

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 Intermodel 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,

as well as all other industries which utilize containerized ocean shipping, will be able to increase their competitive advantage in the global marketplace.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JUNE 4, 1997.

Hon. SAM BROWNBACK,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR BROWNBACK: We are asking your assistance in assuring that S. 414 is enacted in a form that will enable shippers to contract with ocean carriers in the same manner that they now contract with motor carriers and railroads.

Although we support the objective of S. 414, we are quite concerned about some of the modifications that have been made to the bill subsequent to introduction. We urge the objectionable provisions be removed before the bill is sent to the Senate floor.

(1) We are concerned with the language added that would require filing of service contracts with the Intermodal Transportation Board and the publications of the essential terms of those contracts. We believe that the disclosure requirements that have recently been incorporated into the bill would serve only to inhibit the ability of ocean carriers and shippers to negotiate contracts that best serve their mutual interests. This is because disclosure will enable rate-making conferences to continue to pressure individual carriers to maintain parallel pricing of ocean transportation services. Disclosure is not required to protect any shipper interest. Our members have contracted for transportation services with railroads and motor carriers for many years and have found that confidentiality has encouraged carriers to agree to creative and responsive terms designed to meet each customer's distinct transportation needs.

(2) We also believe that contracts should be excluded from Section 10 which deals with discrimination and other prohibited acts. Contracts of motor carriers and railroads are not subject to such antidiscrimination provisions and this has never presented any problems for shippers. Even the present statute applicable to ocean carriers, which was enacted in 1984, does not subject contracts to the prohibited acts section of the statute. Therefore, including them would represent a significant step backwards from where we are at present. If there are concerns about potential abuses by carrier conferences operating under antitrust immunity, we would have no objection to making only those contracts to which a conference itself is actually a party subject to such provisions. An alternative would be to simply prohibit conferences from entering into service contracts.

It is our understanding that certain port and maritime labor interests have expressed a need to have access to terms of transportation contracts for planning purposes. Whatever information may be useful for those purposes is readily available from the individual carriers that serve a particular port or that employ members of maritime unions. It is neither necessary nor appropriate to subject carriers and shippers to burdensome regulatory requirements in order to provide an alternative source for that type of information.

Again, we urge that the changes addressing our concerns be made to S. 414 before it is sent to the Senate floor. If we can provide you further information or otherwise be of assistance to you with regard to this matter, please let us know.

Sincerely,

AMERICAN FARM BUREAU

FEDERATION,
NATIONAL CATTLEMEN'S
BEEF ASSOCIATION,
NATIONAL PORK PRODUCERS
COUNCIL.

NATIONAL GRAIN AND
FEED ASSOCIATION,
April 29, 1997.

Hon. JOHN MCCAIN,
Chairman, Committee on Commerce, Science,
and Transportation, U.S. Senate, Wash-
ington, DC.

Re: S. 414, The Ocean Shipping Reform Act of 1997.

DEAR CHAIRMAN MCCAIN: We are writing in response to last week's staff draft of S. 414, which is scheduled for mark-up by the Committee on May 1. We are extremely concerned about several provisions of last week's draft, and urge the Committee to reject S. 414 in its present form.

Further, the NGFA offers the following comments as the Committee prepares to address the bill and any amendments:

1. The Federal Maritime Commission should not be merged with the Surface Transportation Board. The NGFA has long advocated the elimination of the Federal Maritime Commission as an unnecessary entity. Additionally, the STB is already in danger of becoming an ineffective agency because of inadequate funding. Indeed, the Clinton Administration's fiscal 1998 budget proposal would fund the agency entirely from user fees. The Administration's proposal would ensure that filing fees charged to rail users and others would rise so high as to, as a practical matter, preclude recourse before the agency. The NGFA has recommended that the STB be eliminated and the Interstate Commerce Act repealed should Congress choose not to adequately fund the agency. Combining the FMC and the STB would simply compound the STB's existing problems.

2. Users of ocean vessels and consumers would be better served by eliminating the special antitrust protection granted to liner vessel operators. Enforcement of U.S. antitrust laws would be a more effective deterrent to discriminatory treatment than the existing or proposed regulatory scheme. Economic regulation of transportation carriers can too easily be turned into a carrier shield to block marketplace competition and enforcement of laws, such as U.S. antitrust laws, that apply to shippers and other businesses.

3. The bill fails to make needed changes to the Jones Act and other cabotage laws. The Jones Act, in particular, creates significant barriers and added costs for those wishing to use self-propelled bulk vessels for shipments between domestic deepwater ports. An "ocean shipping reform bill" which fails to achieve reforms in our nation's antiquated and market-distorting cabotage laws should not move forward.

The NGFA is the national nonprofit trade association of about 1,000 grain, feed and processing firms comprising 5,000 facilities that store, handle, merchandise, mill, process and export more than two-thirds of all U.S. grains and oilseeds utilized in domestic and export markets. Founded in 1896, the NGFA's members include country, terminal, and export elevators; feed mills; cash grain and feed merchandisers; commodity futures brokers and commission merchants; processors; millers; and allied industries. The NGFA also consists of 37 affiliated state and regional grain and feed associations whose members include more than 10,000 grain and feed companies nationwide.

As always, please contact me or David Barrett at the NGFA if you have any questions.

Sincerely,

KENDELL W. KEITH,
President.

FARMLAND INDUSTRIES, INC.,
KANSAS CITY, MO,
June 4, 1997.

Hon. SAM BROWNBACK,
U.S. Senate, Washington, DC.

DEAR SENATOR BROWNBACK: I would first like to thank you for your support of S. 414, The Ocean Shipping Reform Act of 1997. In my responsibilities with Farmland Industries, Inc., I know first hand the need for changes in the archaic ocean shipping laws which prevent U.S. companies from being competitive in the world marketplace. S. 414, as approved by the Commerce, Science and Transportation Committee, went a long way toward improving this inequity. However, there are two areas which must be addressed if we are to have legislation which truly meets this nation's future international trade needs.

Confidential Contracts.—The amendment offered by Senator Slade Gorton would aggregate contract information rather than publicly disclosing data in contracts between ocean carriers and their customers. We believe this excellent compromise deserves your support since it would eliminate the current bill's economic disadvantage of disclosing individual contract information to our overseas competitors. This approach, supported by Chairman John McCain in a Journal of Commerce interview, provides the U.S. ports and labor the information they say they need in determining cargo flows and long term strategic planning and at the same time shields the specific terms of ocean transportation contracts.

Eliminate Restrictions on Contracting.—S. 414, as currently drafted, would apply broad antidiscrimination provisions to all types of service contracts. If these were to be put into effect, it would be extremely difficult for carriers to know which contract terms and prices would be discriminatory. We believe an easy solution to this problem would be to apply these provisions only to contracts that maintain antitrust immunity and by limiting the parties who may bring an action under the provisions to ports and ocean transportation intermediaries. These changes would ensure that individual contracts may be entered into in a normal business fashion and that adequate oversight is provided to agreement contracts.

We ask your support for these changes to S. 414 and ultimately for passage of legislation which would encourage U.S. exports and greater international trade. Thank you for your serious consideration of our position and proposals.

Yours very truly,

FRED E. SCHRODT,
Vice President.
CONAGRA, INC.,
WASHINGTON, DC,
April 29, 1997.

Hon. SAM BROWNBACK,
U.S. Senate, Washington, DC.

Attention: Tim McGivern

Subject: S. 414, The Ocean Shipping Reform Act of 1997

DEAR SENATOR: We have previously written to you to express our strong support for S. 414. Because we spend more than \$200,000,000 each year on maritime transportation we are vitally interested in elimination of artificial, outdated regulatory constraints that handicap our ability to compete in the global marketplace.

S. 414 is now scheduled for mark-up by the Committee on Commerce, Science and

Transportation on May 1, 1997. We are extremely concerned about proposed amendments which surfaced over the weekend and would, if incorporated into the bill, represent a giant step backwards.

The key feature of S. 414 is the language that authorizes individual ocean carriers to enter into confidential transportation contracts. Similar provisions have been in effect for years for virtually all other forms of transportation including truckers, railroads, barge lines and air carriers. They have proven to be tremendously effective in promoting efficiency and thereby lowering transportation costs to the benefit of both carriers and shippers. There is nothing unique about maritime transportation that would cause confidential contracts to be any less beneficial.

Amendments that are being promoted by foreign flag carriers and their ratemaking cartels would viscerate the transportation contract provisions of the bill. Under the misleading banner of antidiscrimination, the proposed amendments would:

(1) require the filing of individual carrier contracts with the Intermodal Transportation Board;

(2) require disclosure of the essential terms of each contract;

(3) establish substantive standards of "prejudice and disadvantage" that would effectively preclude carriers from entering into service contracts that are tailored to meet the distinct needs of shippers and to allow them to maximize the efficiency of their operations; and

(4) create a regulatory scheme that would allow specious challenges to service contracts as a pretext for obtaining access to their terms.

Although such provisions are supposedly designed to benefit shippers, the shipper community overwhelmingly opposes them. Instead of removing unnecessary regulatory burdens, these provisions would add new ones.

We urge you to oppose these amendments and allow S. 414 to go forward in a form that would allow shippers to enter into transportation contracts with individual ocean carriers in the same manner as they have done with all other modes for many years, with great economic benefit to both carriers and shippers.

If you would like further detail about our concerns, we will be happy to provide it.

Best wishes,

PAUL A. KORODY,
Vice President.

NATIONAL BROILER COUNCIL,
June 3, 1997.

Re S. 414 Ocean Shipping Reform Act of 1997.
Hon. SAM BROWNBACK,
*U.S. Senate,
Washington, DC.*

DEAR SENATOR BROWNBACK: The National Broiler Council strongly supports the objective of S. 414 to allow ocean transportation to be more competitive by eliminating unnecessary regulatory burdens. Because members of the Broiler Council produce poultry that is sold for export, we have a keen interest in enactment of S. 414.

Although we support the objective of S. 414, we are quite concerned about some of the modifications that have been made to the bill since it was originally introduced. We would urge that two amendments be made before the bill is sent to the Senate floor in order to enable the shipping public to realize the full benefits in the original bill.

We are concerned with language that has been inserted in the bill that would require filing of service contracts with the Intermodal Transportation Board and the publica-

tion of essential terms of those contracts. Our members have contracted for transportation services with railroads and motor carriers for many years and have found that filing of contracts with a regulatory agency is unnecessary and needlessly burdensome. We believe that the disclosure requirements that have crept into the bill would serve only to inhibit the ability of individual ocean carriers and shippers to negotiate contracts that best serve their mutual interests. The filing and processing of those contracts would also require perpetuation of an unnecessary bureaucracy, since virtually no other transportation mode is required to file its contracts with any regulatory agency. If there are concerns about potential abuses by carrier conferences operating under anti-trust immunity, we would have no objection to contracts to which a conference itself is actually a party being subject to such provisions. An alternative would be to simply prohibit conferences from entering into contracts. However, individual ocean carriers should be able to negotiate and enter into contracts in the same manner that has worked so well for motor carriers and railroads.

As a related matter, we believe that contracts should be excluded from Section 10 of S. 414 which deals with discrimination and other prohibited acts. Contracts of motor carriers and railroads are not subject to such antidiscrimination provisions and this has never presented any problem to shippers. In fact, under the terms of the present statute, which was enacted in 1984, service contracts of ocean carriers are not subject to the prohibited acts section of the statute.

Therefore, including them would represent a significant step backwards from where we are at present.

We understand that certain port and maritime labor interests have expressed a need to have access to terms of transportation contracts for planning purposes. Whatever information may be needed for those purposes is readily available from the individual carriers that serve a particular port or that employ members of maritime unions. It is neither necessary nor appropriate to subject carriers and shippers to burdensome regulatory requirements in order to provide an alternative source of such information.

We urge that the foregoing changes be made before the bill is sent to the Senate floor. If we can provide you any further information or otherwise be of any assistance to you with regard to this matter, please let us know.

Sincerely,

GEORGE WATTS,
President.

AMERICAN FROZEN FOOD INSTITUTE,
McLean, VA, June 18, 1997.

Hon. JOHN MCCAIN,
Chairman, Commerce, Science and Transportation Committee, U.S. Senate, Washington, DC.

DEAR SENATOR MCCAIN: On behalf of the members of the American Frozen Institute (AFFI), this letter is to urge your continued support for expedient final passage of S. 414, *The Ocean Shipping Reform Act of 1997.*

As S. 414 advances for consideration by the full Senate, AFFI urges you and your colleagues on the Commerce, Science and Transportation Committee to support efforts to modify the bill as reported by the Committee to maximize confidentiality in ocean shipping contracting. The Institute also urges your support for efforts to ensure that the broad antidiscrimination provisions included in the reported bill will not create a disincentive for firms to enter into individual contract negotiations.

The American Frozen Food Institute is the national trade association that has rep-

resented the interests of frozen food manufacturers, processors, marketers and suppliers for more than 50 years. The Institute's 550 member companies account for over 90 percent of the total annual production of frozen food in the United States, valued at approximately \$60 billion.

Meaningful reform of U.S. ocean shipping laws is critical to foster international trade in an increasingly global marketplace. The refinements to S. 414 recommended above would further this goal by promoting more competitive pricing and contracting for products which are imported from and exported to overseas markets by frozen food processors and other U.S. shippers.

Thank you again for the leadership you and your Committee have demonstrated on maritime reform. If AFFI may be of assistance to you or your staff in accomplishing this shared objective, please feel free to give me a call.

Sincerely,

STEVEN C. ANDERSON,
President and Chief Executive Officer.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, July 16, 1997, the federal debt stood at \$5,357,953,848,082.50. (Five trillion, three hundred fifty-seven billion, nine hundred fifty-three million, eight hundred forty-eight thousand, eighty-two dollars and fifty cents)

One year ago, July 16, 1996, the federal debt stood at \$5,158,430,000,000. (Five trillion, one hundred fifty-eight billion, four hundred thirty million)

Five years ago, July 16, 1992, the federal debt stood at \$3,980,221,000,000. (Three trillion, nine hundred eighty billion, two hundred twenty-one million)

Ten years ago, July 16, 1987, the federal debt stood at \$2,318,155,000,000. (Two trillion, three hundred eighteen billion, one hundred fifty-five million)

Fifteen years ago, July 16, 1982, the Federal debt stood at \$1,083,558,000,000 (One trillion, eighty-three billion, five hundred fifty-eight million) which reflects a debt increase of more than \$4 trillion—\$4,274,395,848,082.50 (Four trillion, two hundred seventy-four billion, three hundred ninety-five million, eight hundred forty-eight thousand, eighty-two dollars and fifty cents) during the past 15 years.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING JULY 11TH

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending July 11, the U.S. imported 7,678,000 barrels of oil each day, 409,000 barrels more than the 7,269,000 imported each day during the same week a year ago.

Americans relied on foreign oil for 54.9 percent of their needs last week, and there are no signs that the upward spiral will abate. Before the Persian gulf war, the United States obtained approximately 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.