

during our nation's history. The modern era of restricted federal budgets, however, threatens to erode the essential principle of "no taxation without representation." In ways that are often subtle or hidden, federal agencies are taking on—or receiving from Congress—the power to tax. They may tax by adding extra charges onto legitimate fees charged for services they provide. They may tax by requiring businesses to take on affirmative obligations (as opposed to complying with proscriptions on behavior that harms the public) as a condition of operating. Administrative taxes pass the costs of government programs on to American consumers in the form of higher prices. These secret taxes tend to be deeply regressive and they add inefficiencies to the economy. The take money from everyone without helping anyone.

The worst example of administrative taxation is the Federal Communications Commission's Universal Service Tax. "Universal service" is the idea that everyone should have access to affordable telecommunications services. It originated at the beginning of the century when the nation was still being strung with telephone wires. The Telecommunications Act of 1996 included provisions that allowed the FCC to extend universal service, ensuring that telecommunications are available to all areas of the country and to institutions that benefit the community, like schools, libraries, and rural health care facilities.

Most importantly, the Act gave the FCC the power to decide the level of "contributions"—taxes—that long-distance providers would have to pay to support universal service. The FCC now determines how much can be collected in taxes to subsidize a variety of "universal service" spending programs. It charges long-distance providers, who pass the costs on to consumers in the form of higher telephone bills. In the first half of 1998, the tax was \$625 million, and the Clinton Administration's budget projects it will rise to \$10 billion per year. Mr. Speaker, this administrative tax is already out of control.

The FCC's provisions for universal service have many flaws. Among them are three "administrative corporations" set up by the FCC. The General Accounting Office has determined that the establishment of these corporations was illegal. The head of one of these corporations was, until recently, paid \$200,000 dollars per year—as much as the President of the United States. And reports are already coming in about sweetheart deals between government contractors and their State government friends, who have access to huge amounts of easy universal service money.

The FCC has been contumacious to the will of Congress in implementing the Universal Service Tax. Chairman BLILEY has assiduously pursued the FCC's missteps and misdeeds, as have I. In the Commercial and Administrative Law Subcommittee, I chaired a hearing on administrative taxation, focusing particularly on the Universal Service Tax, on February 26, 1998, at which I raised several issues and concerns. The FCC's response to my concerns, and those of many other Members, has been anemic at best.

This can only happen because the FCC collects taxpayer dollars at levels it sets without approval from Congress or the people. The FCC can defy Congress and the people because it has the power to levy taxes on its own. It can ignore Congress without threatening its generous spending programs, which

cost Americans millions and millions of dollars. Mr. Speaker, some people thought the tax-and-spend liberals had left Washington. Not so.

Washington interest groups who want to feed at this federal trough are already geared up to accuse the Republican Congress of cutting funding for education and health care if any attempt is made to rein in the FCC. They will cynically frame the issue as a matter of federal entitlements for sympathetic causes and groups.

But the most sympathetic group is the American taxpayer, whose money is being taken, laundered through the Washington bureaucracy, and returned (in dramatically reduced amounts) for purposes set by unelected Washington poohbahs. This is why we must require the FCC, and all agencies, to get the approval of Congress before setting future tax rates.

Should tax dollars be used for federal universal service programs? In what amounts? Or should Americans spend what they earn on their own, locally determined priorities? Requiring Congress to review any administrative taxes would answer this question.

My bill would create a new subchapter within the Congressional Review Act for mandatory review of certain agency rules. Any rule that establishes or raises a tax would have to be submitted to Congress and receive the approval of Congress before it could take effect. In essence, the Act would disable agencies from establishing or raising taxes, but allow them to formulate proposals for Congress to consider, under existing rulemaking procedures. It is a version of a bill introduced and ably advocated for by Mr. HAYWORTH. He joins me today as a leading cosponsor of this bill.

Once submitted to Congress, a taxing regulation would be introduced (by request) in each House of Congress by the Majority Leader. The rule would then be subject to expedited procedures, allowing a prompt decision on whether or not it should take effect. The rule would take effect once a bill approving it was passed by both Houses of Congress and signed by the President. If the rule were approved, the agency would retain power to reverse the regulation, lower the amount of the tax, or take any otherwise legal actions with respect to the rule.

Mr. Speaker, the cry of "no taxation without representation" has gone up in the land before, and today we are hearing it again. Congress must not allow a federal agency comprised of unelected bureaucrats to determine the amount of taxes hardworking Americans must pay. While preserving needed flexibility, the Taxpayer's Defense Act will allow Congress alone to determine the purposes to which precious tax dollars will be put.

#### PERSONAL EXPLANATION

##### HON. ADAM SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, June 19, 1998

Mr. ADAM SMITH of Washington. Mr. Speaker, I was unavoidably detained on the evening of June 11, 1998, and unfortunately missed roll call votes 230 and 231. If present I would have voted "yea" on roll call vote 230 and "yea" on roll call vote 231.

HONORING THE SAVE OUR YOUTH INITIATIVE'S CONGRESSIONAL YOUTH COUNCIL

##### HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 19, 1998

Mr. TOWNS. Mr. Speaker, I rise today to honor the member of my Save Our Youth Initiative's Congressional Youth Council.

One of the major challenges facing Brooklyn, and other parts of our Nation, is finding ways to open doors of opportunity for youth who constitute a disproportionately large share of the unemployed, underemployed, and incarcerated. Through the Save Our Youth Initiative, I am striving to eliminate this bleak outlook for our youth, and to provide the necessary resources so that youth can build successful lives. An important vehicle in this effort is my Congressional Youth Council.

Since Spring 1996, the Youth Council's leadership role in the community encourages youth to become more active citizens. Through organizing community forums such as a Youth Town Hall meeting attended by over 200 youth and adults, participating in public hearings and other local events, and discussing policy issues with public officials such as Mayor Rudolph Giuliani and Brooklyn Borough President Howard Golden, these youth blossomed into dedicated advocates. Each young leader—April Hudson, Irvin Daniels, Felix Ramos, Akilah Holder, Tanya Cruz, Latoya Baker, Dunni Owolabi, Jethro Jellidine, Nicole Brathwaite, Michelle Warner, Yolanshe, Alexander, Fellanthin King, and Kalonji Curwen—is a shining beacon of hope for the future of our community.

I am tremendously proud of their achievements in both school and the community. This month, four of these dedicated youth advocates will receive their New York State high school diplomas. They have truly shown that Generation X is a generation of excellence.

Mr. Speaker, it is with great pride that I ask my colleagues to join me in saluting all of the members of my Congressional Youth Council.

#### TRIBUTE TO INTEGRATION 2000

##### HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 19, 1998

Mr. BONIOR. Mr. Speaker, each year a new group of children walks into a school for the first time. They are our future leaders, the hope of America. Students rely on the support they get from parents, mentors, and teachers as they prepare for their future. Harry Istok, at Malow Junior High in Shelby Township, MI, has developed an innovative technical program called Integration 2000. With the help and support of businesses throughout the Metro Detroit area, Integration 2000 has changed the way we look at technical education in Michigan.

Harry Istok is a veteran teacher. For twenty-seven years, he has taught drafting to students at Malow Junior High. But during the school year of 1995/1996, Harry took drafting to a new level. By taking skills from art, drafting, technology education, and general business, Harry integrated the manufacturing side