

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 The legislation before us will eliminate a host of outdated and unnecessary laws while ensuring continued protection for America's shippers.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.

But my overriding concern has been the fate of thousands of railroad employees across the Nation who could have been harmed under its provisions, and that is why we wanted to try to address this problem before it passed the Senate. I am delighted that this has now been done, and I am hopeful that the House will act on it immediately to ensure abroad, comprehensive labor protections for railroad workers. I want to go again thank Senator EXON for his help with this problem.

Mr. CHAFEE. I ask unanimous consent that the concurrent resolution be agreed to, the motion to reconsider be laid upon the table, that any statements relating to the conference report or the concurrent resolution appear at the appropriate place in the RECORD.

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

So the concurrent resolution (S. Con. Res. 37) was agreed to, as follows:

S. CON. RES. 37

Resolved by the Senate (the House of Representatives concurring), That the Clerk of the House of Representatives, in the enrollment of the bill (H.R. 2539) to amend subtitle IV of title 49, United States Code, to reform economic regulation of transportation, and for other purposes, shall make the following corrections:

In section 11326(b) proposed to be inserted in title 49, United States Code, by section 102, strike "unless the applicant elects to provide the alternative arrangement specified in this subsection. Such alternative" and insert "except that such";

In section 13902(b)(5) proposed to be inserted in title 49, United States Code, by section 103, strike "Any" and insert "Subject to section 14501(a), any".

A BIPARTISAN GROUP UNVEILS A PLAN TO BALANCE THE BUDGET

Mr. CHAFEE. First of all, I thank the Senator from Nevada for permitting us to go ahead of him. That was very gracious.

This morning, a bipartisan group of Senators—19 in all—unveiled a plan to balance the budget by the year 2002, using CBO, Congressional Budget Office, numbers. The group, which Senator BREAUX and I had convened several weeks ago—actually, we had our first meeting in October—includes, as I say, so far, 19 Senators. That is without going out and seeking new Members. It is just those who have come to us and want to join in this effort.

We are all united in this belief, Mr. President: It is absolutely essential that this Nation have a balanced budget by the year 2002, and that it will be impossible to achieve that budget unless those on both sides of the aisle are prepared to compromise. This is the essence of the effort of this group of Republicans and Democrats who are getting together for a common objective.

The Senate bipartisan balanced budget plan is a huge step forward on the path to this budget agreement. It represents, I might say, Mr. President, the first truly bipartisan proposal to balance the budget. There are other

groups in the House that are working, but they do not include Members of both sides. It was made possible, this agreement, only because both sides were willing to compromise on some very strongly held beliefs. We did this for the good of this country of ours. This is especially true with the compromising aspects with respect to the issues of Medicare and tax cuts. I am grateful to the Democrats in our group for their willingness to go with the CBO numbers. They agreed to that before it became accepted by the White House. This was a big step for the Democratic Members of our group.

Now, undoubtedly, this plan will cause consternation on the Democratic side with number, and on the Republican side with some. But we are committed to reaching this balanced budget, free of gimmickry, and we are doing it for the welfare of future generations, for our children and our grandchildren.

To those who disagree with our numbers, let me say this, Mr. President, and to those who think they can do a better job: Go to it. We welcome their efforts. All I ask is they do it with a bipartisan group, not just one group from one side and one group from the other. Sure, we can come out on the Republican side with a massive tax cut and tremendous slashes in Medicare, for example. But try that on the Democratic side and see how it goes. So the essence of this was that we had Members from both sides.

Mr. President, this plan is intended to demonstrate to the negotiators on both sides that, one, it is essential to compromise and, two, that it can be done. It is a doable task. No one should throw up their hands in despair and say the sides are too far apart.

What did we do? There were significant steps taken to control the growth of Medicare and other entitlements. Our plan calls for Medicare savings of \$154 billion, with a strong commitment from everybody in the group that the part B premiums stay at 31.5 percent, with affluence testing for those above the regular brackets, and also means testing for those who are in the lower-income areas—and they might well qualify for paying less than 31.5 percent.

We have agreed to conform the retirement age for Medicare with that of Social Security—namely, age 67. This is something that is going to take place in the future and will not contribute any dollars to the 7-year plan. But we feel it is critical to include this needed long-term entitlement reform.

On Medicaid, we have savings of \$67 billion. Underlying this number is a view that we should preserve the Federal entitlement for our most vulnerable citizens, while, at the same time, we provided the States with broad flexibility to administer the program. This is, again, not going to make everybody happy, but it was something that we all agreed to.

We have agreed to \$130 billion in tax cuts. We did not delineate how the tax

cuts would be. We left that to the negotiators. We did not say X amount for capital gains cuts or Y amount for a child tax credit. We have chosen to reduce the CPI, Consumer Price Index, by .5 percent, which gives us \$110 billion in additional savings.

Frankly, we did this because we have had all kinds of testimony before the Finance Committee, which stated that the present CPI is a flawed measurement and should be adjusted actually beyond the .5 percent. It should be as high as .7 percent, or indeed some economists say as high as 2 percent. We also included \$58 billion in savings under welfare, which assumes the Senate-passed welfare reform bill. On discretionary reductions, we came in slightly below the so-called hard freeze—namely, no increase for inflation over the 7-year period.

Finally, Mr. President, we support the immediate adoption of a clean continuing resolution, on a short-term basis, until sometime next week, to get people back to work and get these budget negotiations back on track.

Mr. President, this is not a perfect plan, and it is not offered in the sense that we are budget negotiators. It is an illustration that a responsible balanced budget agreement using CBO numbers is doable. I hope it will help our negotiators as they go about the difficult task of securing a final budget accord.

Mr. President, I am delighted to be joined here on the floor with the distinguished Senator from Louisiana, who was absolutely crucial in all these negotiations that we had.

I yield the floor to him.

Mr. BREAUX. Mr. President, at a time when most Americans believe that many Members of Congress ruined this Christmas season, and are probably on the verge of killing each other because we have not been able to agree on the principles and even how to keep the Government open, I want to say what a great privilege and pleasure it is to be able to work with the senior Senator from the State of Rhode Island. His wisdom, his experience, his knowledge, his compassion for people, and yet his dedication to making Government work really is a pleasure to me, as a Democratic Member on this side of the aisle, to be able to work with a person of great common sense and great compassion and just common sense that understands that in order to make Government work there is such a thing as the art of compromise. That makes sense.

I think we have gotten to a point in this Congress where the word compromise is almost a dirty word that you should never utter for fear of moving away from the party principles. All of us who have been here longer than 12 months have to understand the way to get things done is to put forth the best ideas from both sides of the aisle and recognize that on difficult issues that those principles that we stand for need not be compromised, but how to get to those goals in fact does necessitate