SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15 (d)

of the Securities Exchange Act of 1934

For the Quarter Ended March 31, 2000

Commission file number 0-4714

United Parcel Service, Inc.

(Exact name of registrant specified in its charter)

Delaware	58-2480149
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

55 Glenlake Parkway, NE

Atlanta, Georgia	30328
(Address of principal executive office)	(Zip Code)

Registrant's telephone number, including area code (404) 828-6000

Not Applicable

Former name, address and fiscal year, if changed since last report

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities and Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

Class A and B Common Stock, par value $.01 per share

(Title of Class)

1,037,596,982 Class A shares, 109,400,000 Class B shares

Outstanding as of May 3, 2000

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

UNITED PARCEL SERVICE, INC., AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
March 31, 2000 (unaudited) and December 31, 1999
(In millions except share and per share amounts)

Assets	March 31, 2000	December 31, 1999
Current Assets:		
Cash and cash equivalents	$ 2,471	$ 4,204
Marketable securities and short-term investments	1,707	2,074
Accounts receivable	3,306	3,167
Prepaid employee benefit costs	1,136	1,327
Materials, supplies and other prepaid expenses	460	366

Total Current Assets	9,080	11,138
Property, Plant and Equipment (including aircraft under capitalized lease obligations)- at cost, net of accumulated depreciation and amortization of $9,016 in 2000 and $8,891 in 1999	11,462	11,579
Other Assets	376	326
	$20,918	$23,043

Liabilities and Shareowners' Equity

Current Liabilities:		
Commercial paper	$ 898	$ -
Accounts payable	1,568	1,295
Accrued wages and withholdings	1,337	998
Dividends payable	-	361
Tax assessment	146	457
Income taxes payable	430	50
Current maturities of long-term debt	346	512
Other current liabilities	735	525
Total Current Liabilities	5,460	4,198
Long-Term Debt (including capitalized lease obligations)	1,952	1,912
Accumulated Postretirement Benefit Obligation, Net	1,021	990
Deferred Taxes, Credits and Other Liabilities	3,501	3,469
Shareowners' Equity:		
Preferred stock, no par value, authorized 200,000,000 shares, none issued	-	-
Class A common stock, par value $.01 per share, authorized 4,600,000,000 shares, issued 1,033,175,223 and 1,101,295,534 in 2000 and 1999	10	11
Class B common stock, par value $.01 per share, authorized 5,600,000,000 shares, issued 109,400,000	1	1
Additional paid-in capital	1,012	5,096
Retained earnings	8,143	7,536
Accumulated other comprehensive loss	(182)	(170)
	8,984	12,474
	$20,918	$23,043

See notes to unaudited consolidated financial statements.

UNITED PARCEL SERVICE, INC., AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED INCOME
Three Months Ended March 31, 2000 and 1999
(In millions except per share amounts)
(unaudited)

	Three Months Ended March 31, 2000	1999
Revenue	$ 7,220	$ 6,331
Operating Expenses:		
Compensation and benefits	4,075	3,652
Other	2,062	1,813
	6,137	5,465
Operating Profit	1,083	866
Other Income and (Expense):		
Investment income	333	31
Interest expense	(52)	(49)
Miscellaneous, net	(10)	(16)
	271	(34)
Income Before Income Taxes	1,354	832

	2000	1999
Income Taxes	541	333
Net Income	$ 813	$ 499
Basic Earnings Per Share	$ 0.68	$ 0.45
Diluted Earnings Per Share	$ 0.67	$ 0.44

See notes to unaudited consolidated financial statements.

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UNITED PARCEL SERVICE, INC., AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREOWNERS' EQUITY
Three Months Ended March 31, 2000
(In millions except per share amounts)
(unaudited)

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	Class A Common Stock		Class B Common Stock		Additional Paid-In	Retained	Accumulated Other Comprehensive	Total Shareowners'
	Shares	Amount	Shares	Amount	Capital	Earnings	Loss	Equity
Balance, January 1, 2000	1,101	$11	109	$ 1	$5,096	$7,536	$ (170)	$12,474
Comprehensive income:								
Net income	-	-	-	-	-	813	-	813
Foreign currency adjustments	-	-	-	-	-	-	(16)	(16)
Unrealized gain on marketable securities	-	-	-	-	-	-	4	4
Comprehensive income								801
Dividends ($0.17 per share)	-	-	-	-	-	(206)	-	(206)
Stock award plans	-	-	-	-	15	-	-	15
Common stock purchases:								
Tender offer	(68)	(1)	-	-	(4,069)	-	-	(4,070)
Other	(1)	-	-	-	(54)	-	-	(54)
Common stock issuances	1	-	-	-	24	-	-	24
Balance, March 31, 2000	1,033	$10	109	$ 1	$1,012	$8,143	$(182)	$8,984

</TABLE>

See notes to unaudited consolidated financial statements.

UNITED PARCEL SERVICE, INC., AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2000 and 1999
(In millions)
(unaudited)

	Three Months Ended March 31,	
	2000	1999
Cash flows from operating activities:		
Net income	$ 813	$ 499
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	283	283
Postretirement benefits	31	24
Deferred taxes, credits, and other	79	63
Stock award plans	144	88
Gain on exchange of investments and sale of business	(290)	-
Changes in assets and liabilities:		
Accounts receivable	(139)	36
Prepaid employee benefit costs	191	242
Materials, supplies and other prepaid expenses	(94)	(37)

Accounts payable	273	(175)
Accrued wages and withholdings	210	48
Dividends payable	(361)	(247)
Tax assessment	(311)	-
Income taxes payable	380	266
Other current liabilities	151	79
Net cash from operating activities	1,360	1,169
Cash flows from investing activities:		
Capital expenditures	(315)	(214)
Disposals of property, plant and equipment	193	12
Purchases of marketable securities and short-term investments	(766)	(487)
Sales and maturities of marketable securities and short-term investments	1,385	399
Construction funds in escrow	(2)	(149)
Other asset receipts (payments)	(55)	2
Net cash from (used in) investing activities	440	(437)
Cash flows from financing activities:		
Proceeds from borrowings	970	959
Repayments of borrowings	(196)	(261)
Purchases of common stock via tender offer	(4,070)	-
Purchases of common stock	(54)	(216)
Issuances of common stock pursuant to stock awards and employee stock purchase plans	24	333
Dividends	(206)	-
Other transactions	-	31
Net cash from (used in) financing activities	(3,532)	846
Effect of exchange rate changes on cash	(1)	(23)
Net increase (decrease) in cash and cash equivalents	(1,733)	1,555
Cash and cash equivalents:		
Beginning of period	4,204	1,240
End of period	$2,471	$2,795
Cash paid during the period for:		
Interest (net of amount capitalized)	$ 130	$ 35
Income taxes	$ 67	$ 26

See notes to unaudited consolidated financial statements.

UNITED PARCEL SERVICE, INC., AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. For interim consolidated financial statement purposes, we compute our tax provision on the basis of our estimated annual effective income tax rate, and provide for accruals under our various employee benefit plans for each three month period based on one quarter of the estimated annual expense.

2. In our opinion, the accompanying interim, unaudited, consolidated financial statements contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position as of March 31, 2000, the results of operations for the three months ended March 31, 2000 and 1999, and cash flows for the three months ended March 31, 2000 and 1999. The results reported in these consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for the entire year.

3. The following table sets forth the computation of basic and diluted earnings per share (in millions except per share amounts):

	Three Months Ended March 31, 2000	1999
Numerator:		
Numerator for basic and diluted earnings per share - Net Income	$ 813	$ 499
Denominator:		
Weighted-average shares - Denominator for basic earnings per share	1,189	1,113

Effect of dilutive securities:		
Contingent shares -		
Management Incentive Awards	4	8
Stock option plans	20	8
Denominator for diluted earnings per share	1,213	1,129
Basic Earnings Per Share	$0.68	$0.45
Diluted Earnings Per Share	$0.67	$0.44

4. On August 9, 1999, the U.S. Tax Court issued an opinion unfavorable to UPS regarding a Notice of Deficiency asserting that we are liable for additional tax for the 1983 and 1984 tax years. The Court held that we are liable for tax on income of Overseas Partners Ltd. ("OPL"), a Bermuda company, which had reinsured excess value package insurance purchased by our customers beginning in 1984. The Court held that for the 1984 tax year we are liable for taxes of $31 million on income reported by OPL, penalties and penalty interest of $93 million and interest for a total after-tax exposure estimated at approximately $246 million. In February 2000, the U.S. Tax Court entered a decision in accord with its opinion.

In addition, during the first quarter of 1999, the IRS issued two Notices of Deficiency asserting that we are liable for additional tax for the 1985 through 1987 tax years, and the 1988 through 1990 tax years. The primary assertions by the IRS relate to the reinsurance of excess value package insurance, the issue raised for the 1984 tax year. The IRS has based its assertions on the same theories included in the 1983-1984 Notice of Deficiency.

We anticipate that the IRS will take similar positions for tax years subsequent to 1990. Based on the Tax Court opinion, we currently estimate that our total after-tax exposure for the tax years 1984 through 1999 could be as high as $2.353 billion. We believe that a number of aspects of the Tax Court decision are incorrect, and we intend to appeal the decision to the U.S. Court of Appeals for the Eleventh Circuit.

In the second quarter 1999 financial statements, we recorded a tax assessment charge of $1.786 billion, which included an amount for related state tax liabilities. The charge included taxes of $915 million and interest of $871 million. This assessment resulted in a tax benefit of $344 million related to the interest component of the assessment. As a result, our net charge to net income for the tax assessment was $1.442 billion, increasing our total after-tax reserve at that time with respect to these matters to $1.672 billion. The tax benefit of deductible interest is included in income taxes; however, since none of the income on which this tax assessment is based is our income, we have not classified the tax charge as income taxes.

We determined the size of our reserve with respect to these matters in accordance with generally accepted accounting principles based on our estimate of our most likely liability. In making this determination, we concluded that it was more likely that we would be required to pay taxes on income reported by OPL and interest, but that it was not probable that we would be required to pay any penalties and penalty interest. If penalties and penalty interest ultimately are determined to be payable, we would have to record an additional charge of up to $681 million.

On August 31, 1999, we deposited $1.349 billion with the IRS related to these matters for the 1984 through 1994 tax years. We included the profit of the excess value package insurance program, using the IRS's methodology for calculating these amounts, for both 1998 and 1999 in filings we made with the IRS in the fourth quarter of 1999. In February 2000, we deposited $339 million with the IRS related to these matters for the 1995 through 1997 tax years. These deposits and filings were made in order to stop the accrual of interest, where applicable, on that amount of the IRS's claim, without conceding the IRS's position or giving up our right to appeal the Tax Court's decision.

Effective October 1, 1999, we implemented a new arrangement for providing excess value package insurance for our customers through UPS subsidiaries. This new arrangement results in including in our non-package operating segment the operations of the excess value package insurance program offered to our customers. This revised arrangement should eliminate the issues considered by the Tax Court in the Notices of Deficiency relating to OPL for periods after

September 1999.

The IRS has proposed adjustments, unrelated to the OPL matters discussed above, regarding the allowance of deductions and certain losses, the characterization of expenses as capital rather than ordinary, and our entitlement to the investment tax credit and the research tax credit in the 1985 through 1990 tax years. These proposed adjustments, if sustained, would result in $82 million in additional income tax expense.

We expect that we will prevail on substantially all of these issues. We believe that our practice of expensing the items that the IRS alleges should have been capitalized is consistent with the practices of other industry participants. Should the IRS prevail, however, unpaid interest on these adjustments through 1999 could aggregate up to $270 million, after the benefit of related tax deductions. The IRS's proposed adjustments include penalties and penalty interest. We believe that the possibility that such penalties and penalty interest will be sustained is remote. The IRS may take similar positions with respect to some of these issues for each of the years from 1991 through 1999. We believe the eventual resolution of these issues will not result in a material adverse effect upon our financial condition, results of operations or liquidity.

We are a defendant in various employment-related lawsuits. In one of these actions, which alleges employment discrimination by UPS, class action status has been granted, and the United States Equal Employment Opportunity Commission has been granted the right to intervene. In our opinion, none of these cases is expected to have a material effect upon our financial condition, results of operations or liquidity.

We have been named as a defendant in 11 lawsuits that seek to hold us (and in two cases, other defendants) liable for the collection of premiums for excess value package insurance in connection with package shipments since 1984. These cases generally claim that we acted as an insurer in violation of our shipping contract and without complying with state insurance laws and regulations, and that the price for excess value package insurance was excessive. Six of these cases have been consolidated for pre-trial purposes in a multi-district litigation proceeding before the United States District Court for the Southern District of New York. We are in the process of removing the remaining cases to federal court and having them consolidated into the multi-district litigation proceeding. These cases are in their initial stages, no discovery has commenced, and no class has been certified. These actions all developed after the August 9, 1999 Tax Court opinion was rendered. We believe the allegations have no merit and intend to defend them vigorously. The ultimate resolution of these matters cannot presently be determined.

As part of our 1997-2002 collective bargaining agreement with the Teamsters, we agreed that we would create 2,000 new full-time jobs from existing part-time jobs during each year of the contract. There was a provision, however, which nullified this obligation if there was a reduction in volume that resulted in layoffs. At the end of the first contract year (July 31, 1998), our shipping volume was still below pre-strike levels and employees were laid off. Therefore, we believed that we were not obligated to create the 2,000 jobs for the first year of the contract. The Teamsters filed a grievance concerning this issue, and the case was submitted to an arbitrator.

In February 2000, the arbitrator ruled against us and ordered us to create the 2,000 new full-time jobs from existing part-time positions within 90 days of the arbitrator's decision, and to make whole the employees selected for the full-time positions for any lost wages or benefits. We have also agreed to create 2,000 full-time jobs from existing part-time jobs for the second year of the contract and to make the affected employees whole. We have conferred with the Teamsters on this issue and are now in the process of staffing the newly created jobs. In the first quarter of 2000, we recorded a pre-tax charge of $59 million for the retroactive compensation and associated benefits that we expect to pay as a result of this matter. Our package volume surpassed pre-strike levels in 1999, and thus we are in the process of creating the 2,000 full-time jobs called for in the third year of the contract.

On November 22, 1999, the U.S. Occupational Safety and Health Administration proposed regulations to mandate an ergonomics standard that would require American industry to make significant changes in the workplace in order to reduce the incidence of musculoskeletal complaints such as low back pain. The exact changes in the workplace that might be required to comply with these standards are not specified in the proposal. If OSHA enforced these regulations by seeking the same ergonomic measures it has advocated in the past under its general authority to remedy "recognized hazards," however, it might demand extensive changes in the physical layout of our distribution centers as well as the hiring of significant numbers of additional full-time and part-time employees. Our competitors, as well as the remainder of American industry, also would incur proportionately comparable costs.

We, our competitors and other affected parties have filed comments with OSHA challenging the medical support and economic and technical feasibility of the proposed regulations. We do not believe that OSHA has complied with the statutory mandate of establishing significant risk of material health impairment or has properly analyzed the costs and benefits of these proposed regulations. We and other affected parties have the right to file additional comments in opposition to the proposed regulations and to appeal any final ergonomics standard to an appropriate federal court of appeals. We anticipate that such a standard would be rejected by the reviewing court. If ergonomic regulations resembling the current proposal were sustained by a reviewing court, we believe that we would prevail in an enforcement proceeding based on substantial defenses including the vagueness of the standards and the technological and economic feasibility of costly abatement measures.

OSHA has taken the position that the cost of compliance with the proposed regulations will be only $4.2 billion per year over a ten-year period for all of American industry. We believe that these estimates are unrealistic. We have attempted to estimate the costs of compliance if OSHA adopts the proposed regulations and applies them in the same way as it sought to apply its prior unsuccessful attempts to impose ergonomic measures under its general authority. Based on this experience and assuming that, contrary to our expectations, OSHA were able successfully to obtain court orders applying to all of our facilities that mandated compliance with these regulations, we estimate that the cost of compliance could be approximately $20 billion in initial costs, which would be incurred over a period of years, and approximately $5 billion in incremental annual costs. Such expenditures, if required to be incurred, would materially and adversely affect our results of operations, liquidity and financial condition.

In addition, we are a defendant in various other lawsuits that arose in the normal course of business. In our opinion, none of these cases is expected to have a material effect upon our financial condition, results of operations or liquidity.

5. We report our operations in three segments: U.S. domestic package operations, international package operations and non-package operations. Package operations represent our core business and are divided into regional operations around the world. Regional operations managers are responsible for both domestic and export operations within their geographic region. International package operations include shipments wholly outside the U.S. as well as shipments with either origin or distribution outside the U.S. Non-package operations, which include the UPS Logistics Group, are distinct from package operations and are thus managed and reported separately.

Segment information for the three months ended March 31 is as follows (in millions):

	Three Months Ended March 31, 2000	1999
Revenue:		
U.S. domestic package	$5,841	$5,231
International package	1,023	885
Non-package	356	215
Consolidated	$7,220	$6,331
Operating profit:		
U.S. domestic package	$ 893	$ 789
International package	64	52
Non-package	126	25
Consolidated	$1,083	$ 866

Non-package operating profit for the three months ended March 31, 2000 and 1999, respectively, included $27 and $29 million of intersegment profit with a corresponding amount of operating expense included in the U.S. domestic package segment.

6. The major components of other operating expenses for the three months ended March 31 are as follows (in millions):

	Three Months Ended March 31, 2000	1999

Repairs and maintenance	$ 239	$ 217
Depreciation and amortization	283	283
Purchased transportation	434	376
Fuel	238	142
Other occupancy	107	101
Other expenses	761	694
Consolidated	$2,062	$1,813

7. Certain prior period amounts have been reclassified to conform to the current period presentation.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Three Months Ended March 31, 2000 and 1999

The following tables set forth information showing the change in revenue, average daily package volume and average revenue per piece, both in dollars or amounts and in percentage terms:

	Three Months Ended March 31, 2000	1999	Change $	%
Revenue (in millions):				
U.S. domestic package:				
Next Day Air	$1,381	$1,208	$173	14.3%
Deferred	694	611	83	13.6
Ground	3,766	3,412	354	10.4
Total U.S. domestic package	5,841	5,231	610	11.7
International package:				
Domestic	233	235	(2)	(0.9)
Export	685	574	111	19.3
Cargo	105	76	29	38.2
Total International package	1,023	885	138	15.6
Non-package	356	215	141	65.6
Consolidated	$7,220	$6,331	$889	14.0%
Average Daily Package Volume (in thousands):			#	
U.S. domestic package:				
Next Day Air	1,071	976	95	9.7%
Deferred	856	787	69	8.8
Ground	10,102	9,664	438	4.5
Total U.S. domestic package	12,029	11,427	602	5.3
International package:				
Domestic	754	699	55	7.9
Export	342	279	63	22.6
Total International package	1,096	978	118	12.1
Consolidated	13,125	12,405	720	5.8%
Operating days in period	65	63		
Average Revenue Per Piece:			$	
U.S. domestic package:				
Next Day Air	$19.84	$19.65	$.19	1.0%
Deferred	12.47	12.32	.15	1.2
Ground	5.74	5.60	.14	2.5
Total U.S. domestic package	7.47	7.27	.20	2.8
International:				
Domestic	4.75	5.34	(.59)	(11.0)
Export	30.81	32.66	(1.85)	(5.7)
Total International package	12.89	13.13	(.24)	(1.8)
Consolidated	$ 7.92	$ 7.73	$.19	2.5%

U.S. domestic package revenue increased primarily due to volume gains across all product lines, continuing the trends reported during 1999. This increase was well balanced among our products. Our higher revenue per piece express (Next Day Air and Deferred) products continued to grow faster than our Ground products. However, our Ground products, which contributed over one-half of the revenue growth for this segment, grew at a 4.5% rate, increasing by an average of 438,000 packages per day. Also contributing to the revenue increase were the two extra operating days in the first quarter of 2000 compared to the first quarter of 1999. The average revenue increase for this segment on a per day basis was 8.2%.

During the first quarter of 2000, we increased rates for standard ground shipments an average of 3.1% for commercial deliveries. The ground residential charge continued to be $1.00 over the commercial ground rate, with an additional delivery area surcharge of $1.50 added to certain less accessible areas. In addition, we increased rates for UPS Next Day Air, UPS Next Day Air Saver and UPS 2nd Day Air an average of 3.5%. The surcharge for UPS Next Day Air Early A.M. did not change. Rates for international shipments originating in the United States (Worldwide Express, Worldwide Express Plus, UPS Worldwide Expedited and UPS International Standard service) increased by 2.9%. Rate changes for shipments originating outside the U.S. were made throughout the past year and varied by geographic market.

The increase in international package revenue was due to volume growth for both our domestic and export products, offset by a decline in the revenue per piece for these products. This decline was primarily due to currency fluctuations, particularly a decline in the value of the Euro relative to the U.S. dollar. Overall average daily package volume increased 12.1% for international operations, with our export products, which have the highest revenue per piece of any of our products, increasing at 22.6%. The average revenue increase for this segment on a per day basis was 12.0%.

The increase in non-package revenue resulted primarily from the new arrangement for providing excess value package insurance for our customers as well as continued growth of the UPS Logistics Group. Excluding the excess value business, which was not included in the segment during the same period last year, non-package revenue increased over 20%.

Operating expenses increased by $672 million, or 12.3%, which was less than our revenue increase of 14.0%. Compensation and benefits expenses, the largest component of this increase, accounted for $423 million and included a $59 million charge relating to the creation of 4,000 new full-time hourly jobs resulting from the 1997 Teamsters contract. Other operating expenses increased $249 million due to higher fuel costs, claims expense associated with the new arrangement for providing excess value package insurance for our customers, and higher purchased transportation costs. The increase in purchased transportation costs was primarily due to increased business for our international operations, while the $96 million, or 67.6%, increase in fuel costs was due to the increase in fuel prices, the growth in our average daily volume, and the two extra operating days in the quarter, partially offset by the cost reductions generated by our hedging program. International operating expenses were favorably impacted by the decline in the value of the Euro relative to the U.S. dollar.

Our operating margin improved from 13.7 during the first quarter of 1999 to 15.0 during the first quarter of 2000. This improvement continues our recently reported trends and resulted primarily from product mix improvements along with better utilization of existing capacity.

The following table sets forth information showing the change in operating profit, both in dollars and in percentage terms:

Operating Segment	Three Months Ended March 31, 2000	1999	Change $	%
	(dollars in millions)			
U.S. domestic package	$ 893	$ 789	$ 104	13.2%
International package	64	52	12	23.1
Non-package	126	25	101	404.0
Consolidated operating profit	$1,083	$ 866	$ 217	25.1%

U.S. domestic package operating profit increased over $100 million due to the volume and revenue improvements discussed previously.

The improvement in the operating profit of our international package operations of 23.1% resulted from volume gains and was realized despite significantly higher fuel costs for this segment. Europe continues to be a significant contributor to these results, and we also experienced improvement in our Canadian operations.

The increase in non-package operating profit is largely due to the new arrangement for providing excess value package insurance for our customers, which contributed $58 million of additional operating profit for the quarter. Also contributing to the operating profit improvement was the $49 million gain we recognized from the sale of our UPS Truck Leasing subsidiary. These improvements were offset somewhat by start-up costs associated with both Service Parts Logistics and e-commerce initiatives.

The increase in investment income of $302 million for the quarter is due to two factors. First, we recognized a $241 million gain on two investments held by our Strategic Enterprise Fund that were acquired by other companies. In addition, we earned income on the $5.3 billion in net IPO proceeds available for investment prior to the tender offer that occurred in early March 2000, and the $1.2 billion in IPO proceeds that were not utilized for the tender offer and were still available for investment during March.

Net income for the first quarter of 2000 increased by $314 million from the first quarter of 1999, resulting in an increase in diluted earnings per share from $0.44 in 1999 to $0.67 in 2000. These results reflect the non-recurring items discussed above, which include the gains on our Strategic Enterprise Fund investments and sale of our Truck Leasing subsidiary, offset partially by the charge for retroactive costs associated with creating new full-time jobs from existing part-time Teamster jobs. Excluding the net after-tax impact of these non-recurring items of $139 million, our net income for the first quarter of 2000 would have been $674 million, with an associated diluted earnings per share of $0.56.

Liquidity and Capital Resources

Our primary source of liquidity is our cash flow from operations. We maintain significant cash, cash equivalents, marketable securities and short-term investments, amounting to $4.2 billion at March 31, 2000. Of this amount, approximately $1.2 billion represents the net proceeds remaining from our initial public offering, which was completed in November 1999. We used the majority of the IPO proceeds to fund a cash tender offer to purchase Class A-1 shares from shareowners. The tender offer, which was announced on February 4, 2000 and expired on March 3, 2000, was for up to 100,893,277 shares at a price of $60 per share. The actual number of shares validly tendered and accepted for purchase by us was 67,834,815, which resulted in a cash expenditure of approximately $4.1 billion and reduced our outstanding Class A shares accordingly. The remaining IPO proceeds are available for a share repurchase program that was announced on April 20, 2000.

We maintain a commercial paper program under which we are authorized to borrow up to $2.0 billion. Approximately $998 million was outstanding as of March 31, 2000. Since we do not intend to refinance the full commercial paper balance outstanding at March 31, 2000, $898 million has been classified as a current liability in our balance sheet. The average interest rate on the amount outstanding at March 31, 2000 was 6.0%.

We maintain two credit agreements with a consortium of banks. These agreements provide revolving credit facilities of $1.25 billion each, with one expiring in April 2001 and the other expiring in April 2005. Interest on any amounts we borrow under these facilities would be charged at 90-day LIBOR plus 15 basis points. There were no borrowings under either of these agreements as of March 31, 2000.

We also maintain a European medium-term note program with a borrowing capacity of $1.0 billion. Under this program, we may issue notes from time to time denominated in a variety of currencies. At March 31, 2000, $500 million was available under this program. Of the amount outstanding at March 31, 2000, $200 million bears interest at a stated interest rate of 6.625% and $300 million bears interest at a stated interest rate of 6.25%.

In January 1999, we filed a shelf registration statement with the SEC, under which we may issue debt securities in the U.S. marketplace of up to $2.0 billion. The debt may be denominated in a variety of currencies. There was approximately $105 million issued under this shelf registration statement at March 31, 2000.

On November 22, 1999, the U.S. Occupational Safety and Health Administration proposed regulations to mandate an ergonomics standard that would require American industry to make significant changes in the workplace in order to reduce the incidence of musculoskeletal complaints such as low back pain. The exact changes in the workplace that might be required to comply with these standards are not specified in the proposal. If OSHA enforced these regulations by seeking the same ergonomic measures it has advocated in the past under its general authority to remedy "recognized hazards," however, it might demand extensive changes in the physical layout of our distribution centers as well as the hiring of significant numbers of additional full-time and part-time employees. Our competitors, as well as the remainder of American industry, also would incur proportionately comparable costs.

We, our competitors and other affected parties have filed comments with OSHA challenging the medical support and economic and technical feasibility of the proposed regulations. We do not believe that OSHA has complied with the statutory mandate of establishing significant risk of material health impairment or has properly analyzed the costs and benefits of these proposed regulations. We and other affected parties have the right to file additional comments in opposition to the proposed regulations and to appeal any final ergonomics standard to an appropriate federal court of appeals. We anticipate that such a standard would be rejected by the reviewing court. If ergonomic regulations resembling the current proposal were sustained by a reviewing court, we believe that we would prevail in an enforcement proceeding based on substantial defenses including the vagueness of the standards and the technological and economic feasibility of costly abatement measures.

OSHA has taken the position that the cost of compliance with the proposed regulations will be only $4.2 billion per year over a ten-year period for all of American industry. We believe that these estimates are unrealistic. We have attempted to estimate the costs of compliance if OSHA adopts the proposed regulations and applies them in the same way as it sought to apply its prior unsuccessful attempts to impose ergonomic measures under its general authority. Based on this experience and assuming that, contrary to our expectations, OSHA were able successfully to obtain court orders applying to all of our facilities that mandated compliance with these regulations, we estimate that the cost of compliance could be approximately $20 billion in initial costs, which would be incurred over a period of years, and approximately $5 billion in incremental annual costs. Such expenditures, if required to be incurred, would materially and adversely affect our results of operations, liquidity and financial condition.

Market Risk

We are exposed to a number of market risks in the ordinary course of business. These risks, which include interest rate risk, foreign currency exchange risk and commodity price risk, arise in the normal course of business rather than from trading. We have examined our exposures to these risks and concluded that none of our exposures in these areas is material to fair values, cash flows or earnings. We have engaged in several strategies to manage these market risks.

Our indebtedness under our various financing arrangements creates interest rate risk. In connection with each debt issuance and as a result of continual monitoring of interest rates, we may enter into interest rate swap agreements for purposes of managing our borrowing costs.

For all foreign currency-denominated borrowing and certain lease transactions, we simultaneously entered into currency exchange agreements to lock in the price of the currency needed to pay the obligations and to hedge the foreign currency exchange risk associated with such transactions. We are exposed to other foreign currency exchange risks in the ordinary course of our business operations due to the fact that we provide our services in more than 200 countries and territories and collection of revenue and payment of certain expenses may give rise to currency exposure.

We require significant quantities of gasoline, diesel fuel and jet fuel for our aircraft and delivery vehicles. We therefore are exposed to commodity price risk associated with variations in the market price for energy products. We manage this risk with a hedging strategy designed to minimize the impact of sudden, catastrophic increases in the prices of energy products, while allowing us to benefit if fuel prices decline. Our hedging program is designed to moderate the impact of fluctuating crude oil prices and maintain our competitive position relative to our industry peers.

Year 2000 Update

In 1995, we created a Year 2000 Committee to evaluate the year 2000 issue and to take appropriate action to address its implications for us. Since entering the year 2000, we have not experienced any significant disruptions related to the year 2000 issue, nor are we aware of any significant year 2000-related disruptions impacting our customers and suppliers. While we will continue to monitor our business critical information technology assets, we do not anticipate that we will experience any significant year 2000-related disruptions to our systems, nor to those of our customers and suppliers.

Costs incurred to achieve year 2000 readiness, which include both internal and external resources, were charged to expense as incurred. Such costs totaled approximately $104 million, substantially all of which were incurred prior to December 31, 1999.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

"Management's Discussion and Analysis of Financial Condition and Results of Operations," "Liquidity and Capital Resources" and other parts of this report contain "forward-looking" statements about matters that are inherently difficult to predict. These statements include statements regarding our intent, belief and current expectations. We have described some of the important factors that affect these statements as we discussed each subject. Forward-looking statements involve risks and uncertainties that may affect future developments. These risks include, for example, our continued ability to successfully compete, especially with foreign competition, the reliability and availability of rail transportation, the growth rate of e-commerce in relation to our expectations, adverse weather conditions and changing fuel prices. Additional information concerning these risks and uncertainties, and other factors you may wish to consider, are provided in the "Risk Factors" section of our prospectus dated November 9, 1999, as filed with the Securities and Exchange Commission.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

See Item 2.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We have been named as a defendant in 11 lawsuits that seek to hold us (and in two cases, other defendants) liable for the collection of premiums for excess value package insurance in connection with package shipments since 1984. These cases generally claim that we acted as an insurer in violation of our shipping contract and without complying with state insurance laws and regulations, and that the price for excess value package insurance was excessive. Six of these cases have been consolidated for pre-trial purposes in a multi-district litigation proceeding before the United States District Court for the Southern District of New York. We are in the process of removing the remaining cases to federal court and having them consolidated into the multi-district litigation proceeding. These cases are in their initial stages, no discovery has commenced, and no class has been certified. These actions all developed after the August 9, 1999 Tax Court opinion was rendered. We believe the allegations have no merit and intend to defend them vigorously. The ultimate resolution of these matters cannot presently be determined.

As part of our 1997-2002 collective bargaining agreement with the Teamsters, we agreed that we would create 2,000 new full-time jobs from existing part-time jobs during each year of the contract. There was a provision, however, which nullified this obligation if there was a reduction in volume that resulted in layoffs. At the end of the first contract year (July 31, 1998), our shipping volume was still below pre-strike levels and employees were laid off. Therefore, we believed that we were not obligated to create the 2,000 jobs for the first year of the contract. The Teamsters filed a grievance concerning this issue, and the case was submitted to an arbitrator.

In February 2000, the arbitrator ruled against us and ordered us to create the 2,000 new full-time jobs from existing part-time positions within 90 days of the arbitrator's decision, and to make whole the employees selected for the full-time positions for any lost wages or benefits. We have also agreed to create 2,000 full-time jobs from existing part-time jobs for the second year of the contract and to make the affected employees whole. We have conferred with the Teamsters on this issue and are now in the process of staffing the newly created jobs. In the first quarter of 2000, we recorded a pre-tax charge of $59 million for the retroactive compensation and associated benefits that we expect to pay as a result of this matter. Our package volume surpassed pre-strike levels in 1999, and thus we are in the process of creating the 2,000 full-time jobs called for in the third year of the contract.

Item 6. Exhibits and Reports on Form 8-K

A) Exhibits:

(10) Material Contracts

(a) Credit Agreement (364-Day Facility) dated April 27, 2000 among United Parcel Service of America, Inc., the initial lenders named therein, Salomon Smith Barney Inc. as Co-Arranger and Bank of America Securities, LLC, as Co-Arranger and Bank of America N.A. as Documentation Agent and Citibank, N.A. as Administrative and Syndication Agent.

(b) Credit Agreement (Five-Year Facility) dated April 27, 2000 among United Parcel Service of America, Inc., the initial lenders named therein, Salomon Smith Barney Inc. as Co-Arranger and Bank of America Securities, LLC, as Co-Arranger and Bank of America N.A. as Documentation Agent and Citibank, N.A. as Administrative and Syndication Agent.

(27) Financial Data Schedule (for SEC filing purposes only)

(B) Reports on Form 8-K:

During the quarter ended March 31, 2000, we filed one Current Report on Form 8-K, dated February 23, 2000.

EXHIBIT INDEX

(10) Material Contracts

(a) Credit Agreement (364-Day Facility) dated April 27, 2000 among United Parcel Service of America, Inc., the initial lenders named therein, Salomon Smith Barney Inc. as Co-Arranger and Bank of America Securities, LLC, as Co-Arranger and Bank of America N.A. as Documentation Agent and Citibank, N.A. as Administrative and Syndication Agent.

(b) Credit Agreement (Five-Year Facility) dated April 27, 2000 among United Parcel Service of America, Inc., the initial lenders named therein, Salomon Smith Barney Inc. as Co-Arranger and Bank of America Securities, LLC, as Co-Arranger and Bank of America N.A. as Documentation Agent and Citibank, N.A. as Administrative and Syndication Agent.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITED PARCEL SERVICE, INC.

(Registrant)

Date: May 15, 2000 By: /S/ Robert J. Clanin

Robert J. Clanin

Senior Vice President,
Treasurer and
Chief Financial Officer

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FOURTH AMENDED AND RESTATED CREDIT AGREEMENT (364-DAY FACILITY)

Dated as of April 27, 2000

UNITED PARCEL SERVICE OF AMERICA, INC., a Delaware corporation (the "Borrower"), the banks, financial institutions and other institutional lenders (collectively, the "Initial Lenders") party hereto, Citibank, N.A., as administrative agent (together with any successor thereto appointed pursuant to Article VII of the Existing Credit Agreement referred to below, in such capacity, the "Administrative Agent") and as syndication agent (in such capacity, the "Syndication Agent") for the Lenders (as defined in the Existing Credit Agreement referred to below), Bank of America, N.A., as documentation agent (in such capacity, the "Documentation Agent") for such Lenders, and Salomon Smith Barney Inc. and Banc of America Securities LLC, as co-arrangers (in such capacity, the "Co-Arrangers") under the Loan Documents (as defined in the Existing Credit Agreement described below), hereby agree as follows:

PRELIMINARY STATEMENTS

(1) The Borrower is party to a Third Amended and Restated Credit Agreement (364-Day Facility) dated as of April 29, 1999 (as amended, supplemented or otherwise modified from time to time to, but not including, the date hereof, the "Existing Credit Agreement") with the banks, financial institutions and other institutional lenders party thereto (the "Existing Lenders"), Citibank, N.A., as Administrative Agent and Syndication Agent for the Existing Lenders, and Salomon Smith Barney Inc. and NationsBanc Montgomery Securities, LLC, as Co-Arrangers for the Existing Lenders. Capitalized terms not otherwise defined in this Fourth Amended and Restated Credit Agreement (364-Day Facility) (the "Amendment and Restatement") shall have the same meanings as specified in the Existing Credit Agreement.

(2) The Borrower has requested that the Lenders agree to extend credit to it from time to time in an aggregate principal amount of up to $ 1,250,000,000 for general corporate purposes of the Borrower and its Subsidiaries not otherwise prohibited under the terms of this Amendment and Restatement. The Lenders have indicated their willingness to agree to extend credit to the Borrower from time to time in such amount on the terms and conditions of this Amendment and Restatement.

(3) The parties to this Amendment and Restatement desire to amend the Existing Credit Agreement as set forth herein and to restate the Existing Credit Agreement in its entirety to read as set forth in the Existing Credit Agreement with the following amendments.

SECTION 1. Amendments to the Existing Credit Agreement. Effective as of the date of this Amendment and Restatement and subject to the satisfaction of the conditions precedent set forth in Section 2 hereof:

(a) Section 1.01 of the Existing Credit Agreement is hereby amended by (i) deleting the definitions of "BARS", "Citicorp Securities", "Existing Credit Facilities", "Information Memorandum", and "Termination Date" set forth therein and (ii) replacing them with the following new definitions:

"Banc of America Securities LLC" has the meaning specified in the recital of parties to this Agreement.

"Existing Credit Facilities" means the credit facilities provided pursuant to (a) the Existing Credit Agreement, and (b) the Amended and Restated Credit Agreement (Five-Year Facility) dated as of April 30,1998, as amended, supplemented or otherwise modified from time to time prior to the date hereof, among the Borrower, the banks, financial institutions and other institutional lenders parties thereto, Citibank, as administrative agent, Bank of America, NT & SA., as documentation agent, and Citicorp Securities, Inc. and BancAmerica Robertson Stephens, as co-arrangers thereunder.

"Information Memorandum" means the information memorandum dated April 2000 and used by the Agents and the Co-Arrangers in connection with the syndication of the Commitments.

"Parent" means United Parcel Service, Inc., a Delaware corporation, which owns 100% of capital stock of the Borrower.

"Salomon Smith Barney Inc." has the meaning specified in the recital of parties to this Agreement.

"Termination Date" means the earlier of (i) April 26, 2001 or, if extended pursuant to Section 2.16(a), the date that is 364 days after the Termination Date then in effect, and (ii) the date of termination in whole of the Commitments pursuant to Section 2.05 or 6.01.

(b) Section 2.14 of the Existing Credit Agreement is amended by adding the phrase "measured by income" immediately after the phrase "and franchise taxes" in the fifth and eighth lines thereof.

(c) Section 4.01(e) of the Existing Credit Agreement is amended in full to read as follows:

"(e) The Consolidated balance sheet of the Parent and its Subsidiaries as at December 31, 1999, and the related Consolidated statements of income and cash flows of the Parent and its Subsidiaries for the Fiscal Year then ended, all audited and certified by Deloitte & Touche LLP, independent public accountants, copies of which have been furnished to each Lender, fairly present the Consolidated financial condition of the Parent and its Subsidiaries at such dates and the Consolidated results of the operations of the Parent and its Subsidiaries for the periods ended on such dates, all in accordance with GAAP consistently applied. Such balance sheets and the notes thereto disclose all material liabilities, direct or contingent, of the Parent and its Subsidiaries on a Consolidated basis as of the dates thereof."

(e) Section 4.01(f) of the Existing Credit Agreement is amended by replacing the words "December 31, 1998" with the words "December 31, 1999."

(f) Section 4.01 of the Existing Credit Agreement is amended by deleting Section 4.01(q) in its entirety.

(g) Section 5.01(h)(i) is amended in full to read as follows:

"(i) within 120 days after the end of each Fiscal Year of the Parent, Consolidated balance sheets of the Parent and its Subsidiaries showing the financial condition of the Parent and its Subsidiaries as of the close of such Fiscal Year and the related statements of Consolidated income and statements of Consolidated cash flow as of and for such Fiscal Year, all such Consolidated financial statements of the Parent and its Subsidiaries to be reported on by Deloitte & Touche or other independent accountants acceptable to the Required Lenders, and to be in form reasonably acceptable to the Required Lenders;"

(h) Schedule I to the Existing Credit Agreement is deleted in its entirety and replaced with Schedule I to this Amendment and Restatement.

SECTION 2. Conditions of Effectiveness of this Amendment and Restatement. This Amendment and Restatement shall become effective as of the date first above written (the "Restatement Effective Date") when and only if:

(a) The Administrative Agent shall have received counterparts of this Amendment and Restatement executed by the Borrower and all of the Initial Lenders or, as to any of the Initial Lenders, advice satisfactory to the Administrative Agent that such Initial Lender has executed this Amendment and Restatement.

(b) The Administrative Agent shall have received on or before the Restatement Effective Date the following, each dated such date and (unless otherwise specified below) in form and substance satisfactory to the Administrative Agent and (except for the Revolving Credit Notes) in sufficient copies for each Initial Lender:

(i) The new Revolving Credit Notes issued in connection with this Amendment and Restatement to the order of each of the Lenders which has a Commitment in a different amount from that, if any, with respect to the Existing Credit Agreement.

(ii) A certificate of the Secretary or an Assistant Secretary of the Borrower certifying (A) that there are no amendments to the charter of the Borrower since the Effective Date of the Existing Credit Agreement and (B) the names and true signatures of the officers of the Borrower authorized to sign this Amendment and Restatement and the Notes, if any, and the other documents to be delivered hereunder by the Borrower.

(iii) A favorable opinion of King & Spalding, counsel for the Borrower, in substantially the form of Exhibit G to the Existing Credit Agreement, but with such modifications as are required to address the Existing Credit Agreement, as amended by this Amendment and Restatement, in each such case in form and substance reasonably satisfactory to the Initial Lenders.

(iv) A favorable opinion of Shearman & Sterling, counsel for the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent.

(c) The representations and warranties contained in Section 4.01 of the Existing Credit Agreement shall be correct on and as of the Restatement Effective Date, before and after giving effect to the Restatement Effective Date, as though made on and as of such date.

(d) No event shall have occurred and be continuing, or shall occur as a result of the occurrence of the Restatement Effective Date, that constitutes a Default.

SECTION 3. Reference to and Effect on the Existing Credit Agreement and the Notes. (a) On and after the effectiveness of this Amendment and Restatement, each reference in the Existing Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Existing Credit Agreement, and each reference in the Notes to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Existing Credit Agreement, shall mean and be a reference to the Existing Credit Agreement, as amended by this Amendment and Restatement.

(b) The Existing Credit Agreement and the Notes, as specifically amended by this Amendment and Restatement, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) Without limiting any of the other provisions of the Existing Credit Agreement, as amended by this Amendment and Restatement, any references in the Existing Credit Agreement to the phrases "on the date hereof", "on the date of this Agreement" or words of similar import shall mean and be a reference to the date of the Existing Credit Agreement (which is April 29, 1999).

SECTION 4. Costs and Expenses. The Borrower agrees to pay on demand all reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery and administration, modification and amendment of this Amendment and Restatement, the Notes and the other documents to be delivered hereunder (including, without limitation, the reasonable and documented fees and expenses of counsel for the Administrative Agent with respect hereto and thereto) in accordance with the terms of Section 8.04 of the Existing Credit Agreement.

SECTION 5. Execution in Counterparts. This Amendment and Restatement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment and Restatement by telecopier shall be effective as delivery of an original executed counterpart of such signature page.

SECTION 6. Governing Law. This Amendment and Restatement shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment and Restatement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE BORROWER

UNITED PARCEL SERVICE OF AMERICA, INC.,
as Borrower

By

Name:

Title:

THE AGENTS

CITIBANK, N.A.,
as Administrative Agent and Syndication Agent

By

Name:

Title:

BANK OF AMERICA, N.A.,
as Documentation Agent

By
Name:
Title:

SALOMON SMITH BARNEY INC.,
as Co-Arranger

By

Name:

Title:

BANC OF AMERICA SECURITIES LLC,
as Co-Arranger

By
Name:
Title:

FIRST UNION NATIONAL BANK

as Co-Agent

By
Name:
Title:

WACHOVIA BANK, N.A.
as Co-Agent

By____
Name:
Title:

ROYAL BANK OF CANADA
as Co-Agent

By____
Name:
Title:

THE CHASE MANHATTAN BANK

as Co-Agent

By____
Name
Title:

NYDOCS03/521201

Fourth Amended and Restated Credit Agreement (364-Day Facility)

THE INITIAL LENDERS

CITIBANK, N.A.

By

Name:
Title:

NYDOCS03/521201

Fourth Amended and Restated Credit Agreement (364-Day Facility)

BANK OF AMERICA, N.A.

By

Name:

Title:

NYDOCS03/521201

Fourth Amended and Restated Credit Agreement (364-Day Facility)

FIRST UNION NATIONAL BANK

By

Name:

Title:

NYDOCS03/521201

Fourth Amended and Restated Credit Agreement (364-Day Facility)

PNC BANK, NATIONAL ASSOCIATION

By

Name:

Title:

NYDOCS03/521201

Fourth Amended and Restated Credit Agreement (364-Day Facility)

ROYAL BANK OF CANADA

By

Name:

Title:

THE CHASE MANHATTAN BANK

By

Name:
Title:

CREDIT SUISSE FIRST BOSTON

By

Name:
Title:

By

Name:
Title:

DRESDNER BANK AG, NEW YORK AND
GRAND CAYMAN BRANCHES

By

Name:
Title:

MORGAN GUARANTY TRUST COMPANY

OF NEW YORK

By

Name:
Title:

WELLS FARGO BANK, N.A.

By

Name:
Title:

WACHOVIA BANK, N.A.

By

Name:
Title:

ABN AMRO BANK N.V.

By

Name:
Title:

By

Name:
Title:

BARCLAYS BANK PLC

By

Name:
Title:

THE FUJI BANK, LTD-- NEW YORK BRANCH

By

Name:
Title:

NYDOCS03/521201

Fourth Amended and Restated Credit Agreement (364-Day Facility)

STATE STREET BANK AND TRUST COMPANY

By

Name:
Title:

NYDOCS03/521201

Fourth Amended and Restated Credit Agreement (364-Day Facility)

BANK ONE, NA

By

Name:
Title:

NYDOCS03/521201

Fourth Amended and Restated Credit Agreement (364-Day Facility)

MERRILL LYNCH BANK USA

By

Name:
Title:

NYDOCS03/521201

Fourth Amended and Restated Credit Agreement (364-Day Facility)

SAN PAOLO IMI BANK

By

Name:
Title:

NYDOCS03/521201

Fourth Amended and Restated Credit Agreement (364-Day Facility)

STANDARD CHARTERED BANK

By

Name:
Title:

NYDOCS03/521201

MELLON BANK

By

Name:
Title:

UBS AG, STAMFORD BRANCH

By

Name:
Title:

By

Name:
Title:

BANCA COMMERCIALE ITALIANA,
NEW YORK BRANCH

By
Name:
Title:

By
Name:
Title:

SCHEDULE I TO THE AMENDMENT AND RESTATEMENT

COMMITMENTS AND APPLICABLE LENDING OFFICES

Name of Lender	Commitment	Domestic Lending Office	Eurodollar Lending Office
Citibank, N.A.	$ 162,500,000	Citibank, N.A. 2 Penns Way Suite 200 New Castle, DE 19720 Attn: Pat Dimery T: (302) 894-6023 F: (302) 894-6120	Citibank, N.A. 2 Penns Way Suite 200 New Castle, DE 19720 Attn: Pat Dimery T: (302) 894-6023 F: (302) 894-6120
Bank of America, N.A.	$ 137,500,000	Bank of America 231 S. La Salle Street Chicago, IL 60697 Attn: Sharon Burks-Horos T: (312) 828-2149	Bank of America 231 S. La Salle Street Chicago, IL 60697 Attn: Sharon Burks-Horos T: (312) 828-2149

		F: (312) 974-1997	F: (312) 974-1997
The Chase Manhattan Bank	$ 100,000,000	The Chase Manhattan Bank 1 Chase Manhattan Plaza 8th Floor New York, NY 10081 Attn: May Fong T: (212) 552-7314 F: (212) 552-5650	The Chase Manhattan Bank 1 Chase Manhattan Plaza 8th Floor New York, NY 10081 Attn: May Fong T: (212) 552-7314 F: (212) 552-5650
First Union National Bank	$ 100,000,000	First Union National Bank 214 Hogan Street Attn: PTC FL0070 Jacksonville, FL 32231-4142 Attn: Cindy Petry T: (904) 489-6095 F: (904) 489-1010	First Union National Bank 214 Hogan Street Attn: PTC FL0070 Jacksonville, FL 32231-4142 Attn: Cindy Petry T: (904) 489-6095 F: (904) 489-1010
Royal Bank of Canada	$ 100,000,000	Royal Bank of Canada, New York Branch One Liberty Plaza, 4th Floor New York, NY 10006-1404 Attn: Manager, Loans Administration T: (212) 428-6322 F: (212) 428-2372	Royal Bank of Canada, New York Branch One Liberty Plaza, 4th Floor New York, NY 10006-1404 Attn: Manager, Loans Administration T: (212) 428-6322 F: (212) 428-2372
Wachovia Bank, N.A.	$ 100,000,000	Wachovia Bank, N.A. 191 Peachtree Street, N.E. MC: GA3940 Atlanta, GA 30303 Attn: Karen McClain T: (404) 332-6555 F: (404) 332-5016	Wachovia Bank, N.A. 191 Peachtree Street, N.E. MC: GA3940 Atlanta, GA 30303 Attn: Karen McClain T: (404) 332-6555 F: (404) 332-5016
Bank One, NA	$ 50,000,000	Bank One, NA 1 Bank One Plaza Chicago, IL 60670 Attn: Greg Sjullie T: (312) 732-8872 F: (312) 732-3885	Bank One, NA 1 Bank One Plaza Chicago, IL 60670 Attn: Greg Sjullie T: (312) 732-8872 F: (312) 732-3885
Credit Suisse First Boston	$ 50,000,000	Credit Suisse First Boston 11 Madison Avenue New York, NY 10010-3629 Attn: Robert Finney T: (212) 325-9038 F: (212) 325-8319	Credit Suisse First Boston 11 Madison Aveune New York, NY 10010-3629 Attn: Robert Finney T: (212) 325-9038 F: (212) 325-8319
Dresdner Bank AG, New York and Grand Cayman Branches	$ 50,000,000	Dresdner Bank 75 Wall Street New York, NY 10005 Attn: Ken Hamilton T: (212) 429-3201 F: (212) 429-2524	Dresdner Bank 75 Wall Street New York, NY 10005 Attn: Ken Hamilton T: (212) 429-3201 F: (212) 429-2524
Morgan Guaranty Trust Company of New York	$ 50,000,000	Morgan Guaranty Trust Company of New York 60 Wall Street New York, NY	Morgan Guaranty Trust Company of New York 60 Wall Street New York, NY 10260-0060

		10260-0060 Attn: Mike Lobdell T: (212) 648-7642 F: (212) 648-5895	Attn: Mike Lobdell T: (212) 648-7642 F: (212) 648-5895
Mellon Bank	$ 50,000,000	Mellon Bank One Mellon Bank Center Pittsburgh, PA 15258-0001 Attn: Daniel Lenckos T: (412) 234-0733 F: (412) 236-1914	Mellon Bank One Mellon Bank Center Pittsburgh, PA 15258-0001 Attn: Daniel Lenckos T: (412) 234-0733 F: (412) 236-1914
PNC Bank, N.A.	$ 50,000,000	PNC Bank, N.A. One PNC Plaza 249 Fifth Avenue Pittsburgh, PA 15222 Attn: Marc Kennedy T: (412) 762-6547 F: (412) 762-6484	PNC Bank, N.A. One PNC Plaza 249 Fifth Avenue Pittsburgh, PA 15222 Attn: Marc Kennedy T: (412) 762-6547 F: (412) 762-6484
ABN AMRO Bank, N.V.	$ 25,000,000	ABN AMRO Bank N.V. 208 South LaSalle St., Suite 1500 Chicago, IL 60604-1003 Attn: Loan Administration T: (312) 992-5160 F: (312) 992-5155	ABN AMRO Bank N.V. 208 South LaSalle St., Suite 1500 Chicago, IL 60604-1003 Attn: Loan Administration T: (312) 992-5160 F: (312) 992-5155
Banca Commerciale Italiana, New York	$ 25,000,000	Banca Commerciale Italiana One William Street New York, NY 10004 Attn: John Michalisin T: (212) 607-3918 F: (212) 809-2124	Banca Commerciale Italiana One William Street New York, NY 10004 Attn: John Michalisin T: (212) 607-3918 F: (212) 809-2124
Barclays Bank PLC	$ 25,000,000	Barclays Bank PLC 222 Broadway New York, NY 10038 Attn: Christina Challenger-Batiz T: (212) 412-3701 F: (212) 412-5306	Barclays Bank PLC 222 Broadway New York, NY 10038 Attn: Christina Challenger-Batiz T: (212) 412-3701 F: (212) 412-5306
The Fuji Bank, Ltd. - New York Branch	$ 25,000,000	The Fuji Bank, Ltd. - New York Branch Two World Trade Center New York, NY 10048-0042 Attn: Chigosa Tada T: (212) 898-2067 F: (212) 912-0516	The Fuji Bank, Ltd. - New York Branch Two World Trade Center New York, NY 10048-0042 Attn: Chigosa Tada T: (212) 898-2067 F: (212) 912-0516
Merrill Lynch Bank USA	$ 25,000,000	Merrill Lynch World Financial Center New York, NY 10281-1307 Attn: Wylie Collins T: (212) 449-4913 F: (212) 449-2760	Merrill Lynch World Financial Center New York, NY 10281-1307 Attn: Wylie Collins T: (212) 449-4913 F: (212) 449-2760
San Paolo IMI Bank	$ 25,000,000	San Paolo IMI Bank 245 Park Avenue New York, NY 10167 Attn: Glen Binder T: (212) 692-3016 F: (212) 692-3178	San Paolo IMI Bank 245 Park Avenue New York, NY 10167 Attn: Glen Binder T: (212) 692-3016 F: (212) 692-3178

Standard Chartered Bank	$ 25,000,000	Standard Chartered Bank 7 World Trade Center New York, NY 10167 Attn: Shafiq Rahman T: (212) 667-0336 F: (212) 667-0193	Standard Chartered Bank 7 World Trade Center New York, NY 10167 Attn: Shafiq Rahman T: (212) 667-0336 F: (212) 667-0193
State Street Bank and Trust Company	$ 25,000,000	State Street Bank and Trust Company 2 Avenue De Lafayette Boston, MA 02111 Attn: Ms. C. Jaynelle Landy, T: (617) 662-3677 F: (617) 662-4201	State Street Bank and Trust Company 2 Avenue De Lafayette Boston, MA 02111 Attn: Ms. C. Jaynelle Landy, T: (617) 662-3677 F: (617) 662-4201
UBS AG, Stamford Branch	$ 25,000,000	UBS AG, Stamford Branch 677 Washington Blvd. Stamford, CT 06901 Attn: Gregory Raue T: (203) 719-3896 F: (203) 719-3898	UBS AG, Stamford Branch 677 Washington Blvd. Stamford, CT 06901 Attn: Gregory Raue T: (203) 719-3896 F: (203) 719-3898
Wells Fargo Bank, National Association	$ 25,000,000	Wells Fargo Bank, National Association 1445 Ross Avenue, 4th Floor Dallas, TX 75202 Attn: Scott D. Bjelde T: (512) 336-9153 F: (512) 336-9154	Wells Fargo Bank, National Association 1445 Ross Avenue, 4th Floor Dallas, TX 75202 Attn: Scott D. Bjelde T: (512) 336-9153 F: (512) 336-9154

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TOTAL OF COMMITMENTS	$ 1,250,000,000

SECOND AMENDED AND RESTATED CREDIT AGREEMENT (FIVE-YEAR FACILITY)

Dated as of April 27, 2000

UNITED PARCEL SERVICE OF AMERICA, INC., a Delaware corporation (the "Borrower"), the banks, financial institutions and other institutional lenders (collectively, the "Initial Lenders") party hereto, Citibank, N.A., as administrative agent (together with any successor thereto appointed pursuant to Article VII of the Existing Credit Agreement referred to below, in such capacity, the "Administrative Agent") and as syndication agent (in such capacity, the "Syndication Agent") for the Lenders (as defined in the Existing Credit Agreement referred to below), Bank of America, N.A., as documentation agent (in such capacity, the "Documentation Agent") for such Lenders, and Salomon Smith Barney Inc. and Banc of America Securities LLC, as co-arrangers (in such capacity, the "Co-Arrangers") under the Loan Documents (as defined in the Existing Credit Agreement described below), hereby agree as follows:

PRELIMINARY STATEMENTS

(1) The Borrower is party to an Amended and Restated Credit Agreement (Five-Year Facility) dated as of April 30, 1998 (as amended, supplemented or otherwise modified from time to time to, but not including, the date hereof, the "Existing Credit Agreement") with the banks, financial institutions and other institutional lenders party thereto (the "Existing Lenders"), Citibank, N.A., as Administrative Agent for the Existing Lenders, Bank of America NT & SA, as Documentation Agent for the Existing Lenders, and Citicorp Securities, Inc. and BancAmerica Robertson Stephens, as Co-Arrangers for the Existing Lenders. Capitalized terms not otherwise defined in this Second Amended and Restated Credit Agreement (Five-Year Facility) (the "Amendment and Restatement") shall have the same meanings as specified in the Existing Credit Agreement.

(2) The Borrower has requested that the Lenders agree to extend credit to it from time to time in an aggregate principal amount of up to $ 1,250,000,000 for general corporate purposes of the Borrower and its Subsidiaries not otherwise prohibited under the terms of this Amendment and Restatement. The Lenders have indicated their willingness to agree to extend credit to the Borrower from time to time in such amount on the terms and conditions of this Amendment and Restatement.

(3) The parties to this Amendment and Restatement desire to amend the Existing Credit Agreement as set forth herein and to restate the Existing Credit Agreement in its entirety to read as set forth in the Existing Credit Agreement with the following amendments.

SECTION 1. Amendments to the Existing Credit Agreement. Effective as of the date of this Amendment and Restatement and subject to the satisfaction of the conditions precedent set forth in Section 2 hereof:

(a) Section 1.01 of the Existing Credit Agreement is hereby amended by (i) deleting the definitions of "BARS", "Citicorp Securities", "Existing Credit Facilities", "Information Memorandum", and "Termination Date" set forth therein and (ii) replacing them with the following new definitions:

"Banc of America Securities LLC" has the meaning specified in the recital of parties to this Agreement.

"Existing Credit Facilities" means the credit facilities provided pursuant to (a) the Existing Credit Agreement, and (b) the Third Amended and Restated Credit Agreement (364-Day Facility) dated as of April 29,1999, as amended, supplemented or otherwise modified from time to time prior to the date hereof, among the Borrower, the banks, financial institutions and other institutional lenders parties thereto, Citibank, as administrative agent and syndication agent, and Salomon Smith Barney Inc. and NationsBanc Montgomery Securities, LLC, as co-arrangers thereunder.

"Information Memorandum" means the information memorandum dated April 2000 and used by the Agents and the Co-Arrangers in connection with the syndication of the Commitments.

"Parent" means United Parcel Service, Inc., a Delaware corporation, which owns 100% of capital stock of the Borrower.

"Salomon Smith Barney Inc." has the meaning specified in the recital of parties to this Agreement.

"Termination Date" means the earlier of (i) April 27, 2005 or, if extended pursuant to Section 2.16, the date that is one year after the Termination Date then in effect, and (ii) the date of termination in whole of the Commitments pursuant to Section 2.05 or 6.01.

(b) Section 2.14 of the Existing Credit Agreement is amended by adding the phrase "measured by income" immediately after the phrase "and franchise taxes" in the fifth and eighth lines thereof.

(c) Section 4.01(e) of the Existing Credit Agreement is amended in full to read as follows:

"(e) The Consolidated balance sheet of the Parent and its Subsidiaries as at December 31, 1999, and the related Consolidated statements of income and cash flows of the Parent and its Subsidiaries for the Fiscal Year then ended, all audited and certified by Deloitte & Touche LLP, independent public accountants, copies of which have been furnished to each Lender, fairly present the Consolidated financial condition of the Parent and its Subsidiaries at such dates and the Consolidated results of the operations of the Parent and its Subsidiaries for the periods ended on such dates, all in accordance with GAAP consistently applied. Such balance sheets and the notes thereto disclose all material liabilities, direct or contingent, of the Parent and its Subsidiaries on a Consolidated basis as of the dates thereof."

(e) Section 4.01(f) of the Existing Credit Agreement is amended by replacing the words "December 31, 1998" with the words "December 31, 1999."

(f) Section 5.01(h)(i) is amended in full to read as follows:

"(i) within 120 days after the end of each Fiscal Year of the Parent , Consolidated balance sheets of the Parent and its Subsidiaries showing the financial condition of the Parent and its Subsidiaries as of the close of such Fiscal Year and the related statements of

Consolidated income and statements of Consolidated cash flow as of and for such Fiscal Year, all such Consolidated financial statements of the Parent and its Subsidiaries to be reported on by Deloitte & Touche or other independent accountants acceptable to the Required Lenders, and to be in form reasonably acceptable to the Required Lenders;"

(g) Schedules I and II to the Existing Credit Agreement are deleted in their entirety and replaced with Schedule I to this Amendment and Restatement.

SECTION 2. Conditions of Effectiveness of this Amendment and Restatement. This Amendment and Restatement shall become effective as of the date first above written (the "Restatement Effective Date") when and only if:

(a) The Administrative Agent shall have received counterparts of this Amendment and Restatement executed by the Borrower and all of the Initial Lenders or, as to any of the Initial Lenders, advice satisfactory to the Administrative Agent that such Initial Lender has executed this Amendment and Restatement.

(b) The Administrative Agent shall have received on or before the Restatement Effective Date the following, each dated such date and (unless otherwise specified below) in form and substance satisfactory to the Administrative Agent and (except for the Revolving Credit Notes) in sufficient copies for each Initial Lender:

(i) The new Revolving Credit Notes issued in connection with this Amendment and Restatement to the order of each of the Lenders which has a Commitment in a different amount from that, if any, with respect to the Existing Credit Agreement.

(ii) A certificate of the Secretary or an Assistant Secretary of the Borrower certifying (A) that there are no amendments to the charter of the Borrower since the Effective Date of the Existing Credit Agreement and (B) the names and true signatures of the officers of the Borrower authorized to sign this Amendment and Restatement and the Notes, if any, and the other documents to be delivered hereunder by the Borrower.

(iii) A favorable opinion of King & Spalding, counsel for the Borrower, in substantially the form of Exhibit G to the Existing Credit Agreement, but with such modifications as are required to address the Existing Credit Agreement, as amended by this Amendment and Restatement, in each such case in form and substance reasonably satisfactory to the Initial Lenders.

(iv) A favorable opinion of Shearman & Sterling, counsel for the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent.

(c) The representations and warranties contained in Section 4.01 of the Existing Credit Agreement shall be correct on and as of the Restatement Effective Date, before and after giving effect to the Restatement Effective Date, as though made on and as of such date.

(d) No event shall have occurred and be continuing, or shall occur as a result of the occurrence of the Restatement Effective Date, that constitutes a Default.

SECTION 3. Reference to and Effect on the Existing Credit Agreement and the Notes. (a) On and after the effectiveness of this Amendment and Restatement, each reference in the Existing Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Existing Credit Agreement, and each reference in the Notes to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Existing Credit Agreement, shall mean and be a reference to the Existing Credit Agreement, as amended by this Amendment and Restatement.

(b) The Existing Credit Agreement and the Notes, as specifically amended by this Amendment and Restatement, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) Without limiting any of the other provisions of the Existing Credit Agreement, as amended by this Amendment and Restatement, any references in the Existing Credit Agreement to the phrases "on the date hereof", "on the date of this Agreement" or words of similar import shall mean and be a reference to the date of the Existing Credit Agreement (which is April 30, 1998).

SECTION 4. Costs and Expenses. The Borrower agrees to pay on demand all reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery and administration, modification and amendment of this Amendment and Restatement, the Notes and the other documents to be delivered hereunder (including, without limitation, the reasonable and documented fees and expenses of counsel for the Administrative Agent with respect hereto and thereto) in accordance with the terms of Section 8.04 of the Existing Credit Agreement.

SECTION 5. Execution in Counterparts. This Amendment and Restatement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment and Restatement by telecopier shall be effective as delivery of an original executed counterpart of such signature page.

SECTION 6. Governing Law. This Amendment and Restatement shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment and Restatement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE BORROWER

UNITED PARCEL SERVICE OF AMERICA, INC.,
as Borrower

By

Name:

Title:

THE AGENTS

CITIBANK, N.A.,
as Administrative Agent and Syndication Agent

By

Name:

Title:

BANK OF AMERICA, N.A.,
as Documentation Agent

By
Name:
Title:

SALOMON SMITH BARNEY INC.,
as Co-Arranger

By

Name:

Title:

BANC OF AMERICA SECURITIES LLC,
as Co-Arranger

By
Name:
Title:

FIRST UNION NATIONAL BANK

as Co-Agent

By
Name:
Title:

WACHOVIA BANK, N.A.
as Co-Agent

By____
Name:
Title:

ROYAL BANK OF CANADA
as Co-Agent

By____
Name:
Title:

THE CHASE MANHATTAN BANK

as Co-Agent

By____
Name:
Title:

THE INITIAL LENDERS

CITIBANK, N.A.

By

Name:
Title:

BANK OF AMERICA, N.A.

By

Name:

Title:

FIRST UNION NATIONAL BANK

By

Name:

Title:

PNC BANK, NATIONAL ASSOCIATION

By

Name:

Title:

ROYAL BANK OF CANADA

By

Name:

Title:

THE CHASE MANHATTAN BANK

By

Name:
Title:

CREDIT SUISSE FIRST BOSTON

By

Name:
Title:

By

Name:
Title:

DRESDNER BANK AG, NEW YORK AND
GRAND CAYMAN BRANCHES

By

Name:
Title:

REVOLVING COMMITMENT VEHICLE CORPORATION

By

Name:
Title:

WELLS FARGO BANK, N.A.

By

Name:
Title:

WACHOVIA BANK, N.A.

By

Name:
Title:

ABN AMRO BANK N.V.

By

Name:
Title:

By

Name:
Title:

BARCLAYS BANK PLC

By

Name:
Title:

THE FUJI BANK, LTD-- NEW YORK BRANCH

By

Name:
Title:

STATE STREET BANK AND TRUST COMPANY

By

Name:
Title:

BANK ONE, NA

By

Name:
Title:

MERRILL LYNCH BANK USA

By

Name:
Title:

SAN PAOLO IMI BANK

By

Name:
Title:

STANDARD CHARTERED BANK

By

Name:
Title:

MELLON BANK

By

Name:
Title:

UBS AG, STAMFORD BRANCH

By

Name:
Title:

By

Name:
Title:

BANCA COMMERCIALE ITALIANA,
NEW YORK BRANCH

By
Name:
Title:

By
Name:
Title:

SCHEDULE I TO THE AMENDMENT AND RESTATEMENT

COMMITMENTS AND APPLICABLE LENDING OFFICES

Name of Lender	Commitment	Domestic Lending Office	Eurodollar Lending Office
Citibank, N.A.	$ 162,500,000	Citibank, N.A. 2 Penns Way Suite 200 New Castle, DE 19720 Attn: Pat Dimery T: (302) 894-6023 F: (302) 894-6120	Citibank, N.A. 2 Penns Way Suite 200 New Castle, DE 19720 Attn: Pat Dimery T: (302) 894-6023 F: (302) 894-6120
Bank of America, N.A.	$ 137,500,000	Bank of America 231 S. La Salle Street Chicago, IL 60697 Attn: Sharon Burks-Horos T: (312) 828-2149 F: (312) 974-1997	Bank of America 231 S. La Salle Street Chicago, IL 60697 Attn: Sharon Burks-Horos T: (312) 828-2149 F: (312) 974-1997
The Chase	$ 100,000,000	The Chase Manhattan	The Chase Manhattan

Manhattan Bank		Bank 1 Chase Manhattan Plaza 8th Floor New York, NY 10081 Attn: May Fong T: (212) 552-7314 F: (212) 552-5650	Bank 1 Chase Manhattan Plaza 8th Floor New York, NY 10081 Attn: May Fong T: (212) 552-7314 F: (212) 552-5650
First Union National Bank	$ 100,000,000	First Union National Bank 214 Hogan Street Attn: PTC FL0070 Jacksonville, FL 32231-4142 Attn: Cindy Petry T: (904) 489-6095 F: (904) 489-1010	First Union National Bank 214 Hogan Street Attn: PTC FL0070 Jacksonville, FL 32231-4142 Attn: Cindy Petry T: (904) 489-6095 F: (904) 489-1010
Royal Bank of Canada	$ 100,000,000	Royal Bank of Canada, Grand Cayman (North America No.1) Branch c/o: New York Branch One Liberty Plaza, 4th Floor New York, NY 10006-1404 Attn: Manager, Loans Administration T: (212) 428-6322 F: (212) 428-2372	Royal Bank of Canada, Grand Cayman (North America No.1) Branch c/o: New York Branch One Liberty Plaza, 4th Floor New York, NY 10006-1404 Attn: Manager, Loans Administration T: (212) 428-6322 F: (212) 428-2372
Wachovia Bank, N.A.	$ 100,000,000	Wachovia Bank, N.A. 191 Peachtree Street, N.E. MC: GA3940 Atlanta, GA 30303 Attn: Karen McClain T: (404) 332-6555 F: (404) 332-5016	Wachovia Bank, N.A. 191 Peachtree Street, N.E. MC: GA3940 Atlanta, GA 30303 Attn: Karen McClain T: (404) 332-6555 F: (404) 332-5016
Bank One, NA	$ 50,000,000	Bank One, NA 1 Bank One Plaza Chicago, IL 60670 Attn: Greg Sjullie T: (312) 732-8872 F: (312) 732-3885	Bank One, NA 1 Bank One Plaza Chicago, IL 60670 Attn: Greg Sjullie T: (312) 732-8872 F: (312) 732-3885
Credit Suisse First Boston	$ 50,000,000	Credit Suisse First Boston 11 Madison Avenue New York, NY 10010-3629 Attn: Robert Finney T: (212) 325-9038 F: (212) 325-8319	Credit Suisse First Boston 11 Madison Aveune New York, NY 10010-3629 Attn: Robert Finney T: (212) 325-9038 F: (212) 325-8319
Dresdner Bank AG, New York and Grand Cayman Branches	$ 50,000,000	Dresdner Bank 75 Wall Street New York, NY 10005 Attn: Ken Hamilton T: (212) 429-3201 F: (212) 429-2524	Dresdner Bank 75 Wall Street New York, NY 10005 Attn: Ken Hamilton T: (212) 429-3201 F: (212) 429-2524
Revolving Commitment Vehicle Corporation	$ 50,000,000	Morgan Guaranty Trust Company of New York 60 Wall Street New York, NY 10260-0060 Attn: Mike Lobdell T: (212) 648-7642	Morgan Guaranty Trust Company of New York 60 Wall Street New York, NY 10260-0060 Attn: Mike Lobdell T: (212) 648-7642 F: (212) 648-5895

		F: (212) 648-5895	
Mellon Bank	$ 50,000,000	Mellon Bank One Mellon Bank Center Pittsburgh, PA 15258-0001 Attn: Daniel Lenckos T: (412) 234-0733 F: (412) 236-1914	Mellon Bank One Mellon Bank Center Pittsburgh, PA 15258-0001 Attn: Daniel Lenckos T: (412) 234-0733 F: (412) 236-1914
PNC Bank, N.A.	$ 50,000,000	PNC Bank, N.A. One PNC Plaza 249 Fifth Avenue Pittsburgh, PA 15222 Attn: Marc Kennedy T: (412) 762-6547 F: (412) 762-6484	PNC Bank, N.A. One PNC Plaza 249 Fifth Avenue Pittsburgh, PA 15222 Attn: Marc Kennedy T: (412) 762-6547 F: (412) 762-6484
ABN AMRO Bank, N.V.	$ 25,000,000	ABN AMRO Bank N.V. 208 South LaSalle St., Suite 1500 Chicago, IL 60604-1003 Attn: Loan Administration T: (312) 992-5160 F: (312) 992-5155	ABN AMRO Bank N.V. 208 South LaSalle St., Suite 1500 Chicago, IL 60604-1003 Attn: Loan Administration T: (312) 992-5160 F: (312) 992-5155
Banca Commerciale Italiana, New York	$ 25,000,000	Banca Commerciale Italiana One William Street New York, NY 10004 Attn: John Michalisin T: (212) 607-3918 F: (212) 809-2124	Banca Commerciale Italiana One William Street New York, NY 10004 Attn: John Michalisin T: (212) 607-3918 F: (212) 809-2124
Barclays Bank PLC	$ 25,000,000	Barclays Bank PLC 222 Broadway New York, NY 10038 Attn: Christina Challenger-Batiz T: (212) 412-3701 F: (212) 412-5306	Barclays Bank PLC 222 Broadway New York, NY 10038 Attn: Christina Challenger-Batiz T: (212) 412-3701 F: (212) 412-5306
The Fuji Bank, Ltd. - New York Branch	$ 25,000,000	The Fuji Bank, Ltd. - New York Branch Two World Trade Center New York, NY 10048-0042 Attn: Chigosa Tada T: (212) 898-2067 F: (212) 912-0516	The Fuji Bank, Ltd. - New York Branch Two World Trade Center New York, NY 10048-0042 Attn: Chigosa Tada T: (212) 898-2067 F: (212) 912-0516
Merrill Lynch Bank USA	$ 25,000,000	Merrill Lynch World Financial Center New York, NY 10281-1307 Attn: Wylie Collins T: (212) 449-4913 F: (212) 449-2760	Merrill Lynch World Financial Center New York, NY 10281-1307 Attn: Wylie Collins T: (212) 449-4913 F: (212) 449-2760
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Standard Chartered Bank	$ 25,000,000	Standard Chartered Bank 7 World Trade Center New York, NY 10167 Attn: Shafiq Rahman T: (212) 667-0336 F: (212) 667-0193	Standard Chartered Bank 7 World Trade Center New York, NY 10167 Attn: Shafiq Rahman T: (212) 667-0336 F: (212) 667-0193
State Street Bank and Trust Company	$ 25,000,000	State Street Bank and Trust Company 2 Avenue De Lafayette Boston, MA 02111 Attn: Ms. C. Jaynelle Landy, T: (617) 662-3677 F: (617) 662-4201	State Street Bank and Trust Company 2 Avenue De Lafayette Boston, MA 02111 Attn: Ms. C. Jaynelle Landy, T: (617) 662-3677 F: (617) 662-4201
UBS AG, Stamford Branch	$ 25,000,000	UBS AG, Stamford Branch 677 Washington Blvd. Stamford, CT 06901 Attn: Gregory Raue T: (203) 719-3896 F: (203) 719-3898	UBS AG, Stamford Branch 677 Washington Blvd. Stamford, CT 06901 Attn: Gregory Raue T: (203) 719-3896 F: (203) 719-3898
Wells Fargo Bank, National Association	$ 25,000,000	Wells Fargo Bank, National Association 1445 Ross Avenue, 4th Floor Dallas, TX 75202 Attn: Scott D. Bjelde T: (512) 336-9153 F: (512) 336-9154	Wells Fargo Bank, National Association 1445 Ross Avenue, 4th Floor Dallas, TX 75202 Attn: Scott D. Bjelde T: (512) 336-9153 F: (512) 336-9154

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TOTAL OF COMMITMENTS	$ 1,250,000,000