

extend the reach of the antitrust laws to the railroad industry while providing the Surface Transportation Board (STB) with additional criteria on which to evaluate future railroad mergers.

For virtually every business in the United States, mergers and acquisitions in excess of \$10 million are subject to Antitrust Division of the Department of Justice. Railroads, however, are treated differently. Under current law, the STB has exclusive jurisdiction over most matters concerning rail transportation including mergers and acquisitions. In exercising that authority, the STB has approved a series of mergers over the past twenty years since passage of the Staggers Act which has resulted in widespread consolidation in the rail industry. This consolidation has reduced the number of rail carriers from 40 Class I railroads to just 7, resulting in significant service disruptions, negative impacts on shippers and a reduction in competition.

Mr. Speaker, believe it or not, the railroad industry is the only industry, except for America's favorite pastime, baseball, that is almost entirely exempt from the substance of the antitrust laws. With the rail industry now consolidated to seven major railroads, and the stage set for a possible final consolidation, there is an increased potential for the rail industry to exercise market power and monopoly abuse against shippers. In order to protect shippers and promote true competition, it makes sense to treat the railroads like other industries and subject them to the jurisdiction of the Department of Justice and full application of antitrust laws.

Currently, the Department of Justice can only comment on proposed mergers. In previous mergers the recommendations of DOJ were ignored. For example the Department of Justice pegged the Union Pacific-Southern Pacific merger "the most anti-competitive rail merger in history." In that merger, the STB ignored not only the concerns expressed by Department of Justice, but also the concerns of rail customers, organized labor and the United States Department of Agriculture. I believe that the Department of Justice, an agency that can objectively evaluate the impact of mergers and protect shippers from the continual decrease in competition, needs to have a strong voice in mergers reviewed by the Surface Transportation Board.

My legislation would require both the Department of Justice and the STB to review and approve future rail mergers. Under this proposed regulatory framework, the DOJ would approve a merger unless it substantially restrains commerce in any section of the country or tends to create a monopoly in any line of commerce. The STB would still be required to review and approve a merger under a similar standard but it would also judge the proposed merger by a broader public interest standard. However, my legislation would not allow a merger to move forward without approval from both Department of Justice and Surface Transportation Board.

Under my legislation, the STB would also be required to examine several additional criteria before approving a merger. The merger (1) cannot eliminate transportation alternatives; (2) must improve transportation alternatives; (3) must improve competition among rail carriers; (4) must improve service to customers.

Additionally, the legislation ensures that relief can be sought under the current regulatory framework or through the antitrust laws.

In light of the recent decision by the Surface Transportation Board to place a 15-month moratorium on mergers and its solicitation on how merger rules can and should be revised, we have an unprecedented opportunity to re-shape railroad policy for the 21st Century. In this day and age, there is no public policy reason to justify the industry's special treatment, particularly since the railroads have enjoyed considerable deregulation under both the Staggers Act and the Interstate Commerce Commission (ICC) Termination Act. The passage of these laws which reduced the scope and effectiveness of the regulatory agency, makes it more necessary than ever for shippers to have the full panoply of remedies available against monopolistic activities.

I am pleased that the Alliance for Rail Competition, the Consumers United for Rail Equity, National Farmers Union, American Farm Bureau Federation, National Association of Wheat Growers, Northern States Power, the American Forests and Paper Association and the National Association of Chemical Distributors have endorsed this legislation.

I urge my colleagues to join me in this effort to ensure that the railroad industry is subject to the same laws as every other industry. It is in the public interest to raise the bar for review of the last few remaining mergers and to have oversight by the Department of Justice of the actions of the railroads.

IN HONOR OF BOB MOLINA

**HON. JOE BACA**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 22, 2000*

Mr. BACA. Mr. Speaker, on Saturday, May 27th at 10 a.m. we will be dedicating the new Bob Molina Memorial Park and Fountain in Rialto.

Bob Molina passed away on July 7, 1998, after battling an illness. Those of us who knew him were moved by his incredible determination, positive attitude, and cheerfully optimistic disposition.

Bob distinguished himself as a member of the International Brotherhood of Teamsters for 36 years, serving as Shop Steward, Business Agent, and President, as well as on the Executive Boards, grievance committees, and negotiation teams.

He was a tenacious fighter for the members he represented; he battled for higher wages, improved pensions, and the highest quality medical benefits; and he struggled for contract language providing for a safe workplace and decent working conditions.

As we dedicate the Park and Fountain, it is fitting to note that Bob Molina demonstrated his commitment to the community through his service as a Little League Coach, Pop Warner Coach, and Girls' Softball Coach, as well as the Cub Scouts. He also served our nation in the United States Navy.

He was a devoted husband, father, and grandfather. During his 32 year marriage, he and his wife Barbara had 9 children and 14 grandchildren.

This Park and Fountain honor Bob Molina's lifetime of service to his nation, community, cherished Teamsters Union, and beloved family. It is a symbol of his outstanding qualities that included hard work, concern, and dedication that enhanced the lives of the many people who had the pleasure of being touched by his life.

FLOYD D. SPENCE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2001

SPEECH OF

**HON. TIM ROEMER**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 2000*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4205) to authorize appropriations for fiscal year 2001 for military activities of the Department of Defense and for military construction, to prescribe military personnel strengths for fiscal year 2001, and for other purposes:

Mr. ROEMER. Mr. Chairman, I strongly support the Defense Authorization bill for fiscal year 2001. This legislation has placed great emphasis on expanding quality of life initiatives, addressing readiness shortfalls, and enhancing modernization programs. I am particularly supportive of the procurement budget in this legislation for the High Mobility Multipurpose Wheeled Vehicle (HMMWV) or Hummer.

The Congress and especially the Armed Services Committee have strongly supported sustained Hummer production. The hard-working people of Indiana's Third Congressional district have responded by providing a vehicle that has met, and in many cases, exceeded the needs of our brave troops in the field.

Moreover, both the Army and the Marine Corps have identified the Hummer among their unfunded modernization priorities. This defense authorization bill meets those priorities by increasing the budget by \$28 million, thereby allowing the Army and the Marines to buy more Hummers to replace their aging fleet and provide technology insertion. This will go a long way toward protecting our brave men and women in uniform deployed in Kosovo and Bosnia.

I am excited by the growing capabilities of the Hummer. Earlier this year, I went home to visit the Hummer plant and saw a prototype of the commercial Hummer II which is being developed by a joint effort between AM General and General Motors. The Hummer's expansion into the commercial marketplace will result in the sharing of leading technologies for commercial and military vehicles while maintaining a highly skilled technological workforce in Indiana who I am very proud to represent.

Mr. Chairman, I wish to express my gratitude to the members of the Armed Services Committee who have reported a defense authorization bill that will ensure continued Hummer production. I urge my colleagues to support this legislation.