

Code Federal Regulations, Section 213, absent notice to each of the Chairmen and Ranking Members of the House and Senate Committees on Appropriations and Judiciary; (4) a detailed implementation plan to be submitted to the Chairman of the Committees on Appropriations and Judiciary for securing private sector contributions including but not limited to in kind contributions; (5) a quantifiable system to measure outcome of success of the national media campaign, including but not limited to total funds expended, to what, where, or whom such funds were expended, and the effect which such media campaign has had in reducing youth drug abuse."

Mr. CAMPBELL. Mr. President, I ask unanimous consent that this amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAMPBELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 943

(Purpose: To establish parity among the countries that are parties to the North American Free Trade Agreement with respect to the personal allowance for duty-free merchandise purchased abroad by returning residents)

Mrs. HUTCHISON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON] proposes an amendment numbered 943.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . PERSONAL ALLOWANCE PARITY AMONG NAFTA PARTIES.

(a) IN GENERAL.—The United States Trade Representative and the Secretary of the Treasury, in consultation with the Secretary of Commerce, shall initiate discussions with officials of the Governments of Mexico and Canada to achieve parity in the duty-free personal allowance structure of the United States, Mexico, and Canada.

(b) REPORT.—The United States Trade Representative and the Secretary of the Treasury shall report to Congress within 90 days after the date of enactment of this Act on the progress that is being made to correct any disparity between the United States, Mexico, and Canada with respect to duty-free personal allowances.

(c) RECOMMENDATIONS.—If parity with respect to duty-free personal allowances between the United States, Mexico, and Canada is not achieved within 180 days after the date of enactment of this Act, the United States Trade Representative and the Secretary of the Treasury shall submit recommendations to Congress for appropriate legislation.

Mrs. HUTCHISON. Mr. President, we have probably the best relations with Mexico than we have had in this country in a long, long time. I think NAFTA has added to the good will and the trade between our nations. But there is one part of our trade relationship that is not at parity and is not in the spirit of NAFTA, and that is the exemptions for personal goods or for buying when you are on the border between Mexico and the United States.

As a matter of fact, there is not parity in the exemption, and I think that is against the spirit of NAFTA. I am hoping that we will be able to change that, and that is what my amendment will attempt to do.

The amendment is very simple. It directs the U.S. Trade Representative and the Secretary of the Treasury to begin discussions with their counterparts in Mexico to achieve parity in the duty-free allowance structure of all of our NAFTA countries, and the concern is between Mexico and the United States.

These officials will report to Congress within 90 days on the changes they are making to correct these disparities. If the situation remains unchanged, in 6 months these officials will propose appropriate legislation to bring the United States' duty-free allowance to conform to the allowance levels established by Mexico and Canada.

Let me give an example of what is wrong and why this disparity exists. The United States provides that each U.S. resident returning from Mexico has a personal exemption from duty on merchandise valued at up to \$400 once every 30 days. Mexico, however, has a two-tier duty-free allowance. If you are a resident in a 25-kilometer strip along Mexico's northern border, and you return from the United States at a land border crossing, you may only return with \$50 in duty-free merchandise.

This has become known as the \$50 rule. It is crippling business in our border retailers on the U.S. side of the border in Texas, California, New Mexico and Arizona, because if you are a Mexican resident bringing in more than \$50, you must pay a 22.8 percent duty rate. Now, this makes it prohibitively expensive for a Mexican resident to purchase a washing machine, a refrigerator, any kind of electronics or any item costing more than \$50, so it is inequitable.

We believe in the spirit of NAFTA, in parity, in equity, any rule you want to apply, that it should just be the same. We have been talking about this for 3½ years, since I came to the Senate. The border retailers in Texas told me that the \$50 rule was being enforced by the Mexican Government. I have talked to the officials of the Mexican Government about this. I truly believe that President Zedillo intended to do something about it. He said he was going to right after he was elected. But we all know that the peso crisis occurred, and surely he had so many things on his

plate that this was not on the front burner. I understood that.

Now the Mexican economic situation is stabilized, and certainly, I think, it is on its way to full recovery, and I think this matter of equity and parity must be addressed. That is why my amendment would just ask the U.S. Trade Representative and the Secretary of the Treasury to begin these discussions, to report back, and if they are not able to make progress, then tell us what legislation should be passed to make this happen.

That is the amendment. I hope both sides will agree this is in everyone's best interests, and I hope we will be able to vote on this or have it accepted early next week and that we can begin the process of making sure that the spirit, as well as the letter, of NAFTA is applied to both sides of our relationship with the country of Mexico.

Mr. President, I ask unanimous consent to lay the amendment aside, and we will take it up at the appropriate time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, there are several amendments now pending at the desk that will be subject to a vote on Monday. I ask unanimous consent that no second-degree amendments be in order. I understand this has been cleared on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

(During today's session of the Senate, the following morning business was transacted.)

TRIBUTE TO COL. THOMAS L. OWENS, U.S. ARMY CHIEF OF PERSONNEL, U.S. SPECIAL OPERATIONS COMMAND

Mr. LOTT. Mr. President, I take this opportunity to recognize and say farewell to an outstanding Army officer who has served our Nation with distinction for the past 27 years. It is a privilege for me to recognize his many outstanding achievements and commend him for his service.

A native of Brandon, MS, Colonel Owens attended High School in Byram, MS. He graduated from the University of Southern Mississippi, where he was commissioned as a regular Army second lieutenant in June 1970. This foundation, provided by his education and training in Mississippi, began his distinguished national career.

Colonel Owens has served throughout the world in defense of our Nation's freedom. He served three tours in Europe during the Cold War against the Communist block countries. These tours were served with renowned units including, VII U.S. Corps, 2d Armored Division and 8th Infantry Division (Mechanized). While stationed in the United States, Colonel Owens served with the elite XVIII Airborne Corps, Fort Bragg, North Carolina. He served in Desert Storm with XVIII Airborne Corps, receiving a Bronze Star for his dedicated service.

Colonel Owens' current and final assignment has been with the U.S. Special Operations Command, MacDill Air Force Base, Florida as Chief of Personnel. Colonel Owens' magnificent work has ensured our Special Operations Forces personnel who are deployed throughout the world in more than 50 countries are always taken care of and put in the right place at the right time.

The common thread throughout his 27 years of service has been Colonel Owens' selfless sacrifice in doing everything he could to take care of the young men and women who served under him as a platoon leader all the way through Brigade Commander. Mr. President, we owe a debt of gratitude to Col. Tom Owens, his wife, Ulrike, son, Steve, and daughter, Audrey, for their many sacrifices during his 27-year Army career. He is a great credit to both the Army and the country he has so proudly served.

On behalf of the great State of Mississippi and our Nation, I wish him, as a paratrooper and distinguished soldier, "calm winds and soft landings, while keeping his feet and knees into the breeze" as he transitions into life as a civilian. He is a soldier's soldier.

Mr. President, I yield the floor.

PIERRE AREA SENIOR CITIZENS 20TH ANNIVERSARY

Mr. DASCHLE. Mr. President, I am proud to honor the Pierre Area Senior Citizens on the organization's 20th birthday. This occasion is being celebrated in Pierre, SD, this week, July 13-19, 1997.

For the past 20 years, the Pierre Area Senior Citizens has served as a means for seniors to get together and enjoy the companionship of their peers.

It is also an active group in the civic life of South Dakota's capital city. Many members of the organization are volunteers, donating their time and expertise for the benefit of their community.

I want to thank the Pierre Area Senior Citizens for their civic pride and good works, and I wish them many more great years of service.

OCEAN SHIPPING REFORM

Mr. BROWNBACK. Mr. President, I rise today to bring attention to legislation that I believe could have a substantial positive impact on United

States commerce. For several months now, my colleagues on the Commerce Committee have been working to forge an agreement that will deregulate ocean shipping and allow our exporters to compete on a more level playing field with our foreign competitors. S. 414, The Ocean Shipping Reform Act of 1997, would bring much-needed reform to the shipping industry by injecting a higher degree of competition into the current conference-dominated system of ocean shipping. It would also end federal government tariff filing with the Federal Maritime Commission and I believe that this is a significant step toward reducing red tape in this industry.

First of all, I want to commend those Senators who have played an active role in writing and furthering this important legislation. Senators HUTCHISON, GORTON, LOTT, and BREAUX have worked diligently to achieve a consensus among the diverse interests in the shipping industry, and I know that is no small task. I also want to commend Senator MCCAIN and his staff, who have endeavored to find common ground with all affected parties by working openly and holding numerous meetings. The result of this work is an important piece of legislation on which I hope the Senate will be able to focus its attention in the near future.

I care about this legislation because it could have a tremendous impact on the agriculture industry which is, of course, vitally important to Kansas. Exporting is critical to the agriculture industry—overall, forty percent of what we grow in the U.S. is consumed overseas. Moreover, exports will play an increasingly important role in agriculture because any growth in the industry will primarily come from exports. As the incomes of people in many developing countries increase, they are able to afford a higher quality, more diversified diet—and the U.S. stands ready to provide it. And, the fastest growing category of agricultural commodities for export are high-value products, such as meat and vegetables, which are transported in ocean containers—the type of ocean transportation that is affected by this legislation.

Transportation costs are a particularly important factor in achieving agricultural exports because transportation typically comprises a larger proportion of the final cost of the good than for other industries. In fact, transportation is often the single largest component of the delivered cost of the good, accounting for as much as 50 percent of total landed cost. The U.S. Department of Agriculture estimates that the agriculture industry alone spends more than four billion dollars each year in containerized shipping, and that this price includes a premium attributable to conference market power which is 18 percent of the cost of transportation. In a business where sales are made or lost based on pennies per pound, this is the difference be-

tween the U.S. or our competitors making the sale. And, given that every \$1 in agricultural exports generates an additional \$1.50 in economic activity, the importance of S. 414 for not only the agriculture industry, but the U.S. economy as a whole, is clear.

This bill has the support of many farm organizations; in fact, I have letters that I would like to submit for the record from the American Farm Bureau Federation, the National Pork Producers Council, the National Cattlemen's Beef Association, the National Grain and Feed Association, Farmland Industries, ConAgra, the National Broiler Council, and the American Frozen Food Institute. Additionally, many agricultural chemicals are exported via containerized ocean vessels would benefit from reduced regulatory restraints.

However, while these organizations are united in their support for legislation to reform ocean shipping, they also share the concern I have regarding certain provisions of the bill in its current form. In its current form, this bill requires the reporting of essential contract terms with the Intermodal Transportation Board. I must register my belief that without contract confidentiality the basic premise of this legislation, to allow greater competition in the shipping industry, is severely undermined. What is gained by the ability to negotiate individual contracts if one's competitors have access to the essential terms of the contract?

When I voted for this bill as it was passed out of the Commerce Committee on May 1 it was clear that outstanding concerns regarding confidential contracting would be addressed before the bill was to be considered on the Senate floor. It was with that understanding that I supported the bill. While I appreciate the sincere efforts that have been made to accommodate the interests of exporters since that time, my reservations remain because no agreement has been reached. I understand that the distinguished majority leader has promised to bring this bill to the floor in its current form during this Congress and that Senator GORTON has expressed his intention to address the contract reporting provisions through amendment. While I am disappointed that more reform will not be embraced in the bill that is brought to the floor, I respect our leader's view and look forward to the debate that will ensue.

I want to support this legislation. I support its underlying goal to reduce burdensome regulation. I believe that reducing regulatory hurdles that hinder the efficiency of U.S. businesses is the right thing to do, and it is one of the primary reasons that I came to Washington. However, to the extent that the reforms in this bill are diminished, my support is eroded.

Nevertheless, I continue to believe in the importance of this legislation. I hope that the Senate will take action soon so that the agriculture industry,