

who finance this Government, who pick up the tab for wasteful and often extravagant schemes that Congress is too often eager to throw dollars at. Mr. President, \$245 billion means a tax credit of \$500 per child for 55 million American families.

It means cutting the capital gains tax so that farmers and other family businesses are not so badly penalized when it comes time to pass along their assets to another generation. It means eliminating the marriage penalty and ending the discrimination against those who take on the awesome responsibility of coming together as a family.

It means creating an adoption credit that will, hopefully, bring more children into loving and nurturing homes.

It means promoting savings by expanding individual retirement accounts.

While \$245 billion is a huge sum of money, it is just a small, 1.5 percent, speck of the more than \$12 trillion that Congress will spend over the next 7 years. Congress is not happy with 98.5 percent. They want 100 percent. They do not want the taxpayers to have even that small amount.

Mr. President, if the Government is so addicted to spending that it will not survive without that 1.5 percent, well, that is a pretty strong commentary on the sorry state of things in Washington.

Despite the protests of the President and some of my colleagues who will not give up a penny of the people's dollars without a fight, the Government will survive under our balanced budget plan. It will survive and the taxpayers will thrive. To be successful, this Congress, however, cannot give in.

Mr. President, there is a movie that has become very popular during the holiday season. I believe it is so beloved because it shares a simple, moving message about the power that each of us has to profoundly influence our world.

"It's a Wonderful Life" is the name of this film. It was played on television just last weekend, in fact, and I am certain that most all of my colleagues have watched it and take its message to heart.

It is about a good man, George Bailey, who reaches a difficult point in his life and begins to question his very existence.

With the help of his guardian angel, Clarence, George Bailey is given the opportunity to see the difference he would have been able to make in the lives of family, friends, and his neighbors in Bedford Falls, and it was a revelation, because he did not realize how much he had changed their lives forever.

Mr. President, we have an opportunity in 1995 to forever change the lives of each and every American by passing a balanced budget.

And we will not need a guardian angel to show us what we have accomplished, because 10 years from now, we will be able to see for ourselves, every-

where we look, the result of our dedication to this dream: more jobs, higher salaries, cheaper loans that make homes, schooling, and transportation more affordable. A better, stronger America for the future.

The next 2 weeks will tell the story. Is 1995 going to mark the beginning of "A Wonderful Life" for America's children and grandchildren? Or just another "Nightmare on Elm Street" sequel?

Congress and the President have the power to decide, and I urge them to put that power to work on behalf of all Americans and enact a balanced budget.

I yield the floor.

ORDER OF PROCEDURE

The PRESIDING OFFICER. Under the previous order, the Senator from Nevada is recognized.

Mr. REID. Mr. President, I have spoken to my friend, the Senator from Rhode Island, and my friend from Louisiana. We would like to reverse the order. They will go now, and I will follow them.

I ask unanimous consent that that be the case.

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

The Senator from Rhode Island is recognized.

ICC TERMINATION ACT OF 1995— CONFERENCE REPORT

Mr. CHAFEE. Mr. President, I submit a report of the committee on conference on H.R. 2539 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The bill clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2539) to abolish the Interstate Commerce Commission, to amend subtitle IV of title 49, United States Code, to reform economic regulation of transportation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of December 18, 1995.)

Mr. HOLLINGS. Mr. President, I urge my colleagues to pass, S. 1396, the Interstate Commerce Commission Sunset Act of 1995. This bill, reported out of the Commerce Committee by a unanimous vote, eliminates the Interstate Commerce Commission [ICC], terminates numerous existing ICC functions, and establishes an Intermodal Surface Transportation Board to carry out the remaining rail and motor carrier regulatory functions.

With this bipartisan bill, the Congress will have completed the work

begun with the Motor Carrier Act of 1980, to free the surface transportation industry from unnecessary and outmoded regulation, while continuing to protect shippers of all commodities and household goods from possible abuse by carriers. In addition, this bill sunsets the Federal Maritime Commission by January 1, 1997, and will move that agency's necessary functions to the new Board. Thus, the bill will eliminate two Federal agencies, combining their remaining functions into one Intermodal Board that is smaller than either of the former agencies.

The passage of this bill is of some urgency. The ICC will run out of money within a few weeks, and its elimination without an orderly transition of its key functions is likely to disrupt affected industries. The rail industry and household goods carriers, in particular, want to ensure the continuity of the current regulatory scheme.

For the most part S. 1396 accomplishes the goal of orderly transition. I note that a very similar bill, H.R. 2539, passed the House of Representatives by a vote of 417 to 8 late last week. I expect that the differences between the two bills can be resolved quickly. S. 1396 is a good bill. It is, as reflected in the committee vote, a bipartisan effort to develop a transportation oversight program that is appropriate to the 21st century. I urge, and hope my colleagues will support, its consideration and passage.

Mr. EXON. Mr. President, I rise to support this landmark conference report to eliminate the Interstate Commerce Commission [ICC], and to reduce regulation on the transportation sector, and to transfer the responsibilities of the Commission to a new independent Intermodal Surface Transportation Board [ITSB], and the U.S. Department of Transportation.

I am pleased to lend my enthusiastic support to this legislative package of two bills to reform the Nation's transportation laws and to embrace the labor protection reforms endorsed by the House in the Whitfield amendment. If both are enacted, I expect this legislation to win Presidential approval.

I support this conference report with only two reservations. To reach agreement, difficult, painful and significant compromises had to be made. Two areas which continue to concern me are Carmack amendment review and the transfer of the Federal Maritime Commission responsibilities to the new board. While the conference report embraces solutions to perceived problems in these issue areas, which are different from both S. 1140 which I introduced earlier this year and the Senate-passed bill; given the need to bargain, I believe that fair, defensible compromises have been made.

Regarding the Carmack amendment, while I would have preferred the Senate provision to study the Carmack cargo liability system prior to enacting changes to current law, our House counterparts were firmly fixed in their

position for dramatic and immediate reform. The compromise reached is one which very closely follows the Carmack procedures in force when tariffs were filed with the ICC.

My second reservation concerns the decision of the conference to delay consideration of transferring the responsibilities of the Federal Maritime Commission to the new board. The Senate bill embraced my vision of an intermodal agency which provided one-stop shopping for all surface transportation. This action is, however, a vision delayed, not denied. When the Senate debates reforms in the Ocean Shipping Act next year, I will continue my push to transfer the responsibilities of the FMC to the new board. Notwithstanding these reservations and necessary compromises, I do endorse and urge my colleagues to support this conference report.

This legislation builds on a bill I introduced earlier this year known as the Transportation Streamlining Act. Following the introduction of that act, Senator PRESSLER and I and our staff worked long and hard to find broad areas of agreement and compromise. The work product of that negotiation is S. 1396. This conference report represents the latest chapter in a thoughtful and deliberate effort to reform and deregulate America's great transportation sector.

As one of the few Members of Congress with regular contact with America's oldest independent regulatory agency, I again acknowledge the commitment and hard work of the Commission and all of its employees. A grateful Nation owes a debt of gratitude to these dedicated public servants for over a century of hard work. Their vigilance has made the current transition to a more market-oriented transportation system possible.

One might ask, why there is a need for a successor agency to the ICC? Simply put, if there were no forum to resolve disputes, oversee standard contract terms, establish national standards and assure fair treatment for shippers and communities; the great, efficient and productive transportation sector will spin into chaos. The failure to enact this legislation will produce just such chaos. Efficiency would be replaced with litigation. Certainty would be replaced with buyer beware. The result would be great harm to the notion of interstate commerce.

The new ISTB within the Department of Transportation will continue to be the fair referee between shippers, carriers, and communities. It will provide interested parties with one-stop shopping and administer a significantly streamlined body of law which assures that the public interest is protected in transportation policy.

This transfer of responsibility and streamlining of authority will reduce costs both to taxpayers and the private sector and assure that key transportation safety responsibilities do not fall between the cracks.

Mr. President, our Nation takes for granted the blessings of America's great transportation system. Every part of the Nation has accessible transportation service. As the Congress continues its efforts to keep regulation to the minimum necessary to protect the public interest, let us not forget what a valuable asset we have and how critically important it is that the Congress carefully choose the correct course.

I urge my colleagues to vote today to modernize America's transportation policy and enact the pending conference report.

Mr. President, I yield the floor.

Mr. PRESSLER. Mr. President, the Senate will now consider the conference report to H.R. 2539, the ICC Termination Act. The Senate-passed version of this legislation is S. 1396, the Interstate Commerce Commission Sunset Act of 1995, which I introduced on November 3, 1995. My bill was adopted by unanimous consent in the Senate on November 28th. Swift passage of this conference report is necessary to provide for an orderly closure of our Nation's oldest regulatory agency.

As my colleagues know, this legislation was crafted in response to the fiscal year 1996 budget resolution which assumes the elimination of the Interstate Commerce Commission [ICC] and the fiscal year 1996 DOT appropriations bill, H.R. 2002, which provides no funding for the ICC after December 31, 1995. This means that just over 1 week from now, the ICC will close its doors forever. This conference agreement ensures the agency's sunset will be accomplished in a reasoned fashion and that certain core and vital functions will continue.

The conference report authorizes the sunset of the ICC effective January 1, 1996. It also eliminates scores of obsolete ICC regulatory functions. Finally, it transfers residual functions partly to a newly established independent Surface Transportation Board within the Department of Transportation and partly to the Secretary of Transportation.

Mr. President, this is historic legislation. The ICC is America's oldest independent regulatory agency. It was established in 1887—108 years ago. The ICC originally was created to protect shippers from the monopoly power of the railroad industry. Throughout subsequent years, the ICC's regulatory responsibilities were broadened and strengthened, and expanded to other modes. Today, the ICC has jurisdiction over the rail industry, certain pipelines, barge operators, bus lines, freight forwarders, household goods movers and some 60,000 "for-hire" motor carriers.

During the past decade, a series of regulatory reform bills significantly deregulated the surface transportation industries, reducing the ICC's authority. Even with this considerable deregulation, however, the ICC continues to maintain a formidable regulatory presence. It determines policy through

its rulemaking and adjudicative proceedings to ensure the effective administration of the Interstate Commerce Act, related statutes, and regulations. Clearly, the positive and necessary adjudicatory role of the ICC should not simply cease at the end of the year. This legislation will ensure such limited core functions continue.

Mr. President, this conference report identifies which ICC functions can and should continue to be performed by a successor. While that premise is the report's central theme, the agreement also takes into account the fact that the new successor—a 3-member Surface Transportation Board—will have a very limited budget. Overall, it provides a reasoned approach designed to ensure continued protections for shippers against industry abuse—protections vitally important to shippers in places like my home State of South Dakota—while at the same time, assure continued economic efficiencies in our Nation's surface transportation system.

As with any conference report, this is the result of compromise on the part of both the House and Senate. Throughout this process, however, I have been guided by the need to retain sufficient protections for shippers while reducing unnecessary regulatory burdens on our Nation's rail and trucking industries. This legislation meets that objective.

Mr. President, Senator DOLE received a communication yesterday afternoon from Secretary of Transportation Federico Pena and Secretary of Labor Robert Reich stating the President would veto this legislation if we did not adopt a provision supported by rail labor imposing mandatory labor protection on small railroad mergers. In my view, the Clinton administration acted in an irresponsible fashion by threatening significant regulatory reform and protections for our shippers, farmers and ranchers.

A veto would create a regulatory black hole on January 1. Statutory and regulatory requirements would remain on the books, but no Government agency or official would be in place to administer them. This legislation would maintain critical functions affecting the rail and trucking industries that protect small shippers and others from market abuse. A veto would be in complete disregard of the needs of farmers and small agricultural shippers who rely on adequate transportation service provided by these surface transportation industries.

Therefore, with extreme reluctance we agreed to the administration's demand to modify the legislation to meet the completely unfounded concerns of rail labor. Thus, the conference report to H.R. 2539 is accompanied by a concurrent resolution which strips the class II/class III railroad merger provision agreed to in conference that created an option to merge such railroads under current law. The administration insisted we use language from the House-passed bill requiring that class

II/III mergers proceed only under a special new rule which lowers labor protection from 6 years to 1 year, but which states collective bargaining agreements may not be avoided by allowing a shifting of work from a union carrier to a nonunion carrier.

In my view, the language in the House-passed bill is drafted in such a way as to potentially create serious questions. Therefore, I can assure my colleagues we will be revisiting this issue in the next session of Congress. The language is designed to prevent a carrier from shifting work from unionized workers to nonunionized workers to avoid contracts as a part of a merger implementation.

My point is the Board established in this legislation must use the preemption provisions of the legislation to review how laws should be accommodated to enable these mergers to occur in a timely fashion and in a way that best serves the public interest in continued and effective rail transportation. This revised section is not intended to create a special rule of law that allows labor unions to delay or veto mergers between class II and class III railroads. After all, they do not have such power in any other segment of American industry.

The provisions of this bill must be read in totality. Again, Mr. President, I want my colleagues and the new Board to understand this change to the conference report is not intended to give rail labor a veto over the transportation needs of communities and shippers who would benefit by a merger between class II and class III railroads.

Mr. President, on balance this conference report is the result of nearly a year's worth of bipartisan study, discussion and work. It represents a reasonable compromise. I want to thank the conferees, their staffs and the staff of the Commerce Committee for all their dedicated work and long hours in producing this final legislative package. The legislation before us will eliminate a host of outdated and unnecessary laws while ensuring continued protection for America's shippers. I urge its adoption.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the conference report be agreed to and that the motion to reconsider be laid upon the table.

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

So the conference report was agreed to.

DIRECTING THE CLERK OF THE HOUSE TO MAKE TECHNICAL CHANGES IN ENROLLMENT OF H.R. 2539

Mr. CHAFEE. I ask unanimous consent that the Senate proceed to the consideration of Senate Concurrent Resolution. 37, submitted earlier today by Senator EXON.

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

The clerk will state the concurrent resolution by title.

The bill clerk read a follows:

A concurrent resolution (S. Con. Res. 37) directing the Clerk of the House of Representatives to make technical changes in the enrollment of the bill (H.R. 2539) entitled "An Act to abolish the Interstate Commerce Commission, to amend subtitle IV of title 49, United States Code, to reform economic regulation of transportation, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. WELLSTONE. Mr. President, I have been involved in intense negotiations over the course of the last few days to try to resolve a major problem with the conference report on HR 2539, the Interstate Commerce Termination Act of 1995. We have now resolved that problem, through an agreement to make a key change in the conference report which is designed to protect the collective bargaining agreements of railroad employees. With that change, I have agreed to allow the conference report to go through without extended debate that could slow it down and put at risk its final enactment. Since we are in the final days of this session, and I know it is urgent that ICC legislation be enacted to ensure continued consumer protections for all Americans, I am delighted that this change has now been agreed to, and I am grateful for the help and support of Senators EXON, KENNEDY, HARKIN, KERRY, SIMON and others in this effort.

The change will be made through adoption of Senate Concurrent Resolution 37, submitted earlier today by Senator EXON and myself, which is to be taken up and agreed to concurrently with the conference report by unanimous consent. I am hopeful that both will also be taken up and agreed to by the House later tonight or tomorrow. I understand there are preliminary indications from the House Republican leadership, after fierce and sustained resistance that has lasted for months, that they are finally willing to make this change in order to help avoid a Presidential veto.

The concurrent resolution would restore labor protections provided for in the Senate bill that were dropped in the House-Senate conference. Without this change, the conference report would be strongly opposed by representatives of railroad employees nationwide because it would significantly reduce existing rights of workers employed by small- and medium-sized railroads. In fact, that is also one key reason why the administration has indicated its intent to veto this measure. I hope that if this change is made by the House, the administration would take another look at this legislation, and its decision to veto the bill announced yesterday.

Let me briefly describe how we came to this point. At various points in this

legislative process, employees were forced to give up labor protections on line sales to noncarriers, give up mandatory labor protections on line sales to class III carriers, agree to reduced labor protections on line sales to class II carriers, give up mandatory labor protections on mergers between class III carriers, and agree to reduced labor protections on mergers between class II and class III carriers.

All these concessions were made by employees in return for the right that every other American worker has—to bargain collectively with their employers and have those collectively bargained agreements enforced in court. Employees asked for just one exception to the current "cram-down" practice of the ICC, which allows abrogation of collective bargaining agreements under certain circumstances.

This may seem somewhat technical, but it is profoundly important to the lives and livelihoods of thousands of rail workers in my State and throughout the Nation. For mergers between class II and class III railroads, likely to become increasingly common over the next decade, railroad employees requested a provision contained in the so-called "Whitfield Amendment" adopted on the House floor by a vote of 241-184, to require that a merger could not be used to avoid a collective bargaining agreement, or to shift work from a union to a nonunion carrier.

But unlike the House and Senate-passed bills, the conference agreement does not provide such protection. Instead, it gives the carrier applying for the merger a choice of whether to preserve collective bargaining agreements or to abrogate them unilaterally through the successor to the ICC. The concurrent resolution will fix this problem by effectively restoring the language of the Whitfield Amendment, which prohibits abrogation of such agreements. I am pleased we reached agreement on this key change.

At the same time, I understand why the administration has reservations about the conference report. Although I support much of it, which streamlines the Federal Government while maintaining a fair and responsible Federal regulatory structure, this final version is not perfect, and there are parts which I oppose. For example, I am concerned about a provision that changes the regulation of household goods shipping. I supported the Senate version which would have ensured no Federal preemption of State laws relating to the shipment of household goods. Unfortunately, conferees chose to include the House language that would allow Federal preemption of State laws relating to shipping these goods.

I am concerned about this Federal preemption of State laws, because consumers deserve continued State protections when shipping their belongings to a new home. I intend to monitor the implementation of this provision carefully, and if it poses serious problems, as I expect it will, to try again to address these problems next year.