

EXTENSIONS OF REMARKS

A TRIBUTE TO JOHN H. MCCONNELL—WORTHINGTON INDUSTRIES

HON. DEBORAH PRYCE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 3, 1996

Ms. PRYCE. Mr. Speaker, today I rise to pay tribute to Mr. John McConnell, chairman emeritus and founder of Worthington Industries of Columbus, OH. John McConnell is retiring this year, but the impact that he has in central Ohio will certainly continue.

John McConnell has truly lived the American dream. In 1955, he borrowed \$600 on his 1952 Oldsmobile to start Worthington Industries. Under his leadership, Worthington Industries has grown to employ 9,700 people at 55 facilities in 23 States, Canada, Mexico, and France. He turned his initial \$600 loan into a \$1.8-billion-a-year company that serves as a model for both efficient production and effective leadership. When Worthington Industries was just starting out, John would spend the morning in a suit with customers, but after lunch he would change clothes and spend the afternoon working in the plant. It is this commitment to his company and its employees that has won their respect and loyalty.

Equally important, however, is John McConnell's social and civic involvement. He is chairman of the Law Enforcement Foundation of Ohio, a director of GMI Engineering and Management Institute in Flint, MI, and chairman of the board of the U.S. Health Corp. He also serves on a summer of charitable boards, including the Columbus Zoo and the YMCA.

All of these accomplishments have not gone unnoticed. He is a recipient of the 33 Degree Scottish Rite Mason, the Horatio Alger Award, the Ohio Governor's Award, and the Mr. Ohio Gold Award. Mr. McConnell has been named a Michigan State University Outstanding Alumni and Entrepreneur of the Year by Southern Illinois University. Financial World magazine recognized him as an outstanding Chief Executive Office of the Year. Industry Week magazine applauded his excellence in management.

Mr. Speaker, it is with great pleasure that I ask my colleagues to join me in congratulating my good friend, Mr. John McConnell, on a long and brilliant career with Worthington Industries. I wish him and his wife, Peggy, of 50 years continued health and happiness.

HOW BUREAUCRATS REWRITE LAWS

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 3, 1996

Mr. GINGRICH. Mr. Speaker, I would like to bring a recent article by John Dilulio, Jr., to the attention of my colleagues.

[The Wall Street Journal, Oct. 2, 1996]
HOW BUREAUCRATS REWRITE LAWS
(By John J. DiIulio Jr.)

As the historic 104th Congress draws to a close, scholars have already begun to debate its legislative record. Some stress that the first Republican Congress in four decades enacted fewer major laws than any Congress since the end of World War II. Others respond that it was only natural that a new conservative Congress committed to restraining the post-New Deal rise of national government activism would pass fewer big-government bills. Likewise, while some interpret President Clinton's bright re-election prospects as a negative referendum on the GOP-led House and Senate, others focus on how Republicans ended up setting the agenda on everything from balancing the budget to welfare reform.

For at least two reasons, however, both sides in this early war over the 104th's history are firing intellectual blanks. One reason is that it is not yet clear how much of the legislation will stick politically. For example, Mr. Clinton has made plain that, if reelected, he plans to "fix" the new welfare law. And should the House fall to the Democrats, ultraliberal committee chairmen will move quickly to undo much of what the Republicans did legislatively on welfare, crime, immigration and more.

The other and more fundamental reason is that, no matter what happens in November, it is by no means certain that the laws passed by the Republican Congress over the last two years will survive administratively.

BUREAUCRATIC WARS

Victories won on the legislative battlefield are routinely lost in the fog of bureaucratic wars over what the laws mean and how best to implement them. One of many recent examples is how the Federal Communications Commission has already virtually rewritten the Telecommunications Act of 1996.

On Feb. 8, President Clinton signed the first major rewrite of telecommunications law in 62 years. To many observers, the act represented the culmination of a series of political and judicial decisions that began in 1974 when the U.S. Justice Department filed an antitrust suit against AT&T, leading to a breakup of the old telephone monopoly and the creation in 1984 of the seven regional "Baby Bells." The bill-signing ceremony, the first ever held at the Library of Congress, was draped in symbolism. The president signed the bill with a digital pen that put his signature on the Internet. On a TV screen, comedian Lily Tomlin played her classic telephone company operator Krnestine, opening her skit with "one gigabyte" instead of "one ringie-dingie."

During the debate over the bill and for weeks after its enactment, the press played up the law's social-policy side-shows, like the requirement that most new television sets contain a "V-chip" enabling parents to lock out programs deemed inappropriate for children. But its true significance lay in removing barriers to competition in the telecommunications industry, and devolving responsibility for remaining regulation to the states. While its language is often technical, you need not be a telecom junkie to understand the letter of the law or the record of floor debates in Congress.

For example, Sections 251 and 252 of the law promote competition in local telephone

markets, expressly giving state commissions authority to decide, via a strictly localized, case-specific process, what constitutes "just and reasonable" rates. It affords the FCC no role whatsoever in setting local exchange prices: "Nothing in this chapter shall be construed to apply or to give the Commission jurisdiction with respect to . . . charges, classifications, practices, facilities, or regulations for or in connection with intrastate communication service."

The law's devolutionary language and deregulatory intent was so clear that groups such as the National Council of Governors' Advisors quickly produced reports advising key state and local decision makers to prepare for "telewars in the states." Soon, one NCGA report on the law explained, "governors' offices, state legislatures and state public utility commissioners will be drawn into state debates on how to ensure a 'level playing field for competition' among those firms seeking to provide local and intrastate telephone service." The major battles, the NCGA predicted, would be over the terms of price and interconnection agreements. Telephone company rivals could be expected to lobby governors, utility commissions and state legislatures in search of allies.

But within six months of the law's enactment, the FCC declared a victor in the "telewars in the states"—namely, itself. The commissions produced a 600-page document promulgating presumptive national pricing standards in local telephone markets. The FCC insists that the order is necessary to pry open local markets to long-distance carriers like AT&T, small firms like Teleport, and cable and wireless companies. Otherwise, the commission asserts, incumbent local carriers like the Regional Bell Operating Companies will remain invulnerable to real competition as potential entrants to intrastate markets are forced to contend with 50 different, localized state regulatory regimes.

But the FCC's rushed, revanchist rewrite of the telecommunications law is based on a hypothetical pricing scheme that only an armchair economist could love. In its hundreds of pages of national regulatory dictates, the FCC almost completely ignores the actual costs that local companies incurred to create the system, and the regional and other variations in how they operate.

On Aug. 23, GTE Corp. and Southern New England Telephone Co. jointly challenged the FCC in court, arguing that the FCC's order constitutes an uncompensated taking under the Fifth Amendment by requiring them to sell their services at below actual costs. The order, they claim, would almost certainly enervate competition by permitting long-distance giants like AT&T to buy up local phone networks at huge discounts—an ironic potential outcome indeed given how all this began in 1974. Moreover, not only giants like AT&T but fly-by-night arbitrage artists could enrich themselves at the expense of consumers on the spread between actual operating costs and the prices set by the FCC. In response to the suit, a federal appeal court ordered a temporary stay of the FCC regulations and will hear oral arguments in the case tomorrow.

At a recent press conference, GTE's senior vice president and general counsel, former U.S. Attorney General William P. Barr, demanded to know why the FCC believes that it is better at making decisions "for 50 states

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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