

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.