Week Ending Friday, January 5, 1996

Statement on Signing the ICC Termination Act of 1995

December 29, 1995

I have today signed into law H.R. 2539, the ''ICC Termination Act of 1995.'' In my State of the Union address this year, I called upon the Congress to terminate the Interstate Commerce Commission (ICC). I also called for further reductions in unnecessary regulations. This legislation is consistent with those goals, but it does not go far enough.

The bill eliminates the ICC, transferring many of its functions to a new Surface Transportation Board (STB) located within the Department of Transportation (DOT). The bill reduces some ICC functions, including those that overlap with DOT with regard to overseeing safety and insurance requirements in the trucking industry. With the sunset of the ICC and the consolidation of motor carrier functions at DOT, the bill will produce moderate budget savings.

The bill will also help provide a smooth transition now that appropriations for the ICC have been terminated. And the bill empowers the new STB to promote deregulation administratively on a case-by-case basis. I call upon the Board to use this authority to the fullest extent to benefit consumers and facilitate economic growth.

I am also satisfied that the Congress addressed my Administration's strong objections to earlier versions of this legislation, which would have severely curtailed labor protection for railroad employees adversely affected by certain railroad transactions, including mergers. And I note that the final version of the bill continues intact the important rail reforms of 1980, which have helped improve rail service and bring the railroad industry back to profitability.

Nevertheless, I am disappointed in this bill. While it eliminates the ICC, it creates a new independent agency, the STB, within the Transportation Department. Overall, the bill falls short of my Administration's much bolder proposal for extensive deregulation of transportation industries.

Regulatory reform of the Nation's transportation industries has been an outstanding success. Beginning with air cargo deregulation in 1977 and continuing with sweeping rail and trucking reforms over the past 15 years, much of the stranglehold of government regulation has been broken. Today, only about 20 percent of all domestic freight transportation is regulated, compared with 75 percent 20 years ago. These reforms have reduced the cost of transporting everything we buy and use. They have also enabled U.S. producers and retailers to employ ''just in time'' manufacturing and inventory systems to save many billions of dollars in warehousing and distribution costs.

The Congress had an opportunity to build on this success but, instead, provided for only very modest reform. While this legislation eliminates a number of obsolete and unnecessary functions of the ICC, it still exempts transportation industries from many of the disciplines of competition. These exemptions are no longer justified in today's strong and competitive market economy.

For example, the Nation's trucking industry has enjoyed antitrust immunity for collective ratemaking for the last 47 years. Continuation of this immunity reduces potential benefits to consumers and protects inefficient carriers. This bill also maintains special merger standards for railroads. The railroad industry should be subject to the same merger standards as other transportation industries.

The bill vests the Chairman of the Surface Transportation Board with the authority to appoint ''officers and employees of the Board.'' The Appointments Clause of the Constitution, Art. II, sec. 2, cl. 2, permits the Congress to vest the appointment of inferior officers in the head of a department. Because the Board is ''established within the

Department of Transportation,'' it is a bureau or component of a department, and cannot be a department unto itself for purposes of the Appointments Clause. Accordingly, it would be unconstitutional for the Chairman to appoint persons to serve as ''officers'' in the constitutional sense. Therefore, I am signing this bill with the understanding that it does not authorize the Chairman to appoint ''officers'' in the constitutional sense.

The bill provides for the authorization of appropriations for the Board to expire after 3 years. During this period, my Administration will monitor the regulatory activities of the Board to determine whether it should continue and whether further reforms would be beneficial. My Administration remains committed to continued deregulation of the transportation industry.

William J. Clinton

The White House,
December 29, 1995.

NOTE: H.R. 2539, approved December 29, was assigned Public Law No. 104–88. This statement was released by the Office of the Press Secretary on December 30.

The President's Radio Address

December 30, 1995

Good morning. Tomorrow is New Year's Eve, a time for celebration, friendship, and hope. Nineteen ninety-five has been a good year for our country, and the coming year can be even better.

In Washington, we all know this has been a year of serious differences and profound debate over our Nation's future direction. But if we remain true to our values, we will prove once again that in America we can have serious differences without leaving deep divisions. We know our Nation is strongest when we're true to our fundamental values, giving every American the opportunity to make the most of their lives, remembering the duty we owe to our parents and our children, preserving our families and our communities, keeping America the strongest force for peace and freedom in the world.

In our effort to advance these values, 1995 has been a time of real progress and concrete achievement. The key to our strength is economic opportunity for every American. In 1995, the ingenuity and hard work of our people has kept the economy growing, steady and strong. In the past 12 months the economy created 1¾ million new private sector jobs. In every month the unemployment rate has been below 6 percent. All told, since 1993, we Americans have created nearly 8 million new jobs. The stock market has broken every record. The deficit dropped for the third year in a row, for the first time since Mr. Truman was President. Long-term interest rates continue to fall, bringing lower mortgage payments for working families and more affordable credit for small businesses and consumers.

A growing economy and lower interest rates are why a million new Americans became homeowners for the very first time in 1995. There were more new businesses incorporated this year than in any previous year. And here in Washington, in spite of all of our differences, we made some real progress on an important issue, political reform. At long last, Congress passed a law which applies to themselves the same laws they impose on the private sector. And at long last, after 3 years of effort, the Congress passed lobby reform legislation, banning gifts to Congressmen and requiring extensive disclosure about the activities of lobbyists.

Most important, our communities all over America are coming together around our values again. In city after city, in State after State, violent crime is down; the welfare and food stamp rolls are down; the poverty rate is down; even the divorce rate is down; and for 2 years in a row now, the teen pregnancy rate has dropped.

It hasn't always been an easy year for America. There have been moments that tested our national community. In the wake of the terrible bombing in Oklahoma City, which took the lives of 169 people, our Nation reached out and recognized the bonds that hold us together. Out of the ashes of that tragedy a new sense of national spirit took hold. We affirmed once again that all Americans are in it together. We recognized once again that we can't love our country and hate our Government.