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106TH CONGRESS, 1st Session | HOUSE OF REPRESENTATIVES | REPORT 106–36

AMENDMENTS TO THE EXPORT APPLE AND PEAR ACT

MARCH 2, 1999.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COMBEST, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H.R. 609]

[Including cost estimate of the Congressional Budget Office]

The Committee on Agriculture, to whom was referred the bill (H.R. 609) to amend the Export Apple and Pear Act to limit the applicability of the Act to apples, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

BRIEF EXPLANATION

H.R. 609 amends the Export Apple and Pear Act of June 10, 1933, to limit the applicability of the Act to apples and renames the law, the "Export Apple Act". The bill removes "pears" from the definition and removes all other references to "pears" from the Act.

PURPOSE AND NEED

The Export Apple and Pear Act, enacted on June 10, 1933, requires that apples and pears meet certain standards prior to export in order to ensure only high quality U.S. fruit moves in foreign commerce. H.R. 609 amends that Act and thereby provides the means to increase exports of pears.

Pears exported from the United States are grown almost exclusively in Oregon, California and Washington and the pear organizations in these states support this bill. U.S. pear producers and shippers recommended that pears be dropped from the Act so that they can increase the volume of pear exports.

H.R. 609 eliminates pears from the Act, thereby allowing U.S. exporters greater flexibility in the changing international marketplace and the opportunity to increase exports. Because of the 1933

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Act, U.S. producers and exporters of pears have been unable to meet the demand for lower grade pears in countries without receiving a waiver from the Act from the U.S. Department of Agriculture (USDA). The pear industry on two occasions over the last decade petitioned and received a waiver from USDA to sell non-U.S. Number One and Fancy grade winter pears in the emerging markets of Central and South America and Russia. Past experience indicates that when these markets can afford it, they buy higher-grade pears. Removal of pears from the Act will allow U.S. producers to get a foothold in emerging markets.

The USDA has advised the Committee that mandatory federal quality standards for pears are no longer needed to assure the high quality of exported pears. The USDA supports enactment of H.R. 609.

As world economies improve and barriers to trade continue to decrease, new market opportunities for fresh pears arise. In order to provide the flexibility to meet the requirements of these new opportunities without having to seek new exemptions, pears are removed from the 1933 Export Apple and Pear Act.

SECTION-BY-SECTION

Subsection (a) renames the Act of June 10, 1933 (7 U.S.C. 581 et seq.; commonly known as the Export Apple and Pear Act), as the "Export Apple Act."

Subsection (b) removes "pears" from the definition.

Subsection (c) removes all other references to "pears" from the Act.

COMMITTEE CONSIDERATION

The Committee on Agriculture met, pursuant to notice and with a quorum present, on February 10, 1999, to consider H.R. 609 and other pending business. Chairman Combest recognized Mr. Walden, author of the bill for a brief explanation.

Discussion occurred and it was noted by Chairman Combest that the Secretary of Agriculture sent a letter in support of the bill.

Mr. Stenholm was then recognized and expressed his support for the bill.

After a brief discussion on the bill, Mr. Stenholm moved that the bill, H.R. 609, be adopted and favorably reported to the House with a recommendation that it do pass. Mr. Stenholm's motion was agreed to by a voice vote of the Committee with a majority quorum being present.

The meeting was then adjourned, subject to the call of the Chair.

REPORTING THE BILL–ROLLCALL VOTES

In compliance with clause 3(b) of rule XIII of the House of Representatives, H.R. 609 was reported by voice vote with a majority quorum present. There was no request for a recorded vote.

ADMINISTRATION POSITION

The views of the Administration on H.R. 609 are set forth in the following letter to the Chairman of the Committee on Agriculture:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, February 9, 1999.

Hon. LARRY COMBEST,
Chairman, Committee on Agriculture,
House of Representatives, Washington, DC.

DEAR LARRY: The Department of Agriculture (USDA) supports H.R. 609, a bill "To amend the Export Apple and Pear Act (Act) to limit the applicability of the Act to apples".

Because private contractual arrangements between buyers and sellers increasingly are controlling the quality of U.S. pear exports, USDA believes mandatory Federal quality standards, as currently established under the Act, are no longer needed to assure the high quality of exported pears. The Act is further outdated because its regulations do not reflect seasonal changes in the quality of the U.S. pear crop and do not provide the flexibility needed in the changing international market. USDA believes the U.S. pear industry needs greater flexibility than the Act allows to respond to international markets, a goal that H.R. 609 will help the industry attain.

Minimum requirements would continue under existing State regulations if H.R. 609 is enacted. For example, Washington regulates minimum grade requirements and both Oregon and California have minimum requirements for maturity and grade defects. In addition, two Federal marketing orders for pears produced in Oregon and Washington offer the opportunity for pear producers and handlers to establish minimum requirements for pear exports.

Enactment of H.R. 609 would not result in increased USDA outlays.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DAN GLICKMAN, *Secretary.*

BUDGET ACT COMPLIANCE (SECTIONS 308, 402, AND 423)

The provisions of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(1) of the Congressional Budget Act of 1974 (relating to estimates of new budget authority, new spending authority, new credit authority, or increased or decreased revenues or tax expenditures) are not considered applicable. The estimate and comparison required to be prepared by the Director of the Congressional Budget Office under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and sections 402 and 423 of the Congressional Budget Act of 1974 submitted to the Committee prior to the filing of this report are as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, February 19, 1999.

Hon. LARRY COMBEST,
Chairman, Committee on Agriculture,
House of Representatives,
Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 609, a bill to amend the Export Apple and Pear Act to limit the applicability of the act to apples.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Craig Jagger.

Sincerely,

DAN L. CRIPPEN, *Director.*

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 609—A bill to amend the Export Apple and Pear Act to limit the applicability of the act to apples

H.R. 609 would amend the Export Apple and Pear Act to exclude pears and rename it the Export Apple Act. CBO estimates that enacting H.R. 609 would have no significant budgetary impact.

Under current law, the Secretary of Agriculture must establish quality standards for exported apples and pears. The Secretary also is responsible for overseeing mandatory inspections and certification of apples and pears prior to export. Under H.R. 609, these requirements would no longer apply to pears but would continue for apples.

The Agricultural Marketing Service (AMS) of the U.S. Department of Agriculture is responsible for carrying out current requirements. States collect inspection and certification fees from exporters and pay a small percentage of the fees to AMS for overseeing inspections. AMS indicates that collections of fees for pear inspections are small. While H.R. 609 would stop mandatory federal inspections of pears for exports, it is likely that voluntary federal inspections and mandatory or voluntary state inspections would continue. The costs incurred and fees collected by AMS would probably not change significantly. Because H.R. 609 could affect direct spending, pay-as-you-go procedures would apply, but CBO estimates that any such impact would be negligible for each year.

H.R. 609 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would have no significant impact on the budgets of state, local, or tribal governments.

The CBO staff contact is Craig Jagger. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(2) of rule XIII of the Rules of the House of Representatives, the Committee report incorporates the cost esti-

mate prepared by the Director of the Congressional Budget Office pursuant to sections 402 and 423 of the Congressional Budget Act of 1974.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds the Constitutional authority for this legislation in Article I, clause 8, section 18, that grants Congress the power to make all laws necessary and proper for carrying out the powers vested by Congress in the Government of the United States or in any department or officer thereof.

OVERSIGHT STATEMENT

No summary of oversight findings and recommendations made by the Committee on Government Reform, as provided for in clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, was available to the Committee with reference to the subject matter specifically addressed by H.R. 609.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Agriculture's oversight findings and recommendations are reflected in the body of this report.

ADVISORY COMMITTEE STATEMENT

No advisory committee within the meaning of section 5(b) of the Federal Advisory Committee Act was created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104–1).

FEDERAL MANDATES STATEMENT

The Committee adopted as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act (Public Law 104–4).

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

ACT OF JUNE 10, 1933

CHAP. 59.—An Act To promote the foreign trade of the United States in apples and/or pears, to protect the reputation of American-grown apples and pears in foreign markets, to prevent deception or misrepresentation as to the quality of such products moving in foreign commerce, to provide for the commercial inspection of such products entering such commerce, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in congress assembled, That it shall be unlawful for any person to ship or offer for shipment or for any carrier, or any steamship company, or any person to transport or receive for transportation to any foreign destination, except as provided in this Act, any apples [and/or pears] in packages which are not accompanied by a certificate issued under authority of the Secretary of Agriculture showing that such apples [or pears] are of a Federal or State grade which meets the minimum of quality established by the Secretary for shipment in export. The Secretary is authorized to prescribe, by regulations, the requirements, other than those of grade, which the fruit must meet before certificates are issued. The Secretary shall provide opportunity, by public hearing or otherwise, for interested persons to examine and make recommendation with respect to any standard of export proposed to be established or designated, or regulation prescribed, by the Secretary for the purposes of this Act.

SEC. 2. The Secretary shall give reasonable notice through one or more trade papers of the effective date of standards of export established or designated by him under this Act: *Provided,* That any apples [or pears] may be certified and shipped for export in fulfillment of any contract made within six months prior to the date of such shipment if the terms of such contract were in accordance with the grades and regulations of the Secretary in effect at the time the contract was made.

SEC. 3. Where the government of the country to which the shipment is to be made has standards or requirements as to condition of apples [or pears] the Secretary may in addition to inspection and certification for compliance with the standards established, or designated hereunder inspect and certify for determination as to compliance with the standards or requirements of such foreign government and may provide for special certificates in such cases.

SEC. 4. Apples [or pears] in less than carload lots as defined by the Secretary may, in his discretion, be shipped to any foreign country without complying with the provisions of this Act.

SEC. 5. For inspecting and certifying the grade, quality, and/or condition of apples [and/or pears] the Secretary shall cause to be collected a reasonable fee which shall as nearly as may be cover the cost of the service rendered: *Provided,* That when cooperative arrangements satisfactory to the Secretary, or his designated representative, for carrying out the purposes of this Act cannot be made the fees collected hereunder in such cases shall be available until expended to defray the cost of the service rendered, and in such cases the limitations on the amounts expended for the purchase and maintenance of motor-propelled passenger-carrying vehicles shall not be applicable: *Provided further,* That certificates issued by the authorized agents of the United States Department

of Agriculture shall be received in all courts of the United States as prima facie evidence of the truth of the statements therein contained.

SEC. 6. After opportunity for hearing the Secretary is authorized to refuse the issuance of certificates under this Act for periods not exceeding ninety days to any person who ships or offers for shipment any apples [and/or pears] in foreign commerce in violation of any of the provisions of this Act. Any Person or any common carrier or any transportation agency knowingly violating any of the provisions of this Act shall be fined not less than $100 nor more than $10,000 by a court of competent jurisdiction.

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SEC. 9. That when used in this Act—

(1) * * *

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[(4) The term "apples and/or pears" means fresh whole apples or pears, whether or not they have been in storage.]

(4) The term "apples" means fresh whole apples, whether or not the apples have been in storage.

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SEC. 11. This Act may be cited as the "Export Apple Act".

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