

Transportation and Commerce

areas. The final bill instead directed the SBA to hold five regional conferences on rural development. Senators also removed a House provision that would have allowed borrowers to refinance SBA-guaranteed loans with lower penalties than under existing law.

The House Small Business Committee reported HR 4793 (H Rept 101-667) on Aug. 3, and the House passed the measure 398-26 on Sept. 25. The Senate passed an amended version of the bill by voice vote on Oct. 27, and the House cleared it for the president in the early morning hours of Oct. 28 (in the session that began Oct. 27).

Hotel Fire Safety

Congress in 1990 cleared legislation (HR 94 — PL 101-391) designed to encourage hotels and motels to install fire-prevention equipment. The bill prohibited most government employees from staying in hotels that failed to meet new sprinkler and smoke detector guidelines and barred federally funded conferences from being held in such places. Hotels shorter than four stories were exempted from the sprinkler requirement.

States were given two years to compile lists of hotels within their borders that had complied with the guidelines. Within four years, 65 percent of any federal agency's travel funds would have to be spent at hotels with the fire safety equipment. By the seventh year, 90 percent of federal travel funds would have to be spent at such hotels.

According to the American Hotel and Motel Association, of the 3 million hotel rooms in the United States, just under half had sprinklers. Large, high-rise hotels almost all had sprinklers.

The House Science, Space and Technology Committee reported HR 94 (H Rept 101-357) on Nov. 14, 1989. The House passed the bill by voice vote under suspension of the rules on Nov. 17. The Senate Commerce, Science and Transportation Committee reported the measure (S Rept 101-408) on Aug. 1, 1990, and the full Senate passed an amended version by voice vote three days later. The House accepted the Senate changes on Sept. 10, clearing the bill. President Bush signed HR 94 on Sept. 25.

'Fire-Safe' Cigarettes

A cigarette that would not start fires but would appeal to consumers was the goal of legislation (HR 293 — PL 101-352) cleared by Congress in 1990. The measure directed the Consumer Product Safety Commission (CPSC) to supervise a study of cigarette safety, with an eye toward developing safer cigarettes that also were acceptable to smokers.

The House Energy and Commerce Committee on July 26 approved the measure by voice vote. The panel's Consumer Protection Subcommittee had agreed to drop a provision in the original bill that would have required the CPSC to establish a mandatory fire safety standard for cigarettes.

The House and Senate approved the bill by voice votes on July 30, and President Bush signed it Aug. 10.

Fastener Standards

Legislation (HR 3000 — PL 101-592) cleared in 1990 required that high-strength metal fasteners conform to the manufacturing specifications claimed for them. The bill

was intended to stop the sale of counterfeit nuts, bolts, screws and washers.

HR 3000 also required that samples from each lot of high-strength fasteners used in critical areas of nuclear power plants, commercial airliners and military vehicles be tested by a laboratory accredited by the National Institutes of Standards and Technology.

The House Science, Space and Technology Committee reported HR 3000 (H Rept 101-211, Part I) on Aug. 2, 1989. The Energy and Commerce Committee, which shared jurisdiction, reported the measure (H Rept 101-211, Part II) on Sept. 12. The House passed the bill by voice vote under suspension of the rules Sept. 19.

The Senate Commerce, Science and Transportation Committee reported HR 3000 (S Rept 101-388) on July 23, 1990. The Senate passed an amended version by voice vote Oct. 26. The House accepted the changes the same day, clearing the bill. Bush signed it Nov. 16.

1991-92

The 102nd Congress produced major legislation authorizing highway and mass transportation programs over six years. After winning some concessions from the Democrat-controlled Congress, President Bush signed the transportation measure and lauded its job-creating potential. The bill gave states and cities new freedom to divert federal highway funds to mass transit projects.

A provision added to the transportation measure ended the long fight over automobile air bags by requiring front-seat air bags on all passenger cars made after Sept. 1, 1996.

Congress also acted twice to end rail strikes and approved more stringent alcohol and drug testing for transit workers.

Some legislators wanted to help economically strapped airlines by imposing new federal protections in the wake of the Reagan-era deregulation of the industry. Congress showed little interest in airline "re-regulation" but did direct the Transportation Department to inject more competition into the airline computer reservation system.

Enactment of a cable regulation measure over Bush's veto culminated four years of debate and intense lobbying on the question of whether the federal government should step in to control the rates and business practices of the booming industry. Public pressure for lower cable rates played a key role in the measure's success; the administration and the cable companies, however, predicted that rates would increase.

Striving to keep up with rapidly changing technologies, Congress cleared legislation to compensate the music industry for home taping with digital audio technology, regulate the pay-per-call telephone industry and protect consumers from unsolicited telephone and facsimile advertising.

Legislation was considered but not enacted to transfer radio frequencies to the private sector and to regulate the business ventures of the seven regional Bell telephone companies created by the 1984 breakup of the American Telephone & Telegraph Co. (AT&T).

Reviving an old issue, Congress debated the question of whether public broadcasting was too liberal. After some

2005–2006

Buoyed by their 2004 election victories, congressional Republicans in early 2005 quickly passed an overhaul of the nation's bankruptcy law that they had been trying to enact since 1997. The rewrite, which was supported by banks and credit card companies, was written to force more individuals to repay their debts over several years rather than wipe the debts off the books altogether. In previous years, the bill had been killed in the Senate by an amendment aimed at preventing abortion clinic protesters from avoiding court fines or fees by declaring bankruptcy. A combination of more Republicans in the Senate and a handful of Democratic defectors defeated the amendment in 2005, and the measure then easily passed both chambers.

Another long-sought goal, this one a reform of the Federal Deposit Insurance Corporation (FDIC), came to fruition in the 109th Congress as part of a much larger effort to cut mandatory spending. But legislators who had been pushing for several years to tighten regulation of the mortgage giants Fannie Mae and Freddie Mac came up empty-handed once again, stalled by partisan tensions in the Senate.

Bankruptcy Reform

An eight-year drive to rewrite bankruptcy law ended April 20, 2005, when President George W. Bush signed a far-reaching bankruptcy overhaul bill into law (S 256—PL 109-8). Enactment was a victory for the credit card and financial services industries, which had been pushing the legislation since 1997.

The centerpiece of the new law was the establishment of a means test aimed at forcing more consumers to file under Chapter 13 of the bankruptcy code, rather than Chapter 7. Under Chapter 7, individuals could have much of their debt discharged, or erased, whereas Chapter 13, in contrast, required debtors to enter into a court-ordered plan to repay their debts over several years.

The new law also bolstered the legal rights of creditors, required potential bankruptcy filers to receive credit counseling, and increased the fees and paperwork requirements related to filing for bankruptcy.

Supporters argued the changes would help stem the rise in personal bankruptcy filings and prevent abuse of the system by wealthy filers who could repay their debts but used the bankruptcy system, in the words of critics, as a financial planning tool. Opponents said the measure was a windfall for the credit card industry and faulted the bill for not addressing corporate bankruptcy in the wake of accounting scandals at Enron Corp. and WorldCom Inc. They also criticized the bill for putting the burden of proof on those attempting to file under Chapter 7 to show they were not abusing the law. They said the provisions would

force filers to pay additional lawyers' fees and complete paperwork tied to the means test, potentially worsening their financial woes. (*Accounting scandals, Congress and the Nation Vol. XI, p. 124*)

The legislation was first introduced in 1997. Supporters tried to win enactment through four Congresses, but each time the bill was derailed. The primary stumbling block was an amendment by Senate Democrat Charles E. Schumer of New York intended to prevent violent protesters from escaping court-ordered judgments or fines by filing for bankruptcy protection.

Because it was originally aimed at antiabortion protesters, the amendment was anathema to conservative Republicans, and it doomed the legislation in both the 107th and 108th Congresses. Supporters of the bill were able to overcome the Schumer amendment in 2005 because of the increased Republican majority in the Senate following the 2004 elections and the defection of a small group of Senate Democrats that waylaid efforts by opponents to filibuster. Once the Senate passed the bill, House GOP leaders steered the same measure through their chamber without amendment, avoiding the need for a House-Senate conference, and another round of votes on the legislation.

HIGHLIGHTS OF BANKRUPTCY REVISION

Means test. Established a means test to determine how a debtor would be treated in bankruptcy proceedings. The means test was created to determine whether an individual was eligible to file for protection under Chapter 7 or had to file under Chapter 13. Filers generally were not eligible for Chapter 7 if they earned more than their state's median income and if their income, after deducting allowable expenses, was sufficient to repay up to \$6,000 over a five-year period. In general, anyone whose income exceeded this threshold was considered to be abusing the law, and it was up to the individual to show that his or her finances had not crossed the threshold. Under previous law, debtors could use Chapter 7 even if they could repay their debts.

Homestead exemption. Limited the home equity a debtor could protect during bankruptcy proceedings to \$125,000 for a home purchased within forty months of the bankruptcy filing.

Nondischargeable debts. Made certain debts nondischargeable, meaning they could not be erased. These included alimony and child support, certain money owed for luxury goods, qualified student loans, fines or penalties under federal election laws, and any debt incurred while paying a debt that was nondischargeable: for example, a credit card charge that was used to pay state or local taxes.

Repeat filers. Generally made it more difficult for individuals to file repeated bankruptcy claims.