February 23, Defense Secretary Rumsfeld said the war ''could last 6 days, 6 weeks. I doubt 6 months.'' Now it is over a year later and the war is still going on. A total of 724 American troops have been killed, 585 of them after President Bush declared major combat operations had ended.

We are in a quagmire that is the result of miscalculations and poor planning by the administration, but for the sake of our troops it is time for the chicken hawks in this administration to end the arrogance and the bravado that has put us in the mess we are in right now.

If we want someone effectively to defend our Nation and support our troops, I say let us look to someone who understands what it really means to answer the call and defend your country.

I yield the floor.

The PRESIDING OFFICER. For the information of Members, there are still 4 minutes 30 seconds remaining. Does the Senator wish to yield back the time?

Mr. LAUTENBERG. I yield back all the time, yes.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

INTERNET TAX NONDISCRIMINATION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 150, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 150) to make permanent the moratorium on taxes on Internet access and multiple and discriminatory taxes on electronic commerce imposed by the Internet Tax Freedom Act.

Pending:

McCain amendment No. 3048, in the nature of a substitute.

Daschle amendment No. 3050 (to the language of the bill proposed to be stricken by amendment No. 3048), to eliminate methyl tertiary butyl ether from the United States fuel supply, to increase production and use of renewable fuel, to increase the Nation's energy independence.

Domenici amendment No. 3051 (to amendment No. 3050), to enhance energy conservation and research and development and to provide for security and diversity in the energy supply for the American people.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I came to the floor to urge consideration of the Internet Tax Moratorium Act, the proposal, debate, and voting on germane amendments. As I came to the floor, I heard this attack on the President of the United States and the administration. It was pretty rough stuff, calling people chicken hawks and talking about service to the country or lack thereof.

I am sure the statements just made by the Senator from New Jersey reflect the intense partisanship and recent discussions and charges and countercharges on talk shows and cable television and radio all over America. I think it might be an interesting and maybe sometimes entertaining exercise—the little drawing of the chicken hawk was kind of clever. I have to hand it to whoever the artist is.

But isn't it a fact that we are now engaged in a war? Isn't it a fact right now that, as we speak, our marines are attacking Falluja and I am sure incurring casualties, these brave young Americans?

I don't know if they get C–SPAN over in Iraq, but here they are with their lives literally on the line, trying to bring freedom or ensure the freedom of the Iraqi people. They get television—if not C–SPAN, I know they get Armed Forces Television in many of the bases in Iraq—what do they see? They see us attacking each other about service or nonservice in a conflict that ended more than 30 years ago.

All of us who stand here—I haven't known of an elected or nonelected politician who hasn't said: We are all behind the troops; we are behind the men and women in the military; we support them 100 percent no matter what. What are they supposed to think? Are we really supporting them and are we interested in bringing about a successful conclusion to the Iraqi conflict?

Senator KERRY, the Democrat nominee, says we have to stay the course. He may have different views as to exactly how to do that than the President and the administration, but we are in agreement. Meanwhile, what are we doing on the floor of the Senate? We are attacking the President's credentials because of his service or lack of service in a war that ended 30 years ago, more than 30 years ago.

I think that is wrong. I wish we would stop it. I wish we would just stop, at least until the fighting in Iraq is over.

Second, maybe we could devote some of our time and effort and energy in coming up with a bipartisan approach to this conflict. Yes, there are enormous difficulties. No, things haven't worked out as well as they should have. Yes, I, myself, would have had different approaches to the challenge in Iraq. But we are there. We are in a very crucial moment. Why don't we all join together and sit down and work out, with the administration, both sides of the aisle, a common approach so we send a single message? Not that we are refighting the Vietnam war, but that we are committed to seeing this thing through in Iraq because we cannot afford to fail. We cannot afford to fail.

There will be plenty of time after this conflict is over. We may even have a commission. We have commissions for everything else; why not have a commission after we have democracy in Iraq to find out where we failed in Iraq? That would be fine with me. I wouldn't particularly want to serve on it, but let's have a commission.

But in the meantime, don't you think our focus and attention is misplaced? We are talking about chicken hawks. When the President of the United States is the one whose most solemn responsibility is to be Commander in Chief of our Armed Forces, and to prosecute a conflict that was authorized by an overwhelming vote in this body, and we are calling him a chicken hawk—please. Is that the appropriate time and place for this kind of activity?

I do know some of my colleagues on the other side of the aisle don't like this. I know my friend Senator LIEBERMAN proposed that we all join together to try to come up with a common approach. I don't know if that is possible in this day and age, but it is certainly something worth consideration. But at least, could we declare that the Vietnam war is over and have a cease-fire and agree that both candidates, the President of the United States and Senator KERRY, served honorably—end of story. Now let's focus our attention on the conflict that is taking place in Iraq, that is taking American lives as I speak on this floor.

I don't want to belabor the subject, but I do want to expand on it a little bit. It is a symptom of the extreme partisanship that exists in this body today on both sides of the aisle.

Mr. REID. Mr. President, could I ask the Senator to yield for a brief comment?

Mr. MCCAIN. I am glad to yield to my friend from Nevada.

Mr. REID. I had to step off the floor for a phone call, and I apologize. But what I wanted to say to the Senator from Arizona, the Senator from Arizona, in my opinion, is exemplary in his statements on the floor and off the floor about what has been going on between the two people who are going to be running for President in November.

I believe the Senator from Arizona has defended the Democratic nominee, his war record.

Mr. MCCAIN. And the President of the United States.

Mr. REID. That is right. I was going to say, and the President of the United States. We would be better off if everyone in this very delicate Presidential election would follow the lead of the Senator from Arizona. We do not need, in my opinion, to get into what went on in Vietnam.

We are proud of what Senator KERRY has done, and whatever President Bush has done, he is Commander in Chief now. It would be better off for everybody, I repeat, for the second time, if we followed the lead of the Senator from Arizona and not question what went on during those war years.

I would say, though, to my friend from Arizona, I feel as if I am in high school now—''They started it,'' that kind of thing. I think we need to get back to the real issues; that is, how we are going to finish the situation in

Iraq, what we are going to do about the economy, health care, the environment, and all those other issues.

The third time: We would all be better off if we followed the example of the Senator from Arizona. That is basically what I want to say. I apologize.

This is a he-said, she-said, they-said. My friend from New Jersey is a war veteran himself. He has a right to speak, as we all know. But I am sure he would not have spoken had this not started some other place. But I appreciate very much the Senator from Arizona yielding.

Mr. MCCAIN. I thank the Senator from Nevada who is a good and dear friend of many years, who I also know decries this.

Let me repeat one more time that I believe that honorable service was performed by the President of the United States in the National Guard. Almost 40 percent of the forces that are in Iraq today are guardsmen and reservists. They are superb young men and women.

Obviously, I know the Senator from Nevada shares my view that service in the National Guard is honorable service, as is service on Active Duty, as that performed by Senator KERRY, in my view. But it is time to declare a truce.

I would also say to my friend from Nevada, there is nothing we can do about what talk show hosts do, or outside commentators. That is freedom of speech.

I am sorry so much focus is on that, and I don't pretend to say I could do anything about that. But I hope Members of this body could declare a truce on this issue, if I may use that word, and then we could move forward in addressing the compelling issues of the day.

I will be glad to hear the response of the Senator or, if he doesn't mind—I yield to the Senator from Nevada.

Mr. REID. Mr. President, that would be easy to do. I think we can get people on this side to stop the discussion. If the administration wouldn't be doing what they are doing with ads and things of that nature, we would all be better off.

I repeat that I am not questioning someone's military record. As the Senator knows, this is an ongoing issue. I can't do anything about talk show people, but we can do something about the two Presidential candidates—one sitting President and one sitting Senator—and have them and their organizations not discuss this. I think it doesn't accomplish anything. Someone might say: They started it; we are going to try to finish it. We should wash our hands of that and try to start anew and not be talking about the service of either one.

Mr. MCCAIN. Mr. President, I would like to leave that particular subject, but say that segues in a very rational way into what we are facing on the floor of the Senate in consideration of this bill.

Yesterday, I was under the impression that we were moving forward with a vigorous and spirited and passionate debate on the issue of an Internet tax moratorium.

Why is this issue of importance? Because the worst thing we can do to small and large businesses in America, around America, is to have an atmosphere of uncertainty.

I think most of my colleagues would agree—this is probably the most partisan environment I have seen in the 18 years I have served in the Senate and the 4 years that I served in the House.

What is happening—and I was a bit sarcastic yesterday, I must admit—is we come to the floor with legislation which is important. The Internet tax moratorium doesn't lend itself to partisanship. In fact, the two greatest opponents of this legislation—Senator DORGAN opposes it with two Members on this side of the aisle. It is not one of those that somehow is a Democrat philosophy versus a Republican philosophy. One of the greatest supporters of the Internet tax moratorium is the Senator from Oregon. Here we are with this issue which is really important to American businesses. Most businesses, obviously, support a tax moratorium. But what they fear most of all is uncertainty. They have to make plans for their businesses and their futures.

What we are in danger of right now as we speak is getting hung up on extraneous issues, as we have on almost every piece of legislation that has come before this body, on extraneous amendments. I understand the frustration of my colleagues on the other side of the aisle. I served in the minority for the first number of years that I was here. Yet the majority sets the agenda. I have said to the Senator from North Dakota, I want my issue raised, I want a vote on it, and I am ready to go. I have never tried to tie up the Senate on an issue. I have come down here for years and forced votes on line-item vetoes. But I said that I am willing to have a time agreement and a debate on the issue of climate change. Senator LIEBERMAN and I said: Look, we are not going to tie up the Senate. We are not going to impede everything from going forward. We had a vote. We got 43, I am happy to say.

My point is, we shouldn't block the passage of legislation. I think there is a careful balance between proposing an amendment, getting a vote on it, and then allowing the legislation to move on rather than just overloading the legislation to the point where it has to be withdrawn.

I hope we can get a vote on the Democratic leader's amendment on ethanol. I hope we can get a vote on many of these other issues, including minimum wage if necessary. But at some point you cross a line between trying to have your views and your issues and your agenda addressed to the point where we just end up in gridlock.

I think most observers, both inside and outside of this institution, will agree we are basically gridlocked on almost every issue that comes before us. That is not what we are sent here to do. We are sent here to act as legislators and to address the issues that are important to the American people instead of partisan gridlock.

I hope we can sit down on both sides of the aisle and at least make people aware of what the agenda is. I have a very long relationship with both the Senator from Nevada and the Senator from South Dakota who are friends of mine. I would like to know what the agenda is. I don't think it is a lot to ask what I can expect in managing this bill. At least in that way I can try to accommodate the concerns of the agenda of the other side of the aisle.

But to come out here and just spring an amendment I don't think is quite fair, and I don't think I would do that if I were in that position.

I hope we can return to some kind of comity and that way perhaps decide how we are going to dispose of this bill.

I said only half sarcastically yesterday that if we are going to spend all of our time in gridlock around here, some of us would like to go home. It is much nicer in Arizona than in the Nation's Capital. Maybe we could leave a couple of Senators on either side to propose amendments, have quorum calls, and be in gridlock. Some people would be fooled that we are still working. But instead, it is now Wednesday. We are supposed to be out Thursday night, and we have addressed one amendment to this legislation. I don't think this is a fair way to legislate.

I know my friend from North Dakota is here and wants to say a few words, and my friend from Oregon and my friend from Virginia. But I also urge those who have amendments which are germane to please come to the floor so we can debate them and vote on them since I think it is important to do so.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I know my colleague from Oregon has been waiting to speak. The Senator from Virginia is in the Chamber as well. But if it might be appropriate, I wish to make a couple of comments relative to my friend's comments. If it is appropriate, I would like to ask consent that the Senator from Oregon be recognized following my presentation. My understanding is he is going to speak for a few moments.

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

Mr. DORGAN. Mr. President, let me clear up a couple of issues.

First, my colleague from Arizona is straight with all the facts. We have no disagreements about the facts. He indicated I am opposed to the moratorium. I am not opposed to the moratorium. I have voted for an Internet tax moratorium. I hope before the end of this week I can vote for another Internet tax moratorium.

Mr. MCCAIN. Mr. President, if the Senator will yield, I appreciate the

Senator correcting the RECORD. I do not mean his opposition to a moratorium but his opposition to the definition of Internet access.

Mr. DORGAN. That is correct. I don't support the specific definition of access. We need to work through that. But that doesn't mean I don't support the moratorium on taxing the Internet. I have supported that previously. I supported the previous moratorium that was in existence, and I support it now. In fact, I will offer an amendment that will demonstrate that support. I appreciate clearing that up.

Second, the Senator twice yesterday—I was going to correct him and I did not—talked about the fact that the Democrats have a retreat this weekend on Friday. We Democrats don't use the word ''retreat.'' We call it an ''issues conference.'' We think ''retreat'' is a more negative word. So we have an issues conference, as do the Republican members of the Republican caucus, I think, have a couple times a year. We have an issues conference. We will be doing that beginning on Friday.

Let me also comment about the Senator from South Dakota, the minority leader, Mr. DASCHLE. He offered his amendment. I know the comments by Senator MCCAIN this morning reflect the right of Senator DASCHLE to offer that amendment. I understand that when one is managing a bill, the last thing you want is an amendment that is off the particular subject. But Senator MCCAIN has correctly stated that the amendment offered by Senator DASCHLE was well within the rules of the Senate. He has the right to offer that amendment.

My guess is, as Senator MCCAIN described his approach earlier in the Senate of offering an amendment, that might be extraneous for the purpose of getting a vote on the amendment at some point. I think Senator DASCHLE would be very happy to—I can't speak for him—come out here and say: I will withdraw that amendment in exchange of Senator FRIST allowing me a vote on that amendment immediately following the Internet tax moratorium. I am guessing Senator DASCHLE would be very happy to do that.

In any event, because he felt a need to offer that amendment on this bill, it doesn't mean he is trying to block this bill. The only block is a mental block among those who might not want to proceed now.

The fact is, I think Senator DASCHLE would be willing to come out here and say: Let us have a 15-minute time agreement or 30-minute time agreement, have a vote, and we will dispose of this amendment—however it is disposed of. Let us do that. I am sure he would say: I don't intend to block this bill but I just intend to exercise my right to get a vote on my amendment, which I think is the same approach the Senator from Arizona has used very effectively, I might add, over many years.

If anybody on the floor of this Senate is relentless—and some might use other adjectives—in the pursuit of his passions and demands that he be heard, it is the Senator from Arizona.

I expect others who have managed bills who have sat in that very chair have from time to time had to grit their teeth in sufficient volume to have people hear in the Russell Building when Senator MCCAIN comes to the Senate floor, wondering what amendment he will offer and what is its purpose.

The approach with which we legislate in the Senate is not always the most efficient approach. The most efficient approach, I suppose, is the one used by the other body in the House of Representatives where they package up, through the Rules Committee, the exact circumstance under which legislation will be considered. They bring a bill to the floor, they will allow these six amendments, and they will have 10 minutes each. They package it up and zip it real tight. The Senate does not work that way. George Washington was happy it does not. So was Thomas Jefferson. I am as well. However, it is frustrating from time to time. Yesterday was a frustrating day.

However, I would speak on behalf of the minority leader in saying that the issue offered with respect to renewable fuels is a very important issue. Let's just move on that. Let's get a vote on that. I expect I could ask him to come to the Senate floor, and I expect he would be willing to have a short time agreement if he gets a vote on his amendment. Since he offered the amendment, Senator DOMENICI came and offered a 900-page amendment dealing with the entire Energy bill, rewritten so that is a different issue.

My goal would be to try to move through this legislation. I hope we can find a way to vote on amendments that are offered, have short time agreements.

Mr. REID. Will the Senator yield for a question?

Mr. DORGAN. I am happy to yield.

Mr. REID. Is the Senator aware on this side we would be happy to agree to set aside, temporarily, the pending amendment? For example, Senator KENNEDY wants to offer something on minimum wage. He would take a very short time agreement on that: 15 minutes divided on each side. We would be happy to allow the majority to offer an amendment either as it relates to this bill, as the Senator from Arizona wants to do, or whatever else they might feel is appropriate. We would look at that and see if we could agree to a short time agreement.

Even though we are in this parliamentary quagmire with three votes scheduled for tomorrow, three separate cloture votes, today we would be happy to work our way through this, doing one amendment per one amendment. Is the Senator aware of that?

Mr. DORGAN. I am. I was trying to make the point that those who have a right to offer amendments do not intend to block the legislation. My hope is we can try to determine how we get through this, have votes.

I heard a presentation earlier this morning in the Senate saying the problem with the Senate is we are being obstructed every time we turn around. The obstruction is the minute somebody on our side offers an amendment, the place shuts down. I don't understand that.

There is a guy in my hometown who had a Model T. He got drunk one night, and when he was driving home he turned the front wheels too sharp. The Model T's were the only cars like the red wagon: If you turn the wheel too tight, it tips over. He turned the Model T too tight and it tipped over. He thought he saw chickens in the road, so he turned the wheels too tight and tipped the Model T.

I was thinking of this in terms of getting this moving. When somebody offers an amendment, somebody sees some chickens in the road, so we just stop or tip over. We just do not move. Then somebody says, Well, we do not want to move anymore because the other side has obstructed us.

I say—whether it is overtime, whether it is ethanol, or whether it is on minimum wage—they need not obstruct anything. I believe all of those who have offered those amendments have agreed to a very short timeframe. Have a vote and dispose of it, and then move forward. Because the majority does not want to have that vote, they essentially decide we are going to do nothing. We will keep the lights on, we will make it look like we are working, but we are not going to move.

That is unfortunate because there is not obstruction from this side. The obstruction would be from those who have decided once my colleague offered an overtime amendment we will no longer proceed with the corporate finance bill; we will no longer proceed because somebody offered an amendment we do not like.

With respect to this bill in the Senate, the Internet Tax Freedom Act, my preference would be whatever somebody offers today, ask them, Will you accept a time agreement that is reasonable—15 minutes, 30 minutes? If they say yes, we ought to have a discussion about it for that 15 minutes, call the roll, have a vote, and then move on. We will exhaust that pretty quickly. We will get to the amendments that are at the center of this bill, find out what the sentiment of the Senate is on that, and then, I hope, pass this legislation.

I hope at the end of the day I will vote in favor of this, as I have done on previous pieces of legislation dealing with the Internet tax freedom or the moratorium on taxing the Internet. My hope is we can find a solution to this definition. I think we are working on one so that we can vote for it. I want this to pass.

I have taken longer than I intended to say something I should have said with greater brevity, but my hope is we

can just proceed. We are now at parade rest again, as is the case with every bill, with people saying, Your side is obstructing. We are not obstructing. We can have a 15-minute debate on the Daschle amendment and then vote for it. I am for that. I think Senator REID would be for that. Let's do that. Then we do not have a worry about the Democratic leader offering an amendment. He offers it and the Senate has an opportunity to vote on it.

The place where we should be roundly criticized is if we offered an amendment and said, By the way, we do not want to vote on this; we want to talk about it for 2 or 3 days. No one I am aware of is in the position of doing that. That is not our intention. We simply want to vote on the Daschle amendment.

I know my colleague from Oregon is waiting to talk about the very thing that represents the difference on this moratorium issue, and that is the definition.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. First, Mr. President, I say to the Senator from North Dakota I very much support what the Senator is trying to do in terms of procedure. It is time to vote. As the Senator has said, whether 15 minutes or half an hour, people ought to get on to the task of voting.

After 8 years of discussing this eye-glazing subject of Internet taxes, we always cringe at the prospect of wading once more into this incredibly arcane area, so I will take a few minutes to talk about the definitions question with respect to Internet access. This is clearly the big hangup.

The Senator from North Dakota is here. He has been exceptionally cooperative, even though we have had different views on the subject over the last 8 years. I will take a couple of minutes to describe what the central concerns are with respect to working out the definition of the Internet access.

The concern on my part is, as the Alexander language is written today, in effect it will hide taxes on Internet access, No. 1; and, No. 2, it opens the door to multiple State and city taxes on the individual component parts the American people think of as Internet access. No Senator wants to do this. There is no Member of the Senate who gets up in the morning and says, I want to have thousands of new Internet taxes. However, the way the definition of the Alexander language is written today, it will, in fact, open up the opportunity to tax wireless Blackberry services, spam-filtering systems, Web hosting, and the like.

I will take a minute to touch on both of these concepts, the question of hiding the Internet taxes and the question of opening the entire Net to taxing the individual components. We will have to work through those two in order to do as the Senator from North Dakota has suggested—get this done as we have done on several occasions.

With respect to the hiding of taxes, it comes in the overall bill the consumer receives. We already see this in jurisdictions, for example, that tax DSL. Right now, I believe we are discriminating against the future. Right now cabling, in effect, gets a free ride. DSL gets taxed in a number of jurisdictions. This has special impact for my friend from North Dakota and me because DSL, of course, is the way we will get broadband into rural areas. The way that tax shows up, of course, is in the overall bill. It is just in the overall bill.

So unless we get equity for DSL relative to cable, what is going to happen in America is the Internet tax will be hidden in the overall kind of bill, and the consumer will just see, in Oregon and North Dakota and everywhere else, a higher bill for broadband than they would see right now for cable, and that would be continued.

So we absolutely, in the area of definitions, have to have technological neutrality. That is what we began with 8 years ago when we said everything that happens online is the same thing that is going to happen offline. To get the technological neutrality this time, we have to say that DSL does not get hammered and cable gets a free ride.

Here is an example. I want to offer this to my colleagues because I think it also highlights again our concern with respect to the definitions in the Alexander language and how it opens the opportunity for additional taxes. The Alexander language stipulates there be no tax on services used to ''connect the purchaser of Internet access to the Internet access provider.'' But nowhere in that language is the term ''connect'' defined.

Does it mean that Internet access ends where a computer hooks into the phoneline? Does it mean where the phoneline reaches the central office or where the line makes its first point of presence on the Net? So the term ''connect'' without any definition is simply uncharted territory, and it would again, in my view, allow States and cities to tax Internet access, again, through a kind of hidden approach that is going to keep the consumer from doing what I and the Senator from North Dakota have always tried to do in the consumer protection area: give consumers access to information and make sure there is truth in billing so they can actually choose between various technologies that best assist them.

With respect to the question of the Alexander legislation opening up the door to multiple State and city taxes on the individual components people think of as Internet access, we now have 391 separate taxes on telecommunications administered in 10,000 jurisdictions. The fact is, States tax different technology platforms for Internet access in different ways. So we have a cable modem platform, we have a traditional landline, we have a wireless dial-up in DSL, and, of course, satellites.

The Alexander proposal says that DSL is not Internet access but a telecommunications service, and, in effect, we would then see DSL further taxed. I think that would eliminate the competitive playing field that has always been the point of this exercise for now 8 years. To me, to just force people, particularly in rural areas—in the rural areas I care about and the Senator from North Dakota cares about—to face this discrimination against broadband is particularly troubling.

So I know this is exceptionally complicated material, and Senators have been barraged by all sides on this over the last few days. I have tried to outline how the revenue projections we have discussed over the last 8 years, with the States and localities saying they were going to lose vast amounts of revenue, have not come true. I have talked about how this is an effort, in this iteration of the Internet tax freedom bill, to essentially update our original law with respect to technology. But it is, as the Senator from North Dakota has correctly said, a question of definitions. So this concept, as I have outlined with respect to the Alexander language, in terms of how you would connect the purchaser of Internet access—without that being defined means you can expose jurisdictions to multiple forms of taxation. Then there is the question of hiding the Internet tax, which is what the Alexander proposal will do, because companies do not eat these costs; the companies end up passing them to the consumer.

So what will happen, all over this country—in North Dakota and Oregon and across the country—is that people who order broadband, who essentially look to DSL for their broadband services, will just get a higher bill. They will get a higher bill than people who order broadband through cable. That is regrettable. It certainly violates the principle of technological neutrality.

I repeat, I think the Senator from North Dakota has been very constructive on this issue. We have gone through this water torture exercise now since late 1996, and I am very much prepared to do this once again. But clearly, with respect to these definitions, we have some major issues that have to be worked through.

I also point out, as the chairman of the Commerce Committee did yesterday and Senator ALLEN has as well, in 10 separate areas, as we worked even for the managers' amendment, we have made efforts to compromise on the definitions question. We have exempted a whole host of areas all of the sponsors felt should not be subjected to taxation. With respect particularly to voice over, the exciting area where phone calls are going to be made over the Internet, we have made it clear in this legislation, in the substitute the chairman of the Commerce Committee

is offering, that we would not change the status quo.

I have heard from California and others that somehow this is going to dramatically change the question of taxation for phone calls over the Internet. The McCain language clearly stipulates—clearly stipulates—that in that area California and others have been so concerned about, there are no changes.

So I look forward to working with the Senator from North Dakota. I commend him for taking yet another crack, as he has done for 8 years with me, on this subject that I have been comparing to sort of prolonged root canal work. But we are going to get this done, and hopefully it will be this week.

Mr. DORGAN. Mr. President, will the Senator from Oregon yield for a question?

Mr. WYDEN. Of course.

Mr. DORGAN. The Senator from Oregon has outlined, I think, the center of the discussion and the controversy. To demonstrate the complexity of this issue, when we talk about someone connecting to broadband from their home computer, they are connecting, perhaps, through their telephone system. So it goes from the computer to the telephone wire, back to, I guess—through, perhaps—a D-SLAM, up to an ISP, Internet service provider. So you have a series of things that are happening with respect to the connection.

Some would say the connection is between the computer and the telephone service that is going to be provided at a cost of, let's say, $40 a month, and that shall be tax exempt. I agree with that. That connection shall not bear the burden of a tax. I think that is what the Senator is talking about with respect to part of the definition.

So then the question goes beyond that. Well, what about the architecture that goes back up through the local phone system to the D-SLAM, to the Internet service provider? What if they are buying a part for the facility that allows them to move DSL out to the neighborhood? That is part of the DSL stream, but it is upstream in the architecture of getting the DSL to the home. So is that part of what the architecture is?

One of the difficulties for me is to try to understand what the Senator from Oregon describes as the connection. Is it all the way up to the Internet service provider in every purchase—every part, every piece, or every bit of construction that exists between the computer and the Internet service provider downstream through the architecture? If that is the case, we are talking about a substantial amount of economic activity, almost all of which is now taxed, incidentally, not just for telephone service but similarly for the cable system, which would not then be taxed in the future and would affect the revenue base of State and local governments. But if the definition of the ''connection'' is some $40 a month that one might pay for the DSL service, that, I think, represents a definition that most of us agree with.

I am just trying to understand a bit, and perhaps the Senator from Oregon can describe an answer to those questions so I understand it better.

Mr. WYDEN. Mr. President, with respect to the architecture the Senator from North Dakota has described, people have already paid once. So this question of what is going to be done with respect to various aspects of the architecture is an interesting discussion for us to be pursuing in the Senate, and all of these various components and pieces of equipment, but people have already paid once. And with respect to Internet access, about which we have been concerned, it is almost like a carton of milk: You paid for the carton of milk once; you should not pay again if you are going to pour it on your cereal or something else.

The Senator from North Dakota has raised a question about funding for what is called the backbone of the communications system. But at the end of the day, the bottom line is, people have already paid once. What we want to do with this legislation is to say, on the question of Internet access, nothing about sales taxes and the like. The Senator from North Dakota knows once we get over this, we will have the next issue, which is the question of the streamlining of sales taxes. But with respect to the architecture the Senator from North Dakota has raised, the consumer has already paid once with respect to Internet access.

Mr. MCCAIN. Mr. President, will the Senator yield for a question?

Mr. WYDEN. I am happy to yield.

Mr. MCCAIN. I don't know if the Senator from Oregon had a chance to see the article by Senator ALLEN this morning in the Wall Street Journal. I commend it to all. It is funny because Senator ALLEN's piece in the Wall Street Journal dovetails with the information we received in the Commerce Committee in the last 2 years about revisiting the 1996 Telecommunications Act and what we need to do in the future.

The issue that came up with all the witnesses this morning and came up yesterday morning was the United States is falling dangerously behind all other nations on DSL. We are now ranked 11th in the view of some, 20th in the view of others. If you would have told me 10 years ago we would rank behind South Korea on almost any technology, as intelligent and hard working and industrious as they are, I would have said: We have a problem.

As the Senator from Virginia points out in his piece, they are trying to tax DSL. Some States are taxing DSL. I am not saying it is taxation of DSL that has caused the serious problem we have fallen behind at least 10—in the view of some, 19—other nations in broadband access. But I am saying, why in the world would we want to lay taxes on them at a time when we need to expand it dramatically rather than lay a tax on it.

May I mention one other point here that is important. To all of these State Governors, the National Governors Association, who keep saying, ''We are losing all this revenue; why don't you stop spending so much,'' revenues have increased in literally every State in America in the last couple of years. Instead they are spending more. For them to tax DSL at a time when it, in the view of almost everyone, is critical to the United States maintaining its technological lead and the growth of business, communications, and politics, is outrageous. It is insulting. It is disgraceful these greedy Governors are so greedy they don't understand the impact of taxation of DSL, which is still only in 28 percent of our urban and suburban residences and 10 percent of rural America. Talk about tunnel vision.

They and their acolytes come over here and start talking about how important it is that they be able to keep taxing and that many of them—as Senator ALLEN points out in his column, they say: We are not going to tax hamburgers, so they tax the meat and not the bun—have started to tax DSL. It is spreading. Even in our bill, we are going to allow them to continue to do so. We are going to allow them, even though they are not in violation of the letter of the law, but certainly the intent of the law by taxing DSL. Now they want to tax it more. Every witness before our committee—we had the Cato Institute and the Brookings Institute; we had representatives across the spectrum of thought in America—said: You have to increase DSL. You have to increase broadband access. You are falling behind every other nation in the world.

So what do the Governors want to do? They want to tax them. We are going to have them come over here and talk about unfunded mandates and unfairness and fairness. The fact is, if we allow every State in America and every municipality in America to start taxing DSL, it is absolutely inevitable that we will see a slowing of the growth of broadband access. It is obvious if you lay another burden on it.

There are a number of areas, including overregulation and other things. Mr. Notebaert of Qwest pointed out yesterday that in order for his corporation to provide DSL to a home, to have permission to do so required $130,000 in expenditure and X number of days. I think he said something like 24 days. But if a cable company wants to provide exactly that same service, they can provide it in less than 24 hours. Obviously there is something fundamentally and terribly wrong in the regulatory regime, and it needs to be fixed.

I am not blaming our falling behind other nations on DSL and broadband access simply on taxation. But I am saying that increases in taxation—and it would be widespread if we opened the door—will have a substantial chilling effect in the reduction of what should be one of our Nation's highest priorities, as the President of the United

States said in his speech the day before yesterday, to provide broadband access to all Americans no matter where they are.

I again congratulate my colleague from Virginia for an excellent piece in the Wall Street Journal. I recommend it to my colleagues.

Mr. WYDEN. Mr. President, I still have the floor. I know the Senator from North Dakota wants to talk more about the architecture. The point that is being made with respect to broadband and that Senator MCCAIN has touched on is if we now say the Alexander definitions go forward, broadband through DSL is going to be taxed. That is discrimination against the future. It is particularly burdensome for rural areas, the kind of areas I and the Senators from North Dakota and South Carolina represent. The fact is, you are not going to get broadband into small areas through cable. It is not economically efficient to do it. You are going to get broadband to rural areas through DSL.

I am prepared—once we make sure DSL is not singled out for discriminatory treatment, as it has been in a number of jurisdictions in the past—to work with the Senator from North Dakota and others to get this matter resolved.

Broadband through DSL is going to create a tremendous number of jobs. Brookings has said there are going to be hundreds of millions of dollars worth of investment that come about through broadband DSL. The Senator from Arizona is correct in saying we don't have the problem now with respect to broadband exclusively because of taxes. But I can assure my colleagues we will in the future see this problem compounded if broadband secured through DSL is singled out for special treatment. Under the Alexander definition, that would be the case. That is unfortunate.

I yield the floor.

Mr. DORGAN. Mr. President, I have just a couple of thoughts. First, my colleague from Arizona was also at the hearing this morning when the question to one of the witnesses elicited the answer that taxes really are inconsequential or have almost no impact on the movement and deployment of broadband. I happen to agree with that assessment.

What has happened with respect to Japan and South Korea, as an example, where they have had this robust, aggressive development of broadband, it is a result of a couple things. They had a national will, a program, and a determination to make that happen, including loan guarantees, among other things—also, including regulation. What was the regulation? It was that their Government said incumbent providers must make their facilities available to other competitors; their dark fiber must be made available to other competitors. They created robust, aggressive competition and, therefore, a massive buildout of broadband. Good for them. But that was regulation. That was the Government saying you have to make your dark fiber available to the incumbent providers. They have approached this in different ways.

Also, we in this Government, right now, have, I understand, over $2 billion of loan guarantees and loan authority in the U.S. for the buildout of broadband. I know that because I offered the amendment which allowed that to happen.

Senator BURNS and I and others worked on this for a long while. Yet that money has sat down at the USDA and they are not doing much with it. We met with the Secretary of Agriculture to say: Let's move, let's incentivize and develop the buildout of broadband.

You have resources, substantial resources. I believe the resources used in Japan were $1 billion in loan guarantees. We have more than that available; it has been available, appropriated, and ready, and it is not being used. While I appreciate the President's speech, I say to the President that we have appropriated money for this. Let's get USDA to move on it.

I wish to make the point that there are a couple of things that reflect what has happened in Japan, South Korea, and other countries, I might add, that has dramatically accelerated their buildout of broadband. We ought to be concerned about that. In my judgment, we ought to have regulatory authority, and we ought to have the ability to use what is already appropriated for loan guarantees. We ought to have a national will and a national determination to have a broadband buildout that is aggressive. That is going to happen when our Government says this is a significant priority for us.

Attendant to that, I would say, is passage of a moratorium bill. I will support that at the end of the week, provided we can reach this solution on definition. I don't want to describe that as some nirvana that is going to be the event that unleashes some massive, new program of the buildout of broadband.

I agree with the fellow from Brookings who said this isn't particularly consequential. It is not the tax issue that is impeding the buildout of broadband.

Having said that, we have previously decided, as a matter of public policy, that we did not want to tax Internet service, connection to the Internet. I supported that. That moratorium existed in Federal law, and then it expired last fall. I prefer at the end of this process, this week, I hope, that we will have passed another piece of legislation that represents a moratorium. Why? Well, I think incrementally it is the right policy. I don't know. We have some people on the floor who have law degrees. I guess most of us have advance degrees of some type. I will bet there is not one person on the floor of the Senate at the moment who can understand their telephone bill—not one. We ought to bring them to the floor of the Senate and go over it in some detail. It would take a few days. That would be the ultimate obstruction, trying to read your personal telephone bill. It is so god-awful complicated, nobody can understand it. There is a myriad of charges, fees, and taxes.

For that reason, I am sympathetic to the notion of a moratorium, not because I think it unleashes the forces of the buildout of broadband; I think it is a reasonable thing to do.

I have not read the submission of the Wall Street Journal printed by the Senator from Virginia today, but I will do that when I have the opportunity. I am interested now that it has been raised. I think what we should do is the right thing, and we ought to do it the right way. So you don't find opposition from me with respect to the objective here. I hope we can reach this definition as we move upstream beyond the immediate connection of DSL, for example, and that we can define what moving upstream means, and exactly what it is we are preventing from ever being taxed by State and local governments, which they may now tax.

Once we describe and understand that, I think we can easily find a bill that should get 95 votes in the Senate, to say we subscribe to the basic principle that we should not tax access to the Internet. That is a principle I support, and I hope at the end of the week I will be able to manifest my support by voting for the legislation.

Mr. MCCAIN. Mr. President, I know the Senator from Virginia has been patient. Briefly, I point out that in the hearing this morning, yes, one witness from Brookings said it would have very little, or not much, effect. The other five witnesses said it would have great effect. All six witnesses said they strongly supported an Internet tax moratorium, including DSL, with varying degrees of enthusiasm, including the one who said there was very little effect. The other witnesses strongly favored it and thought that a tax, particularly on DSL, would have a significant impact.

I think we ought to reflect in the RECORD the view of all of the witnesses.

Mr. DORGAN. If the Senator will yield on that point, this is like being witness to an accident. We all see different things, apparently. But it is absolutely true that all of the witnesses at the hearing we just attended supported a moratorium on the issue of taxing the Internet. No question. I didn't hear from all these witnesses that it would have ''great'' effect. I didn't hear that term. Nonetheless, I believe they feel, as I do, and as Senator MCCAIN does, that we ought to have a moratorium.

Mr. MCCAIN. I thank my friend.

I point out again, there are a lot of reasons why we are falling behind, probably for the first time I know of in a major high-technology capability. Maybe during the 1970s there was a time we fell behind the Japanese in

certain areas. But this should be of concern to all of us. We should remove any impediment or burden. I think the Senator from North Dakota and the Senators from Oregon and Virginia agree that we have to change the regulatory scheme which has clearly not conformed with these advances in technology.

I point out again, when Dick Notebaert said it costs him $124,000 and X number of days to install a DSL line, and a cable company can do it in 24 hours, something is wrong. Either one is wrong or the other.

But I argue that if I were a small businessperson and I saw looming ahead of me significant taxes on the way I was conducting my business, I would obviously give pause. Small businesspeople have small margins. We all know that. That is always a factor in the decisions that are made. I think we ought to remove that impediment or certainly that cloud of concern that small business in America is considering today.

I thank my friend from Virginia for his patience. I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. ALLEN. Mr. President, it is an interesting discussion we are having. Actually, I think it is very important for folks to understand the context of this and how important it is in our efforts—Senator MCCAIN's Senator WYDEN's, mine, and others.

This debate is about protecting consumers from taxes, taxes that would be burdensome and harmful. It is keeping, not taking necessarily, revenues away from any State or local government, but making sure we don't have them putting on additional taxes and costs, thereby making access to the Internet, and more particularly broadband, in rural areas and small towns less affordable. Everyone understands that if you tax something or something has a higher cost, fewer people can afford it.

We are talking about bridging economic digital divides. We are talking about what Japan, South Korea, Singapore, Denmark, Sweden are doing, and how the U.S. is falling behind.

One of the reasons the Internet has grown in this country is because the national policy for the last 6 years has been, don't tax it. It is simple. A fourth grader will understand the basic economics that more people will be able to afford something if it doesn't cost as much.

So the first rule of a national policy in making broadband available to all people everywhere in this country is don't tax it. That is simple and that is the basic effort of the leadership on this issue.

You can talk about incentives, and the Senator from North Dakota talked about incentives. I have been in favor of many of these incentives, and I think the Senator from Oregon has, the chairman of the Commerce Committee as well. But the point is, it seems so counterproductive. We are going to give incentives to companies to invest hundreds of millions of dollars to get broadband high-speed Internet access to southwest Virginia or eastern Oregon or northern Arizona, but we are going to have to give even greater incentives because we are going to have to offset the taxes that are going to be imposed on those ultimate consumers. It is illogical and counterproductive to have taxes imposed on Internet access.

For folks who are watching at home, you may think you send e-mails across this country and those messages are traveling over the Internet. Guess what. You are right; they are. Here is the problem with our opponents' proposal. By the way, I wish the folks who are on the side of taxing the Internet were in the Chamber. Let's vote on the amendments. The Senator from Texas, Mrs. HUTCHISON, had an amendment yesterday. We debated it, and we voted on it.

We had a cloture vote, and 11 people did not want to go to this bill. I wish they were in this Chamber debating and advocating their ideas and let the Senators vote on them rather than delaying, dawdling, and freezing up this bill.

Our opponents say e-mails are not Internet services, they are telephone services because what they want to do is apply telephone taxes to your Internet communications.

The protax view is, if you happen to choose DSL for your Internet service, and you are unlucky enough to fall into one of these taxing grandfathered States, then the entire network from your computer to your friend's e-mail inbox on the other side of the country is taxable.

Telephone tax rates can run very high. Here are some examples. This is not a proud moment for the Commonwealth of Virginia. Richmond, VA, 29, almost 30-percent taxes on a telephone bill in Virginia. Texas has high taxes, too, 28.5 percent. This is the top 10. Georgia is 19 percent. I am sure the Presiding Officer is glad to see South Carolina is not in the top 10. South Carolina actually ought to be applauded. South Carolina was one of the grandfathered States, allowing them to tax Internet access, but they said, no, it is harmful to South Carolina's ability to attract business, and they removed that tax, as did Iowa, the District of Columbia, and Connecticut. Regardless, this is the amount of taxes that are put on telephone services.

The opponents will say they are worried about telecommunications migrating. They worry about telecommunications, telephone calls, migrating to the Internet with voice over IP. Senator MCCAIN's amendment makes sure that issue is not disposed of in this bill. The reality is, what they are advocating is having telephone taxes migrate onto your Internet access bill.

The Senator from North Dakota mentioned bills and how we try to figure out these bills. What Senator WYDEN and Senator MCCAIN and I would like to see done if we had a moratorium is have your Internet access bill be the way it is now. Whatever that amount is, it is simple. This chart shows your monthly bill of $23.90. If it is broadband, the amount is probably going to be in the thirties or forties. Of course, we like to make sure there is competition whether it is wireless, DSL, satellite, and a variety of other areas. The Carper-Alexander approach would want that to be taxed.

Guess what it would look like. The Senator from North Dakota talked about how can we figure out these telephone bills, as there are multiple local taxes, State taxes, Federal taxes. This chart shows a Verizon bill. Here we have gross receipts surcharge, relay center surcharge, such and such—all sorts of different taxes, Federal and State.

From the simplicity of your bill with no added taxes, taxes on average 17 percent, they want to get into this situation. I say to my friends and anybody watching, there was a similar debate, I suppose, 105 years ago, in this Senate. They needed this money because we were in the midst of the Spanish-American War. They said: We need to put a luxury tax on this newfangled idea called the telephone. So a luxury tax was put on telephone service.

Guess what. Whether you are in Virginia, North Dakota, Oregon, Hawaii, or anywhere in between in this country, Americans, well over 100 years after that Spanish-American War, are still paying that Spanish-American War luxury tax on telephone service. The reason I say that is it gives us an idea of how many different taxes there are, but also a history lesson of how hard it is and nearly impossible to ever remove a tax once a tax is imposed.

That is why it is so important that we act on this moratorium and prevent new States, additional States, localities, counties, and tax districts from coming up with new taxes because if you ever try to take them off, you will hear all sorts of bleating and whining: Oh, gosh, you can't take it off. Again, the prime example is this Spanish-American War tax that still is on our telephone bills. This is what Senator MCCAIN, Senator WYDEN, and those of us who are on the side of the consumers and against taxing the Internet are advocating.

If you happen to choose a dial-up service, whether it is cable modem, or however you get your Internet access, our opponents will say you should be protected from taxation from, they say, ''the last mile'' leading up to your house. But then say the Internet backbone still should be taxable.

Let's examine what this means. Let's assume you live on Capitol Hill in Washington, DC. I know for some watching on TV that would not be an appealing thought. Nonetheless, let's assume you do. Let's assume you wanted to send an e-mail to a friend in Los Angeles, CA. Because of the way the Internet operates, that e-mail message

will be broken into various packets of data sent via various routes all across this country.

Let's say one piece of your e-mail goes from Washington, DC. It will probably go into Loudoun County, VA, because there is a good server there. It is going to go to Chicago, because in Chicago they have a big Internet hub, then to Austin, TX, then to northern California because they also have a huge hub there, and then on down to southern California.

You begin to get a sense of all the jurisdictions this e-mail passes through and the chaos that will result if they, the tax proponents, claim to have authority over your e-mail. Obviously, DC and Virginia would have an opportunity to tax it, or maybe Loudoun County would tax it, going through parts of Ohio and Indiana, through Missouri, Arkansas, Oklahoma, Texas, and probably, if you are assuming all these are direct lines, it may, for all you know, go on up to Idaho and Oregon. Regardless, all of those would claim jurisdiction and authority over that e-mail.

This is a classic example of interstate commerce. Our Founders had a concern about multiple burdens imposed by multiple governments and that is why our Founders put the Commerce clause in the Constitution giving Congress, not unelected bureaucrats, the authority and responsibility to make sure interstate commerce and the interests of all of the people are defended against potentially harmful burdens imposed by State and local governments to taxation.

Now, according to our opponents, the folks who are advocating taxing the backbone, which of the jurisdictions would be free from taxation on this Internet backbone? None. None would be prohibited. All would be free to tax interstate communications. Every single State, every single city, county, town, and municipality on this red line would have authority to tax; not just DC, not just Illinois, not just Texas, not just California, but all of them.

Remember, our opponents have promised everyone tax freedom for the so-called last mile, which is the last mile right here, which means people may enjoy no taxation on the last mile so they will have tax freedom there, but they have 3,000 miles of taxes if the Alexander-Carper proposal is successful. I do not know if that sounds like an Internet tax moratorium to my colleagues. It certainly does not to me, because State and local governments, while they cannot tax the very beginning or the very end of an electronic connection, can tax everywhere in between. They can tax from the end of the beginning to the middle to the end of the end before you get to the final end. The point is, they can tax every other part of this 3,000-mile electronic journey.

The Alexander-Carper alternative would allow for taxes on the Internet backbone services in all 50 States and in every local taxing jurisdiction, plus taxes directly will be on the consumer in more than 20 States. The Alexander-Carper amendment would create a nightmare scenario our Founders sought to avoid when they wrote the Commerce clause of our Constitution where every town and State would tax commercial traffic moving through its borders.

We have 7,600 taxing jurisdictions in the United States. Not a single one of those 7,600 taxing jurisdictions would be prohibited from taxing the Internet backbone under the Alexander-Carper proposal. In fact, the bill makes clear America's 7,600 taxing authorities can tax e-mail in every jurisdiction in America as long as they present the bill to the Internet service provider instead of directly to the customer. In the 20 to 30 States, depending on interpretations of the new grandfather clauses, they can tax the consumer directly.

Figure what is going to happen. If there is a 17-percent tax on this, who knows, Ohio might have the 17-percent tax, Illinois would have a 12-percent tax, Texas would have 25 percent, New Mexico 12, Arizona, under the great influence of the senior Senator from Arizona, would have 1 percent, Nevada being a very free State in many respects, and libertarian, would have zero. Then we get to California and San Francisco which would have a high tax, say 28 percent, and then as it gets to Los Angeles, it is back to 17-percent tax.

The point is, every single one of these would be able to tax it. So the opponents will say we ought to be able to tax this, but if one takes an airplane from Dulles Airport to Long Beach, say they flew Jet Blue from Dulles Airport to Long Beach, the Federal Government says a person is not going to be taxed as they fly over the country, but that electronic message will be taxed if the Alexander-Carper amendment passes.

Indeed, if we want to use that analogy going from Dulles Airport in northern Virginia to Long Beach, CA, the Federal Government recognized that is interstate commerce. Decades ago, the Federal Government said you cannot tax not only when you fly over a State but you cannot tax as you are leaving and you cannot tax those passengers at their destination when they arrive, either.

I ask my colleagues to say no to 3,000 miles of taxes, and say yes to a true and accurate Internet tax moratorium.

Mr. DORGAN. Will the Senator yield for a question?

Mr. ALLEN. I ask my colleagues to act. I ask those who have amendments to go forward with their amendments, let us debate them, let us decide today so we are not delayed, frozen up as it happens from time to time in the Senate with not enough time tomorrow night because folks are scattering to go to various events and political functions.

Yes, I yield to the Senator from North Dakota.

The PRESIDING OFFICER (Ms. MURKOWSKI). The Senator from North Dakota.

Mr. DORGAN. Madam President, I agree with the last statement. I think we ought to proceed and vote on issues that are before us. I would like to get to the conclusion of the bill, so I support that.

Looking at the Senator's chart and listening to his discussion, we are not so far apart on all of this. I do not disagree with that which he has said with respect to much of his desire to prevent institutions of Government from coming in and taking pieces of this and taxing it, but I used an example last year I want to use again to describe my need to understand exactly what will be covered by the moratorium.

For example, if we decided to exempt from taxation a loaf of bread because we decided bread is important to life and we do not believe bread ever ought to be taxed, so we want to exempt a loaf of bread, we could have a moratorium on the taxation of a loaf of bread forever. The question will be, does that extend then to the grocery store that buys the shelf to display the bread, because they are probably going to have to pay a use tax to the company they buy the shelf from, and that use tax goes to the State and local government. They are going to make the case there is a moratorium on the taxation of bread. We actually pay a tax on the shelves we are purchasing and that has to be passed along in the price of bread so we believe the purchase of the shelves ought to be tax exempt as part of this moratorium.

I am asking that question only to try to understand what the moratorium refers to with respect to the electronic transmission. The electronic transmission the Senator describes I understand should be exempt. The question is, if that facility in Los Angeles the Senator describes, or southern California, which is a facility that is an Internet hub and reroutes the e-mail that is moving along the system, if they are purchasing desks and things in that facility for the purpose of furthering this Internet transmission, should they be exempt? Will they be exempt? Is that what the Senator intends with this definition?

I think as soon as we fully understand all of this definition issue that is being raised, the sooner we can move forward and construct an appropriate moratorium, which I will support. So I ask those questions of the Senator from Virginia.

Mr. ALLEN. I thank the Senator from North Dakota for his question. We are not talking about a loaf of bread, and if we were talking about a loaf of bread we would have a lot of people saying, gee, we rely on all the taxes. If one looks at the cost of a loaf of bread—and I know the wheat farmers in North Dakota say, Here is the price I get for wheat and think of what

the cost of it is, it is 3 cents out of the loaf of bread, and by the time everyone else does different things in packaging and transport, there are all sorts of taxes on it, and it ends up being who knows what, $1.50 for a loaf of bread, or maybe 79 cents if one is lucky and it is a few weeks old. Regardless, all of those component parts increase the cost of the loaf of bread to someone who wants to put peanut butter and jam on a sandwich for their young son or daughter going to school.

So that economic argument applies to why we do not want to have a lot of taxes in between. The simple answer is we do not want the bandwidth being taxed. Internet service providers have desks. Internet service providers have a physical facility that is subject to property taxes and they have personal property taxes on some of the accessories in that building. They have to pay the corporate taxes as that corporation. If they are an Internet service provider, if they have an income, they have to pay a tax in that particular State. The point is, though, that for the bandwidth, the actual transport, that should not be taxed.

I thank the Senator from North Dakota. I also recognize that while we do not necessarily agree on this issue at this moment, I do appreciate that at least when we wanted to proceed to this measure you voted to proceed, unlike the 11 who wanted to continue to freeze it.

Mr. DORGAN. If the Senator will yield further for a question, I think I understand a bit more. I think I would want to see a greater refinement of it. If the Senator is now saying the definition that he believes is appropriate for this moratorium deals with the bandwidth or the spectrum that is used—essentially the bandwidth that moves that packet of ones and zeros across the country in the form of an e-mail, but he is not talking about things other than that—is that correct?

Mr. ALLEN. Right. There were a great deal of concerns, I think the Senator from North Dakota might recollect, in the Commerce Committee about what was exempt or what was prohibited from taxation or what did the moratorium prohibit taxation upon. There were many concerns. They were generally handled, in my view, adequately by the managers' amendment that Senator MCCAIN had, that came out of the Finance Committee. That made sure what was to be taxable and what was not taxable because there were concerns that somehow personal property taxes, real estate taxes, corporate taxes, income taxes, and so forth, would be prohibited on companies that are involved in providing Internet service.

Our concern is making sure that whomever your Internet service provider is in Washington, DC, when you get to, say, Los Angeles and there is a slew of other Internet service providers there with a lot of competition, in between they don't own all of this. Somebody has to get this routed electronically. So that routing of that electronic e-mail, so to speak, or those bits, should not be taxed.

It is looking at this message as being a car, an automobile. You could drive across this whole country on an interstate that is a freeway. The Alexander-Carper amendment would turn that into a toll road. So you wouldn't go this way unless you were lost or taking some scenic route. But if you were driving from Virginia to Tennessee, you would take Interstate 40 probably, across 81, but you can probably drive that whole route, as I have and others have, and not pay a toll.

But if you have the Alexander-Carper amendment, that turns this whole thing into something akin to the New Jersey Turnpike, a toll road. Obviously, once you get there it is going to cost you a whole lot more to get that packet, that automobile, from Washington, DC, to Los Angeles.

I thank the Senator from North Dakota for his interest, his probing questions that allowed me to clarify what we are trying to do.

I conclude by saying to the opponents, come forward; let's get moving; let's get acting. I think it is vitally important to protect consumers from these taxes. I think it is vitally important to those who are looking to invest in rural areas that they know what the policies of this country are, to recognize in what kind of market they might be in small towns and rural areas, and let's get about expanding economic opportunity, jobs, and prosperity for all Americans everywhere in this country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. MILLER. I ask unanimous consent I be allowed to speak up to 12 minutes as in morning time.

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

(The remarks of Mr. MILLER pertaining to the introduction of S.J. Res. 35 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, I am prompted to comment on the interesting, provocative, and controversial comments by my colleague from Georgia. He knows I have long respected him and was pleased when he arrived here in the Senate. I have enjoyed working with him. But I must say I don't have quite so hopeless a notion about our country or its future. I don't despair about what is happening in this country. I think we have incredible challenges to meet, and we must. We have a big globe with 6 billion people on it. One-half of them have never made a telephone call. One-half of them live on less than $2 a day. One hundred fifty million kids are not in school. One and one-half billion people don't have access to clean, potable water. Somehow, in this big challenging Earth of ours, we ended up right here right now. What a remarkable thing for us. It is our time and our responsibility to nurture and protect this democracy of ours. There is no other democracy like it on the face of this Earth. At a time when our country faces challenges, this country somehow provides leadership.

The McCullough book about John Adams is interesting to me. John Adams traveled a lot, because he represented this new country they were trying to put together, both in England and in France. He represented our interests, and he would write back to Abigail. As he would write to Abigail, he would lament in his letters to her: Who will provide leadership to put this country of ours together? Where will leaders come from? Who will be leaders?

Then he would plaintively say in his letter: There is only us. There is just only us. There is me. There is Jefferson. There is George Washington. There is Ben Franklin. There is Mason. There is Madison. There is only us.

In the rearview mirror of history, the ''only us'' represents some of the greatest talent ever gathered on the face of this Earth.

Thomas Jefferson: Have we seen another? I don't think so. George Washington was a remarkable person.

So the questions John Adams asked—where will leadership come from, who will be the leaders—have been asked of every generation. Somehow, through time, this country has been blessed by leaders who stepped forward and said, Let it be me. Let it be us. This country has been blessed with remarkable leadership.

You can take over 200 years a period of 5 years or 10 years in which you can suggest perhaps the leadership was less than it should have been at that time. But somehow the calling of this great democracy to ordinary Americans who have the capability to do extraordinary things has produced that leadership. It will, in my judgment, again also strengthen and nurture our country.

I like the original thinking of those who wrote our Constitution. I love the Constitution. I think it is one of the greatest documents ever written which establishes the basis of our freedom—we the people. We have people here who think it is a rough draft. I think we are going to vote on three amendments to the Constitution in next couple of months in the Senate. It has only been amended 17 times in 2 centuries. Do you know why? Because there are not many people who can improve upon the work of George Washington, Ben Franklin, and Thomas Jefferson's contribution to the Bill of Rights, for example. Outside of the 10 amendments called the Bill of Rights, we have amended the Constitution only 17 times in 200 years. Yet we will, I guess, vote on three of them here in just a matter of time because people think it is a rough draft and something that is easily changed and easily improved.

It is the case I think which perhaps causes some of the despair in some quarters in this country, that there is a kind of a crescendo of noise from corners of America that aren't very appealing.

I can tell a story which describes a country in great trouble. I can tell that story easily. We have roughly 10 million Americans who do not have a job today. They desperately want a job and their country's economy hasn't provided them a job. There are 10 million people who are out of work, and 30 million to 40 million people are on food stamps. We are the murder capital of the world. We consume one-half the world's cocaine. What an ugly place. Or I can take up some person's dysfunctional behavior and hold it up to a light, and say, Isn't this ugly, and run it through about 10 talk show programs and have it on every morning show, and say, Isn't this ugly? Yes, it is ugly, but it is not America. It is not America. It is somebody's ability and desire to try to entertain people with someone else's dysfunctional behavior. I can give that speech and I hear it from time to time.

However, there is another side to this country that gives me cause for great hope and does not lead me to the conclusion that we ought to take away the right of the American people to vote for public officials. Let me describe that, if I might.

There was a man named Stanley Newberg who died in New York City. Stanley Newberg is someone I did not know. I saw a paragraph, maybe two paragraphs about him in the New York Times. It simply said this man had died and then described something he had done. I asked my staff if we could find out a little more about him. Let me tell you about Stanley Newberg.

He came to America with nothing, to escape the persecution of the Jews by Nazis. His dad had nothing. He began to peddle fish on the Lower East Side of New York. Stanley, beside his dad, walked along the Lower East Side peddling fish in New York City. They made some money and did fairly well.

Stanley went to school, went to college. He got his college degree and went to work for an aluminum company. He did so well he rose up to manage the company. He did so well managing, he decided to buy the company. He did very well, and then later he died. When Stanley died they opened his will. In his will, this man left $5.7 million, his estate, to the United States of America. He said: With gratitude for the privilege of living in this great country, with gratitude for the privilege of living in this great country of ours. I thought, what a wonderful thing, to understand what others see.

If we did not have immigration laws, this place would be full, just plain full. We have folks from all around the world who want to come and live in this country. Why? It is a beacon of hope and opportunity.

We survived the Civil War. We beat back a depression. We beat back the oppression of nazism and defeated Adolph Hitler. We have done so much. We built the atom. We spliced genes. We invented the silicon chip, plastics, radar, the telephone computer, the television set. We build airplanes; we fly them; we build rockets; we go to the moon; and we are hardly out of breath. We cure smallpox. We cure polio. What a remarkable place this is. We have two little vehicles crawling around the surface of Mars analyzing rocks. Isn't that something? I must say, the pictures they got look very much like a place 5 miles south of my hometown, but apparently this is high science and pretty remarkable. This is really a very special place.

Is it the case that we face some pretty big, daunting challenges? You bet your life we do. We have a fiscal policy that is way out of whack. A few years ago everyone thought we would have surpluses forever. Now it looks like we will have deficits forever. We have to fix that. We cannot leave that to somebody else. That is our job. That is on our shoulders. This President and this Congress need to fix that.

Iraq, Afghanistan—this country represents the beacon of opportunity and freedom around the world. We are involved. We got involved in Afghanistan because we are tracking al-Qaida and dealing with people who killed innocent Americans, and we need to deal with that. We have American troops there, fighting and dying. We do not have a lot of options. We have to prevail and persevere and support those troops. We will. This is not the darkest of hours for our country. This is a great, strong, resilient country—within my judgment, a foundation of goodness people around the world understand. For a long, long time, if anything happens around the world, who is there first? Which country can be looked to to provide help, to say, you are not alone? This country. This country tackles issues other countries do not even want to acknowledge.

We had women chaining themselves to the White House gate because they were not allowed the right to vote. They said: We demand the right to vote. We dealt with that issue. The list is endless. We grapple with them. It is not easy. But we are the example of representative self-government in this world that works. It is messy. The noise of democracy is annoying sometimes, but it works.

Going back to John Adams' lament to Abigail: where is the leadership, in my judgment, every generation of Americans has seen leadership emerge and develop to lead this great country in times of trouble. That will always be the case because this is a special country, and we do have people who are willing and able. Right now, there is someone running for the Senate someplace in this country whose name I perhaps do not know who likely will be a President some day. Why? Because they have a passion in their heart and their gut to serve this country and want to do right by this country.

Let me come back to where I started. The only reason I was provoked to say these things is my colleague gave a speech this morning about something which, as I sat and listened to it—look, I have great respect for my colleague from Georgia. His public service is extraordinary. I first knew about him when he was Governor of Georgia and he was talking about scholarships for kids. I thought, what a great idea. Our future is not people who wear dark suits and suspenders who some people consider windbags in the Senate; our future is kids. That is who will run this country. I have great respect for the Senator from Georgia.

I wanted to say this: At a time when there is so much lament about America, I have a great reservoir of hope for the future of this country. This country will prevail. I know, as I have traveled around parts of the world, one example comes to mind. I was on an Army helicopter once that ran out of gas. I learned one of the immutable laws of flying: When you are out of gas in a flying machine, you will land soon. We landed in an area between Nicaragua and Honduras. I was with two other Members of Congress. When we landed, we were out of contact with anybody else. We landed in a clearing in kind of a jungle area between Nicaragua and Honduras, and campesinos from all around came to the helicopter. We were waiting to get rescued. We got rescued in 4 or 5 hours. The campesinos had come up and I got to talking to some people who had never seen anyone from our country. I was asking questions. We had an interpreter with us.

Do you know what all of them said they would like to do? They would like to come to the United States of America—all of them. We asked, What would you like? I would like to come to the United States of America. I would like that for me, for my kids. We find that all over the world. Why? Because they see this country as something unusual on the face of this Earth, something very unusual. That did not happen just by accident.

I come to this Senate floor not because I have a political pedigree or because I come from a big reservoir of wealth; I come here because a Norwegian immigrant came to this country with her husband, and her husband had a heart attack shortly thereafter. She was left alone with six kids. She took her six kids to a small rural area in southwestern North Dakota and started a farm. She pitched a tent, she built a house, raised a family, and ran a family farm in Hettinger County, ND. She had a son who had a daughter who had me. That is how I got here. And virtually everyone here has a similar story about perseverance, strength, faith, and hope—almost always about hope.

Let me conclude by saying while we face many challenges, I have great hope that, yes, the talents of the Senator from Georgia—unique talents, extraordinary talents—and the talents of

so many others with whom I have had the ability to serve in this Chamber and in the House of Representatives, and also other venues of public service in this country, give this country a better opportunity for a better future.

I have had several other opportunities to work in different environments. I don't know that I have ever worked with a more talented group of people than the men and women, Republicans and Democrats, with whom I have served in the Senate. They are extraordinary people who come to the call for public service. I salute them and say I have great reservoir of hope for the future of this country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. CARPER. Madam President, I was watching the debate earlier that dealt with the Internet tax, and I felt it important to explain clearly where Senators ALEXANDER, VOINOVICH, ENZI, Senator DORGAN, and I are on this issue.

Before I do that, I am compelled to comment on a bit of what Senator DORGAN has said. I missed most of my colleague ZELL MILLER's comments, but I heard all of what Senator DORGAN said. I am one of those guys who are probably like him, who see this glass as almost full; but even if it were almost empty, I tend to see it as half full.

We were here about a week or so ago debating what to do with respect to the situation we face in this country with asbestos. We all heard the stories that there are people who are sick and dying from asbestos exposure and not getting the help they need. There are folks who may have been exposed to asbestos, and they are taking away money from the folks who ought to be getting it, who are sick and dying.

In the meantime, in the settlements that are taking place, in relation to the transaction costs, the legal fees, maybe half the settlements go for legal fees. That is a situation we face. It is not a good situation. We all know we ought to do something about it. The tough thing is trying to figure out what.

We have the insurance industry in one corner, the manufacturers and the defendants in another corner, the trial bar in another corner, and organized labor, which is a proxy for victims, in yet another corner.

Last week, we voted not to proceed to the bill that Senator FRIST had introduced. Some of us thought it was premature, given the negotiations that have been underway for the last couple months, trying to narrow our differences on asbestos litigation reform. As a result, I think 47 of us voted not to proceed to the bill. We did not proceed to the bill.

But a very good thing has happened subsequent to that. The very good thing is, the negotiations, the mediation led by a retired Federal judge from Pennsylvania, a fellow named Becker, who had been the chief judge of the Third Circuit for a number of years, now retired, in his seventies, a fellow whose health is apparently not good. I probably should not say this. He takes chemotherapy, so I think his health is not good. But he is in his seventies and an age where he is retired and he does not have to work. But he has been drawn, by Senator SPECTER, into trying to mediate the differences between organized labor and the trial bar and the insurance companies and the defendant companies to see if we cannot come up with a better way to make sure people who are sick and dying from asbestos exposure get the help they need, and to make sure people who are not sick but have been exposed—but they get sick—that we help them, too; and for folks who are not sick, who have exposure, to make sure they get their medical costs paid and try to reduce outlays from the settlements that occur so the money goes to the people who need the help, not necessarily to their attorneys.

Judge Becker is here today in Washington. He lives in Pennsylvania, but he is here today. He was here yesterday. He was here the day before. He is leading a mediation that has been anointed, embraced by our leaders—Bill Frist on the Republican side, the majority leader, and Tom Daschle on our side, the Democratic leader.

As I speak right now, Judge Becker is holding forth, meeting, listening, asking questions, probing, trying to move the disparate forces to a consensus. I joined him for a little while over in the Hart Building earlier today and said to Judge Becker: My job, I get paid to try to build a consensus on difficult issues. That is part of what we do in the Senate.

That is not Judge Becker's job. He is retired. He ought to be somewhere taking life easier, and yet he is here. He paid his way down on the train today. He did the same thing yesterday. He pays for his own meals, his own lodging. He does it out of the goodness of his heart because he thinks it needs to be done.

I raise that just to say that every day, in some corner of this Capitol, somebody is trying to make this place work. In this case, it is Judge Becker. There are other people of good will who are in that room with him trying to get through a tough patch and to help us find a way to a more rational, logical, fair way to help people who have been exposed to asbestos.

We voted last week not to go to the bill. I know some people were not happy with that vote, but we simply believed it was not time to go to the bill, given this mediation process. We urged our leaders to embrace that process, and they have done that. I am encouraged—out of that embracing of that mediation process, and the infusion of leadership authority to it—that something good will come of these negotiations.

Mr. President, we will have an opportunity to vote tomorrow on proceeding to the McCain amendment. Senator MCCAIN has sought to find a compromise on the Internet tax legislation.

Let me back up for a moment and talk about it, if I can. When Senator VOINOVICH and I were Governors of our respective States, we worked with the Congress—House and Senate Democrats and Republicans—and encouraged then-President Clinton to sign legislation that said the Federal Government ought not tell the States to spend money on something and not provide that money. The Federal Government should not undercut the revenue base of State and local governments without making up the difference.

In 1998, the Congress passed a little bitty unfunded mandate that said States could not tax access to the Internet. If you were already doing it, you could continue to derive your tax, if you are a State or local government, and tax access to the Internet. But the States could not have multiple taxes; they could not have discriminatory taxes on the Internet. That was the legislation passed in 1998 and extended in 2001, and that moratorium lapsed last fall, as we know.

Since that time, States have not jumped in to pass new taxes on access to the Internet. They have not passed discriminatory taxes or multiple taxes with respect to the Internet. They have been sort of sitting back biding their time, waiting to see what we would do.

I think there are four areas of contention that exist with respect to the proposal that Senator MCCAIN has offered. One is the definition of what is tax exempt under any moratorium we negotiate. On our side, Senators ALEXANDER, VOINOVICH, ENZI, myself, and others believe the existing moratorium actually nails it pretty well, and the idea that folks should not have to pay a tax on accessing the Internet on their AOL bills, if you will. Whether they access their e-mail, their Internet by cable, by DSL, or by wireless, we think folks should not have to pay that kind of tax.

We do not believe folks should have to pay multiple taxes by different levels of government on the Internet. We believe there should not be discriminatory taxes on purchases, for example, that are made over the Internet.

But we have a clear difference of opinion with respect to defining what is to be tax exempt—free from taxation—by State and local governments. Our friends on the other side are interested in doing a whole lot more than stopping access fees that we pay as consumers. We don't want anybody to pay those either.

They want to go well beyond the moratorium against multiple fees on use of the Internet. They want to go beyond discriminatory taxes. What they want to do, really, is take away from States and local governments the ability, if States want to, to impose business-to-business transaction taxes that might involve the Internet. I am not interested in taxing those as a Federal legislator, but I don't know that it

is our part, as Federal legislators, to say to State and local governments that they can't do that unless we are willing to make up the revenue shortfall that may come as a result.

So the four areas of difference: One is the definition of what is tax exempt under the moratorium we adopt. A second area of difference that we have is with respect to the duration of the moratorium that we might extend. I said earlier, the first moratorium we passed was 3 years in duration from 1998 to 2001. At that time, Congress passed, almost unanimously, a further 2-year extension of that moratorium that lasted until last fall. Now that moratorium has lapsed.

I think we have seen suggestions in S. 150, introduced by Senator ALLEN and Senator WYDEN, that they wanted to make the moratorium permanent, an extension of the moratorium not 2 years, not 3 years, but to make it permanent. They define very broadly what is to be exempt from taxation under that permanent moratorium, even if it cuts into the revenue bases of State and local governments, and even if we do not make up the shortfall they may then face. So the second area of contention is the duration of the moratorium.

The third area of contention deals with whether we should grandfather in the rights of State and local governments, so if they have already put in place some kind of tax on the Internet, our previous moratoriums grandfathered them in, protected them, for a period of time, from losing those revenues. It held them harmless, if you will. And the question is, if we go forward and we have a grandfather clause to protect the States that already have imposed some kind of tax measure, how long do we extend that grandfather clause for those State and local governments that are going to be deprived of revenues they currently collect, and that we are not prepared to make up?

The suggestion has come forward, in Senator MCCAIN's proposal earlier this week—maybe yesterday—that there should be a grandfather clause to hold the States harmless for a while but not for as long as the duration of the moratorium. And that is problematic.

The fourth area of contention deals with the application of the moratorium to what I would describe as traditional taxable voice communications, taxable by State and local governments, but the application of the moratorium to those traditional taxable voice communications when those communications are routed over the Internet. It is called VOIP.

Is it possible to bridge our differences on those four areas? It may or may not be. But having clearly defined them, our side is certainly willing to discuss them with those who have a different view of these issues than we do. One thing we all agree on is, whatever we do, we should try to hold the States harmless.

Somewhere in my talking points today, I have a discussion of why it is important that we hold the States harmless. If I can just take a minute or 2, I want to share part of this.

Our States are clearly facing extremely difficult times. We all know that. States have cut services and raised taxes over the last 3 years as they have scrambled to fill a budget shortfall that approaches $250 billion. Many States still face significant revenue shortfalls. California alone must fill an estimated $16 billion shortfall. New York faces a $4 billion shortfall. Both Michigan and Florida still have projected deficits of $1 billion. Some States are being forced to make cuts that are not only painful and unpopular but which ultimately undermine our efforts as part of welfare reform to make work pay. Some 34 States have adopted cuts that are causing anywhere from 1.2 million to 1.6 million low-income people to lose their health insurance. Alabama, Colorado, Maryland, Montana, and Utah have all stopped enrolling children in their children's health insurance programs. Florida has done the same and has built up a waiting list of more than 10,000 children.

Meanwhile, Connecticut is cutting coverage for more than 20,000 parents, and Georgia is cutting coverage for 20,000 pregnant women and children. In Texas, the State is actually ending coverage entirely for nearly 160,000 children and working families.

Besides health care, childcare is also on the chopping block. Some 23 States have cut back on childcare for working families. Florida, for example, has more than 48,000 children on a waiting list for childcare. Under the State's formula they are actually eligible, but they are not able to get it given the State's fiscal challenges. Reducing the waiting list is not even an option. I am told the budget in Florida is moving through the statehouse and they have cut childcare even more, by another $40 million.

Tennessee faces similar cuts. Tennessee has begun declining applications for childcare from all families who are not actually receiving welfare payments.

Altogether, in about half of all States, low-income families who are eligible for or in need of childcare assistance are either not allowed to apply or are placed on waiting lists. In California alone, over a quarter of a million kids, 280,000 children, are on waiting lists in that one State.

I won't go on. The point I am trying to make is just a reminder. States face terribly difficult choices these days, whether it is health care, childcare, size of the classrooms, or the ability to hire teachers and to pay them what they need to attract good math and science teachers. States are in a bind. I was Governor in the good years, from 1993 to 2001, when we were rolling in money. The States are not rolling in money anymore.

The father of the Presiding Officer is Governor. He will tell us they are not rolling in money up in Alaska any more than they are in California.

If States were rolling in money, Senator ALEXANDER and myself, Senators VOINOVICH, ENZI, HUTCHISON, and others would not be making this big fuss over what we believe is an unfunded mandate for State and local governments that is represented by S. 150 and, we believe, by the alternative offered by Senator MCCAIN. If the States were rolling in money, we wouldn't be doing this. If we were providing some kind of offset to the revenues that State and local governments would lose, we wouldn't be making a big fight about it either. If States could be held harmless, we could probably work our way through this. Maybe we ought to. I believe we should.

One thing I know for sure, there is agreement to extend the moratorium. I think if we were to vote on a simple 2-year extension of the moratorium that expired last November, there would probably be votes to pass that.

I am concerned about the vote on cloture tomorrow on the McCain proposal. I urge my colleagues not to vote for it. Last week I urged my colleagues not to vote to proceed to the bill on asbestos that Senator FRIST had introduced, not because I was not interested in getting a conclusion or consensus. I believed that by not bringing the bill to the floor, it actually increased the likelihood that we are going to get consensus on asbestos litigation reform. We are moving in that direction, and I am encouraged that we are on the right track.

I believe if we go to the McCain bill tomorrow, we would be acting prematurely. There are still negotiations that can take place and should take place around the four elements I discussed. If we are forced to take up the bill at that point in time, we foreclose what could come out of those discussions, some of which have borne fruit already, some which still could.

There are a number of Senators on my side who want to offer amendments of their own. It is ironic. We have on the one hand people on the other side of this issue—from Senators ALEXANDER, VOINOVICH, ENZI, and myself—who contend that they want to support the telecom industry. I believe in their hearts they want to promote the industry. It is a good industry with good people. But there are also folks on our side and on the Republican side who have a whole bunch of ideas they would like to present and to offer as amendments. I will mention a few that might be appropriate.

If we want to help the industry build a market broadband network, there are any number of viable options. Senator HOLLINGS has introduced legislation, with a number of cosponsors, that would provide block grants to support State and local broadband initiatives.

Senator DORGAN, the floor manager on our side, has legislation to make

low-interest loans available to countries who would deploy broadband technology in rural areas. Senator ROCKEFELLER has introduced legislation, with 65 cosponsors, to provide tax credits for companies investing in broadband equipment. Senator BURNS of Montana has legislation that would allow the expensing of broadband equipment. Senator BOXER has legislation that allocates the additional spectrum for unlicensed use by wireless broadband devices. Senator CLINTON and others have legislation.

To the extent that we vote for cloture tomorrow on the McCain proposal, many, if not all, of these proposals will not be made in order, even though they are germane and they relate to the issue. These amendments and, frankly, a lot of others like them could not be offered.

I am not suggesting that all of them should be offered, but some of them should. Members who have a strong interest and have worked on the issues for a long time deserve that right. They believe strongly.

As my collegues think about tomorrow's cloture votes, I realize this bill has gotten off track. What somehow started off as an Internet tax bill and figuring out how we can extend the moratorium and then paying a user fee for access to the Internet got off on another side rail on energy policy, ethanol, and a number of other things. I think Senator DOMENICI has introduced as an amendment the entire Energy bill. Eventually, I hope we will work our way through that. In the meantime, I hope we will use the hours ahead and maybe the next couple of days to join in a negotiation with our colleagues on the other side of this issue and try, maybe one last time, to see if there is someplace in between where we are and where they are.

In the end, if there is a push for the approach Senator ALEXANDER and I introduced, which is the straight-ahead, 2-year extension of the moratorium, to make sure it is not biased against DSL, we can just have that vote. We are not there yet. We have about 24 hours to consider it, and maybe cooler heads will prevail. If it comes to it, I will vote against cloture, not because I am not interested in finding a solution—I think we can. The time just may not be right. It could be close.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Madam President, I ask the Chair to make an inquiry to the leadership as to whether it would be appropriate for us to recess at about 2:55 until about 4:05. The Secretary of Defense will be here. With the parliamentary situation we find ourselves in on the Senate floor, it would be appreciated if the Chair would check that out through the leadership.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. MURKOWSKI. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. DOLE). Without objection, it is so ordered.

Ms. MURKOWSKI. Madam President, I would like to take a little time this afternoon to talk about one of the pending amendments. This would be the amendment of the Senator from New Mexico regarding energy. It has been said on this floor and in the committees in which I have been participating, and no doubt it is going to be said again: At a time when the American economy is suffering under the weight of high energy prices such as the steadily increasing natural gas prices, record high gasoline prices as we go into the summer months, and tight international oil markets resulting in rising crude oil prices, it is time that the Congress act on issues as they relate to energy with a comprehensive national energy policy.

I am pleased the Senate is reconsidering this vital national policy. I commend Chairman DOMENICI for his leadership on this issue. The Senator from New Mexico has shown a great deal of willingness to find the middle ground on many of these issues addressed in the amendment. I believe we should work with him to enact this comprehensive energy legislation.

There are several different components to the amendment. Certainly the one I happen to focus on most, coming from Alaska, is that area which will help facilitate the construction of an Alaska natural gas pipeline. Construction of this pipeline means a great deal to the people in my State. It means not only jobs for Alaskans, but it means energy, natural gas, to my State.

But we have to look beyond just what it can provide to Alaska. The construction of a natural gas pipeline will create thousands of jobs throughout the United States and bring a much needed new supply of domestically produced natural gas to our starved lower 48 markets.

We have seen in the news recently the suggestion, coming from Mr. Greenspan, that the future, if you will, is in imported LNG. Once again, it is the emphasis that we should place in the national energy policy on domestic sources of energy. We have those domestic reserves in Alaska, as it relates to natural gas. Let's take advantage of that.

Residential natural gas customers are paying nearly historic high costs to heat their homes, to cool their homes, to keep the lights on. Americans are increasingly forced to spend a substantial portion of their household income on energy costs. A reasonably priced supply of natural gas will allow homeowners to devote a greater portion of their disposable income to other pursuits.

When you think about the state of the economy and what we spend on energy, the more disposable income that we have, the less we have to spend on energy, the stronger an economy we have.

But it is not just the residential customers in America who are suffering from these sustained high natural gas prices. It is our industrial consumers who rely on natural gas to produce the petrochemicals, the fertilizers, and other goods. They are losing their markets to foreign competitors who have access to less expensive reserves of gas. Whether I am sitting in the Energy Committee or the EPW, talking about what is happening across the country now, whether it is on our farms or whether it is AMAZON.Com not being able to produce the packaging bubbles domestically because of the high price of natural gas, it affects all of us in all the industries.

In many instances we are hearing about the companies that are laying off workers, closing their factories, because they simply cannot pay the current natural gas prices and remain competitive within the global marketplace. The layoffs affect thousands of workers in many regions of the country.

Look at what Alaska's natural gas can do. We are a long way from the rest of the 48, but with a pipeline getting our reserves of natural gas into the lower 48, we can meet that supply need; we can help to reopen these factories.

Natural gas is not only a vital feedstock for industry and home heating, it also serves as a major fuel for electricity production. By the year 2020, the Energy Information Agency has predicted that natural gas will account for 32 percent of all electricity generation. When we think back to the situation just last August in the Northeast, California's power problems 3 years ago, increasing the investment requirements for our Nation's electrical grid and production capability will only further the demand for natural gas as plant operators look to natural gas as having lower capital costs, higher fuel efficiency, shorter construction lead times, and lower emissions as compared to traditional coal-fired electrical plants.

Yet with all of these facts in front of us, recognizing that the residential consumer is paying more, that the industrial consumer is paying more, and businesses are being closed, recognizing the future as it relates to electricity production, and considering the President's request, if you will, that we move to a hydrogen-based society, the request he made in his State of the Union Address last year when he indicated he wanted children who were born today to be driving vehicles powered by hydrogen—it is wonderful, but we have to have the natural gas to assist with all of this.

Despite all of Alaska's proven reserves, 35 trillion cubic feet of proven reserves on the North Slope with the possibility of upwards of 100 trillion cubic feet still in the ground, we need to do all we can to bring that from

Alaska's North Slope to the rest of the country.

Senator DOMENICI's amendment is not all about natural gas. For electricity, about which many of my colleagues have spent a great deal of time talking on the floor, the amendment ensures reliable and affordable electricity for America.

We all recognize that we in Congress must address the issue of reliability. The amendment would prohibit onerous Federal manipulation of energy trading markets that cost consumers money, and it would increase the penalties for market manipulation and enhance consumer protections.

To those of my colleagues who have called on the Senate to address the electricity issue, the reliability issue, I say support Senator DOMENICI's proposal.

For coal, which is used to produce 50 percent of our Nation's electricity, the amendment authorizes $2 billion to fund the Clean Coal Power Initiative. The development of clean coal technology will help our Nation use its abundant coal resources in an environmentally responsible manner.

In Alaska, we are working to find new ways to use our very abundant reserves while mitigating the impact on our environment. We have a little place called Healy, AK, where we have a small experimental clean coal plant. This clean coal plant is currently sitting dormant. It just barely missed its emissions requirement. We were attempting to utilize new technology to again provide very necessary energy to an area that was very limited in what it could receive and what it could generate. Once the Healy clean coal plant and other clean coal technologies demonstrate better ways for us to generate electricity from coal, we can utilize our Nation's vast coal resources in an environmentally responsible manner for many years to come, as well as provide high-paying jobs and much needed electricity.

There is also renewable energy. For renewable energy, the amendment reauthorizes the Renewable Energy Production Incentive Program to promote the use of clean renewable energy. The amendment would also encourage exploration and development of geothermal energy, including a call for rulemaking on a new royalty structure that encourages new production.

I could go further in detailing all those very important matters contained in the energy amendment, but I think these four examples—authorizing the Alaska natural gas pipeline, improving our Nation's electricity grid, providing research on clean coal technology, and promoting the use of clean renewable energy—illustrate the immense benefits of a comprehensive energy policy. They are great, but they are meaningless to us unless we enact them.

A comprehensive national energy policy, as envisioned in Senator DOMENICI's amendment, will generate thousands of jobs throughout the country. As I said on many occasions, the Energy bill is a jobs bill. So is this amendment.

I commend the Senator from New Mexico for offering this amendment. I know my constituents in Alaska don't care whether this bill is enacted as an amendment or as a stand-alone bill. My constituents want to see the jobs. My constituents want to see the energy, they want to see the natural gas, and they want to see movement on an energy policy. I think most Americans want the same thing. They want high-paying jobs. They want decreased volatility in the energy market. They want increased use of renewable energy and improved electricity grids. I think we have that within this amendment.

I urge my colleagues as we move forward to support the amendment of the Senator from New Mexico.

I thank the Chair. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MCCAIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MORNING BUSINESS

Mr. MCCAIN. Madam President, I ask unanimous consent at this time the Senate proceed as if in morning business until 2:55, and the Senate will recess for approximately 1 hour because Secretary Rumsfeld will be briefing Members in room 407. I amend my unanimous consent request that the Senate reconvene at 4 p.m. today.

Mr. REID. If the Senator would modify his request, at that time we come back on the bill.

Mr. MCCAIN. Return to consideration of the McCain substitute.

Mr. REID. Reserving the right to object, I appreciate very much the request of the Senator from Arizona. It is appropriate. By 4 o'clock we will know what position we are in on both sides.

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

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ALEXANDER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. ALEXANDER. Madam President, I ask unanimous consent I be allowed to speak as in morning business.

The PRESIDING OFFICER. The Senator has that right.

Mr. ALEXANDER. I understand the President pro tempore may be coming to the Senate floor. If he appears, I will yield to him and pick back up when he finishes. In fact, the President pro tempore has arrived.

I yield the floor to the Senator from Alaska until he finishes.

PRAISE FOR MILITARY MEDICAL COMMUNITY

Mr. STEVENS. Madam President, the Senator is very kind, and I thank the Senator from Tennessee.

Madam President, I come to the floor today to inform the Senate of the outstanding commitment, courage, and professionalism of our military medical community. This morning, the Senator from Hawaii and I cochaired a hearing with the Surgeons General and the chiefs of the Nursing Corps from each branch of the Armed Forces. We were joined by Army Surgeon General James Peake, Navy Surgeon General Michael Cowan, and Air Force Surgeon General George Taylor. From the Service Nursing Corps, we heard from Army COL Deborah Gustke, Navy ADM Nancy Lescavage, and Air Force GEN Barbara Brannon.

I want the Senate to note and personally thank each of our witnesses today for the outstanding leadership they provided to our military medical community. Their individual accomplishments are numerous.

I offer a special recognition to Surgeons General Peake and Cowan, who will be retiring from Active Duty this year. We greatly appreciate their service in military medicine, to our Nation, and especially their assistance to the Appropriations Subcommittee on Defense. The insight they provided to the subcommittee is invaluable. I congratulate each one of them on a successful and distinguished career.

During today's hearing, the members of the committee and I were told of outstanding accomplishments by our military medical leaders. I have come to the Senate to share some of what we learned today with my colleagues.

Over the last year, our thoughts have never been far from the battlefields, or from the soldiers and families who have sacrificed so much for our Nation. I salute our brave soldiers, sailors, airmen, and marines for their efforts in the war on terrorism. I join the families of our lost sons and daughters in mourning and remembering those who made the ultimate sacrifice in the defense of freedom.

I have seen many headlines about the casualties of the war, but the accomplishments of our military doctors, nurses, and corpsmen are seldom mentioned. These health care professionals were among the first to rush to the battlefield, and they are still on the front lines providing care in some of the most dangerous and difficult conditions.

Today our combat medics regularly perform miracles. They use transformational technology to successfully expand the ''golden hour'' of trauma care, the critical hour of opportunity from when a trauma is sustained and the lives can be most often saved.