

International Association of Refrigerated Warehouses

Warehousing Distribution Transportation Information Logistics

REC'D NOV 1 4 2003

November 10, 2003

National Conference of Commissioners on Uniform State Laws Attn: William H. Henning 211 East Ontario Street Chicago, IL 60611

Re: Revision of Article 7 of the Uniform Commercial Code

Dear Mr. Henning:

The International Association of Refrigerated Warehouses (IARW) is the trade association representing 230 companies in the United States. These members operate several hundred warehouses throughout the country dedicated to the handling and storage of frozen and refrigerated products. The products stored are mostly foodstuffs for major producers and distributors, but also include items such as pharmaceuticals and other commercial products that require temperature controlled storage. Our membership is composed almost entirely of companies that store goods for merchants. We estimate that our members operate nearly 85% of such frozen and refrigerated public storage space in the United States.

IARW supports the efforts to revise Article 7 of the U.C.C., the basic law governing warehouses throughout the United States. We urge its adoption by all of the states.

The principal change in the revision is the introduction of provisions that would allow warehouse receipts to be issued electronically. Since the introduction of EDI, and especially with the advent of the Internet, our members have experienced a

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significant change in the way they do business. Increasingly the use of written documents is being replaced with the transfer of information electronically. Thus it is essential for the future of the industry, as well as that of its customers, that the governing law provide for electronic warehouse receipts.

The other changes in Article 7, although of less significance, are similarly beneficial. They address issues that have arisen in the almost 50 years since the statute was first introduced. We support those revisions.

One reservation should be noted. In some states the uniform statute has been modified at the request of the warehouses in those states. In such instances it is the position of IARW that those modifications should be incorporated in the enactment of the revised Article 7.

Thank you for your consideration of these important business issues.

Sincerely,

J. William Hudson

President and CEO