

His number one hit, "Before the Next Tear-drop Falls," was his re-entry into popular culture. That album went multi-platinum, and Fender won best male artist of 1976. In the latter part of the century, he spread his wings, expanded upon his talent and worked with Robert Redford in the movie *The Milagro Beanfield War* and other non-traditional projects.

He found his stride, working in different parts of the entertainment industry. But he never strayed far from the bounds of music, working with *The Texas Tornados*.

Freddy and his family have been tested in the fires of a near-death experience. After a protracted illness, Freddy received a kidney from his daughter, cheating death, and still singing and writing his songs.

Freddy's Grammy Award-winning album in 2002 captured the yearning for a simple, romantic return to youth. The cover has a 4-year-old Baldemar Huerta dressed as a cowboy astride a painted pony. "La Musica de Baldemar Huerta" is 10 boleros with little accompaniment. Boleros are poignant ballads generally featuring sophisticated guitar picking and sensual rhythms.

The biggest thing for which Freddy is known in South Texas is his generosity of spirit in establishing a scholarship fund for average students. An average student himself, and an avowed troublemaker in his youth, he has a unique understanding of the challenges before a young person who has either made a mistake, made only average grades, or both.

I ask the House of Representatives to join me—and the Texas Folklife Resources—in honoring Freddy Fender a great American treasure, a South Texan, a friend, and lifelong cultural icon in North American music.

#### HONORING MISSISSIPPI STATE'S BASKETBALL TEAM

#### HON. CHARLES W. "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 21, 2004*

Mr. PICKERING. Mr. Speaker, it has been four decades since Mississippi State University stood atop the Southeastern Conference as the undisputed solitary men's basketball champion. The Bulldogs, under the leadership of Coach Rick Stansbury—the Associated Press SEC Coach of the Year—did so this year with a 25–2 regular season record and a 14–2 record in the SEC that propelled them into the top five ranking in the national AP poll.

It was the 1962–1963 season when MSU won a previous solitary SEC championship. Six head coaches and 41 years later, the Bulldogs did it again in a nail-biting come-from-behind victory over the Alabama Crimson Tide. The Bulldogs were down in the second half by 18 points against the University of Alabama, one of two teams to defeat MSU during the regular season. During the last second, under intense defensive pressure, senior All-SEC guard Timmy Bowers made a 14-foot jump shot to tie the game, sending it into overtime. Then again, in the final second of overtime, Bowers made another jumper to earn a Bulldog victory of 82–81.

MSU has had champion basketball teams in the past, some shared, all notable.

*Season, Record, SEC, Notable:*

1958–59, 24–1, 13–1, opened SEC play with only loss to Auburn.

1960–61, 19–8, 11–3, lost three games only by a combined 12 points.

1961–62, 24–1, 13–1, shared title with Kentucky, only loss to Vanderbilt.

1962–63, 22–5, 12–2, lost to Loyola (Chicago) in NCAA Mideast regional.

1990–91, 20–9, 13–5, shared title with LSU; lost to Eastern Michigan in NCAA East regional.

2003–04, 25–2, 14–2, became fourth SEC team to win all eight road league games; lost to Xavier in NCAA second round.

The future looks bold for the Maroon and White. Seniors Timmy Bowers and versatile Branden Vincent will be missed, and though the NBA is courting junior center Lawrence Roberts (the reigning SEC Player of the Year), MSU will field a solid team in 2005. Juniors Shane Power and Winsome Frazier, senior Marcus Campbell, and sophomore Gary Ervin all look to be explosive scorers next year on the court and across the conference. Added to these quality players are sophomore center Wesley Morgan and freshman guard Dietric Slater plus Ontario Harper, a medical red shirt, as well as three top signees: Charles Rhodes from Lanier High School in Jackson, Mississippi; Jerrell Houston from Memphis, Tennessee; and Jamall Edmondson from Meridian Community College.

This year, Mississippi State earned the second seed position in the NCAA Basketball Tournament Atlanta Regional. While they were eliminated by Xavier during the second round of play, the Bulldogs have played a terrific season. An SEC title, a final record of 26–4 and 14–2 in the SEC, undefeated during regular season on the road; these have stirred a fire among MSU fans that will continue to burn into next year.

The pride of the Bulldogs extends not just from Starkville, home of Mississippi State University, but across the state. I hope Congress will join me in congratulating this team and Coach Stansbury—wishing them all the best fortune in the future both personally, and as representatives of MSU.

#### PERSONAL EXPLANATION

#### HON. KATHERINE HARRIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 21, 2004*

Ms. HARRIS. Mr. Speaker, on March 31, 2004 during rollcall vote No. 104 on H. Res. 581, I was unavailable for the vote. Had I been present, I would have voted "yes."

#### U.S.-CHINA MARITIME RELATIONS AND THE EMERGENCY OF COSCO

#### HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 21, 2004*

Mr. OBERSTAR. Mr. Speaker, I would like to commend the Federal Maritime Commission for its actions on March 31 in granting the petitions of three Chinese maritime carriers to provide relief from the 30-day waiting requirement for reduction of tariff rates of the Con-

trolled Carrier Act. These carriers will now be able to make rate changes within 24 hours, which is the current market standard for all shippers.

These recent FMC actions, along with the formal signing of the U.S.-China Maritime Agreement in February, signal that the commitment made by both nations to develop closer maritime and commercial relations and to open markets is closer to becoming a reality. The increased economic cooperation between the United States and China is becoming more tangible, as evidenced by the fact that a business in my district made its first ever shipment to China this year.

Mr. Speaker, one of the Chinese carriers whose petition was recently granted by the FMC is the China Ocean Shipping Company (COSCO), which played an important role in supporting the U.S.-China Maritime Agreement. COSCO will soon celebrate the 25th anniversary of the maiden voyage of its first ship in the United States in 1979, an event which marked the re-establishment of U.S.-China trade relations for the first time in 30 years. COSCO was a leader at that time and continues to lead today.

COSCO has transformed itself to become a leading global shipper that operates under market rules. Recently, COSCO's CEO, Captain Wei Jiafu, gave the keynote address at the Trans-Pacific Maritime Conference in Long Beach, California. Captain Wei and COSCO were profiled in a cover story by the *Journal of Commerce* that explained COSCO's goals to expand services and eventually to be publicly listed on the New York Stock Exchange. Mr. Speaker, in order to share more information with my colleagues about COSCO's role in supporting trade with the U.S. and globally, I would like to submit the March 22 *Journal of Commerce* cover story for the RECORD.

(From the *Journal of Commerce*, Mar. 22, 2004)

#### COSCO SETS ITS COURSE

(By Peter T. Leach)

Capt. Wei Jiafu is a man who knows where he's going. He should; he's a former deck officer who now is president and chief executive of China Ocean Shipping (Group), China's largest ocean carrier. Wei is what Gilbert and Sullivan might call the model of a modern capitalist, were it not for the fact that COSCO is owned by the avowedly communist state.

As chief executive since 1998, Wei is steering a capitalist course for COSCO that is designed to accomplish three long-term goals, which he discussed in an interview before *The Journal of Commerce's* 4th annual Trans-Pacific Maritime Conference this month in Long Beach, Calif. Wei said he aims to make COSCO one of the top five shipping companies in the world by doubling the size of its container fleet in the next four years; to expand COSCO's logistics business to provide more revenue balance; and to list the company's stock on the New York Stock Exchange.

Wei added a fourth goal last week that is raising questions in the industry. In his keynote address to the conference, he called for the establishment of "a long-term stable development mechanism" based on fair regulation, cooperation among carriers, and cooperation among carriers, shippers, terminal operators and service providers.

The fact that his remarks attracted questions from shippers and carriers such as, "What did he mean?" indicates the prominence that COSCO has attained in the six

years since Wei took over. COSCO's reputation has evolved from that of a rate-cutter trying to elbow its way into the trans-Pacific and Europe-Asia trades into a first-tier carrier whose rates have reached parity with its CYKH alliance partners, "K" Line, Yang Ming and Hanjin.

By contrast, China Shipping Group, COSCO's arch-competitor and one of China's other state-owned shipping companies, is now widely regarded in the industry as a company that is more prone to cut rates. Wei said COSCO currently ranks as the world's seventh, "or sometimes the sixth," largest container carrier, and that China Shipping ranks 10th. Wei predicted COSCO will be among the five largest lines by 2010.

Though China Shipping is growing faster than COSCO because its container business is emerging from a smaller base, COSCO is "expanding faster in all segments of shipping," including tankers, dry bulk carriers and specialized project cargo vessels, Wei said. He said he was especially proud of two new semi-submersible project cargo vessels delivered last year that were designed to carry and anchor offshore oil rigs, using new technology to pinpoint locations.

Wei said COSCO and China Shipping compete, but that he does not regard the competition as a "threat alone" to COSCO's business. "We have been trying to establish a new kind of cooperative relationship between carriers," COSCO and China Shipping began discussing some kind of "cooperative relationship" in 2000, but the relationship has not been defined.

Both companies are "100 percent state-owned, so it is very natural that we have the same language," Wei said. "COSCO is always making great efforts to upgrade and strengthen the good relationships between the two companies. We are not part of each other, maybe one day through the stock market." He defined this cooperation as vessel-sharing alliances and slot-sharing agreements, the kind of cooperation COSCO is conducting with its CYKH partners. "Cooperation can benefit COSCO and China Shipping," he said. "Each company has got its own operational competitiveness, but neither of us can cover every corner of the market, so there is the opportunity to cooperate."

Wei's polite words about his competitor mask the fierce rivalry that has developed between the companies and between Wei and China Shipping President Li Keilin, whom many in the industry believe has the access to the ears of China's leaders. China Shipping has been expanding its fleet rapidly and is atop the list of new ships on order. It will deploy 8,500-TEU container ships in the transPacific this summer.

Yet COSCO is not standing still. It added seven new ships, with total capacity of 20,000 TEUs, in 2003. It has ordered another eight vessels with a total capacity of 54,000 TEUs. Five of these, totaling 37,500 TEUs, will be delivered this year. Another eight vessels with capacity of 68,000 TEUs have been chartered. This will bring COSCO's total container capacity to 300,000 TEUs by year-end.

Wei said COSCO's fleet capacity will expand to 320,000 TEUs next year, to 420,000 TEUs by 2007 and to 600,000 TEUs by 2010, the year in which he predicts it will join the ranks of the world's top five container lines.

China Shipping plans to stay hot on COSCO's heels. Its China Shipping Container Lines subsidiary plans to expand its fleet to a total capacity of 500,000 to 600,000 TEUs by 2010. China Shipping's Li has been quoted in the Shanghai press as hoping its container fleet will attain a capacity topping 350,000 TEUs by the end of 2005.

Container shipping is only part of COSCO's business. Logistics is another part that is

"growing very rapidly," Wei said. Revenue from COSCO Logistics, established as a separate unit three years ago, increased by what he called a "surprising" 50 percent in 2003. "We are going to expand our logistics business (to) take advantage of the booming Chinese economy and further strengthen our competitiveness," Wei said.

COSCO faces competition in its logistics business from another state-owned company, Sinotrans, which also competes with its container business. The container competition now appears to be easing, because "Sinotrans has gradually transformed itself into an international logistics provider rather than a global liner operator," Wei said. Sinotrans ended its service in the Asia-Europe trade lane in 2002 to concentrate on the trans-Pacific and intra-Asia trades, "so based on the transformation of the business strategy, its liner business in major east-west trade lanes will not be further expanded in the future."

How does COSCO plan to finance all of this additional container capacity and logistics growth? "I believe getting listed on the stock market is certainly a good choice," Wei said. COSCO has listed seven of its subsidiaries in both domestic and overseas stock markets, he said. Two of them are what he called "blue chip" stocks. COSCO Pacific became a component of the Hang Seng Index in Hong Kong last year, and COSCO Singapore became part of the Straits Times Index in Singapore this month. Both are the equivalent of the Dow Jones Industrial Index on the New York Stock Exchange.

The Big Board is also on Wei's radar screen. "We will list in the U.S. stock markets soon. We want to list our core business on the New York Stock Exchange," he said. "COSCO has a very good reputation, so its listing in New York will be very attractive."

China Shipping is planning to take a leaf from COSCO's book by listing the stock of China Shipping Container Lines in an initial public offering on the Hong Kong Stock Exchange as early as May. The IPO is supposed to raise up to \$2 billion, though Hong Kong analysts have expressed skepticism that it would reach that amount. The \$2 billion estimate appears high for a company that posted losses from its establishment in 1997 until it finally earned a profit last year.

This rapid expansion by Chinese shipping companies comes amid the boom in China's containerized trade. "China's rapid growth in economy and trade has become the main engine to drive the international shipping market," Wei said. China's containerized trade increased by 11 million TEUs to a total of 48 million in 2003, pushing China into first place globally, ahead of the U.S. with 40 million TEUs last year. COSCO forecasts that China's containerized trade will grow by another 5 million TEUs this year.

Wei is someone who has set and attained goals throughout his career. Born in 1949—the year the People's Republic of China was formed—into a peasant farming family in Jiansou Province, he served at sea from the late 1960s through the early 1980s. He was then named to a senior post at a COSCO subsidiary, Guangzhou Ocean Shipping Co., where he witnessed the initial steps taken by China's then-supreme leader Deng Xiaoping to open the region adjacent to Hong Kong to economic development. He earned a master's degree in shipping management.

As he rose through the ranks at COSCO, he managed a joint Chinese-Tanzanian government shipping company and subsequently ran COSCO's Tianjin-based bulk shipping division. As chief executive, he is confronting perhaps his biggest challenge: transforming COSCO from a traditional shipping concern into a logistics services provider, a central element of the company's long-term strategy.

Container shipping, which accounts for more than half of the group's revenue, is affected by the unpredictable and wild gyrations of global freight rates, a reality that has forced COSCO and other companies to diversify into sectors more likely to yield stable and higher margin earnings.

Wei has a window of opportunity to accomplish this goal. He said he expects cargo demand will stay ahead of the increase in the supply of new ships. "Looking ahead, the ship order book remains at a moderate level, so the market over the next 12 months will be demand-driven," he said. "In the container shipping market, supply will rise by 7 percent this year, and demand will increase by 8 percent, which means freight rates will continue to rise." He said demand will stay ahead of supply for the "next two or three years."

But Wei is concerned that the long list of shipbuilding orders will catch up with demand after that and affect the shipping market. "Therefore, I am obliged to ask everybody in this industry to work together and slow down this unreasonable fleet expansion and keep the market stable."

That's what has the industry reading the tea leaves to try to figure out what he meant with his Long Beach speech's references to cooperation. "I think what he meant is that carriers and shippers have to get together to agree to even out supply," said Howard Finkel, senior vice president of trade at COSCO North America Inc. "We have anti-trust immunity; we need to use it better." He said one forum for this discussion might be the Transpacific Stabilization Agreement, where carriers and shippers can discuss rates and set voluntary rate guidelines. COSCO plans to accomplish this fourth goal of Wei's, Finkel said, because it is "determined not to be the wild man out."

## FORTH WORTH IS ONE OF AMERICA'S MOST LIVABLE CITIES

**HON. MICHAEL C. BURGESS**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 21, 2004*

Mr. BURGESS. Mr. Speaker, I rise today to congratulate the city of Fort Worth on being named one of nine "America's Most Livable Cities" by the Partners for Livable Communities." In order to be recognized, Fort Worth was compared with other cities throughout our Nation and judged on creativity and the ability to prepare for the new economy.

America's Most Livable Communities is a project of Partners for Livable Communities, a national non-profit organization working to restore and renew America's communities. Founded in 1977, Partners was the first national group to raise the banner of livability as both a consumer goal and a standard of excellence for municipal performance. This new project recognizes the necessity for communities to increase the standards for quality of life in order to attract better businesses and promote economic growth.

As one of the nine cities recognized in the large cities category, Fort Worth is recognized as a place where the economy is strong, the community is handling challenges and it is able to respond quickly to difficult situations. Fort Worth has shown to have long term strategies that are driven by quality of life standards. As a city it ensures that the climate, setting, intelligence of the labor force, downtown amenities, partnerships, and leadership agendas are above the standards necessary to survive.