investment firm whose business involves buying and selling businesses. In the ordinary course of that business, we purchased GLT in 1988 in partnership with U.S. Steel and became the sole owner of it in 2001. It is our intention to sell GLT, also in the ordinary course of our business, and we are currently in contract to sell this business.

We oppose the Proposed Rule to the extent that the Proposed Rule would prohibit or limit time "chartering back" to an entity that is a member of the owner's group. The Proposed Rule would limit the number and types of entities that would be able to purchase our GLT ownership interests. Because the Proposed Rule would adversely affect our business and unduly limit the number of potential purchasers, we are opposed to it.

We are precisely the type of investing entity that 46 U.S.C. §12106(e) was designed to encourage to consider investing in U.S. coastwise vessels. Had the Proposed Rule been in place at the time of our investment in GLT, we might have made a decision to invest elsewhere because of the practical restrictions imposed by the Proposed Rule on our disposition of GLT.

In our view the Proposed Rule undermines the intention of 46 U.S.C. §12106(e) to increase the sources of capital to finance U.S. coastwise trade vessels.

Very truly yours,

Blackstone Management Associates L.L.C.

By: _____

Robert L. Friedman, Member

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