

Internet access, as well as from duplicative and predatory taxes on Internet transactions.

Today, the winners are the American people. I am very pleased to see that this measure was a victory for those of us who stand for freedom, opportunity, and prosperity, rather than more taxation and burdensome regulations of the Internet. This legislation is a real victory for American consumers, small businesses, rural Americans and, most important, low-income families. It is the result of a hard-fought success that extends the tax moratorium for another 4 years, from the time the last one expired until October 31, 2007.

Additionally, this legislation updates the previous moratorium to protect all types of Internet access platforms, including dial-up, satellite, cable modem service, DSL, wireless technology, and even next generation broadband networks, such as broadband over power lines.

Basic economics indicate that for every dollar of taxation added to the cost of Internet access, we can expect to see lost utilization of opportunities for the Internet for thousands of American families, especially those in rural areas and those of lower income.

With clear tax protection at the Federal level, S. 150 ensures that a complex, costly, and outdated telephone-like tax regime, which averages about 15 percent to 18 percent nationally, will not be imposed on Internet consumers. The guiding principle of the Internet tax moratorium has always been that the Internet should remain as accessible as possible to all people in all parts of the country forever. The Internet is one of our country's greatest innovations for individual empowerment, economic growth, and jobs.

So extending the tax moratorium and protecting all types of broadband technology platforms puts this country one step closer to closing the economic digital divide. The fact of the matter is—there are more Americans empowered by the Internet today, primarily because the Federal policy of the United States has consciously allowed Internet innovators, entrepreneurs, and consumers to remain free from burdensome, onerous taxation and unnecessary regulation.

I am honored that the majority of my colleagues in the Senate and the House have agreed to preserve this policy for another 4 years with the passage of S. 150. I thank all for their support.

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#### BROADBAND AND TELECOMMUNICATIONS REFORM

Mr. ALLEN. Mr. President, I would now like to discuss the exciting changes that have taken place over the last 8 years in the telecommunications industry, in particular with regard to broadband Internet technologies.

As many of us know, the 1996 Telecommunications Act was the first major overhaul of the communications

policy in over 60 years. Since the passage of that law, remarkable changes have occurred in the technologies used to deliver telecommunications services. Some of these changes may be products of the 1996 act. However, many are due to the tremendous explosion of new and advanced broadband technologies.

Specifically, the Internet or digital technologies are replacing the slower legacy communications networks with multiple high-speed broadband platforms. For example, DSL, cable modems, 3G wireless, WiFi, ultrawide band, satellites, broadband over power lines, are all advanced communications networks delivering the same services and many more services, not just data, not just voice, but also video.

Broadband is widely considered the future of communications because it enhances the consumers' experience on the Internet and will have a tremendous impact on our country's economy.

By 2006, economists at the Brookings Institution estimate that widespread high-speed broadband Internet access would increase our national gross domestic product by \$500 billion annually.

The Internet and the broadband revolution are opening up a whole new world of opportunity that did not exist prior to the Telecommunications Act of 1996. By almost any measure, consumers are better off and have more choices now than ever before. These advancements have actually outpaced the laws and especially outpaced the economic regulations governing the communications industry because new Internet-enabled services do not easily fit into the stovepipe regulatory model of the 1996 act.

Unfortunately, the regulatory treatment of a given broadband provider depends on the particular platform that provider uses to offer their service. DSL providers are regulated entirely different from wireless broadband providers or cable modem service providers. All of these platforms deliver the same service—broadband Internet access. Yet all are regulated completely different from the other.

This type of regulatory regime picks technology winners and losers, creating, in my view, a competitive advantage for certain technology platforms over others. A number of my colleagues have called to revisit and potentially rewrite the telecommunications law, and I commend them for their leadership on these issues.

I believe any rewrite of the telecommunications law must take into account the transformative and positive impact broadband technologies have on the future of communications.

In considering what the next Telecommunications Act should look like, I am guided by a few foundational principles.

First, we should favor innovation and freedom over regulation. I call myself a commonsense Jeffersonian conservative. I trust free people, free enter-

prise, and free markets to allow them to innovate and create opportunities for all Americans to advance, compete, and succeed. Nowhere is this more true than with the Internet.

Restraining from regulating the economics of Internet applications has served consumers well with the advances in the Internet technologies, such as voice-over-IP or voice-over-Internet protocols. Entrepreneurs are a Web site away from offering phone services better than those offered by traditional telephone providers.

Virtually every consumer with broadband Internet access can now choose among potentially hundreds of telephone service providers. Internet applications are bringing new competition to old markets which means more innovation, lower prices, and higher quality of service for consumers who also can easily move to any other vendor if they get dissatisfied with any of those providers.

As elected leaders, we should ensure that our policies embrace and encourage this type of innovation and continued advancement.

Second principle: Support a competitive level playing field over fragmentation and ditches. As a former Governor of Virginia, I am an ardent supporter and believer in the principles of federalism. Our Founders, though, wisely realized, when constructing our Constitution, the importance of a coherent national policy regarding matters affecting interstate commerce.

Certainly, one of the great attributes of the Internet is that it is not limited by the boundaries of States or local governments. It is actually not even limited by the boundaries of countries. By its structure and unique architecture, it is clearly, though, interstate commerce and, indeed, international commerce.

I am reluctant to support policies that encourage the fragmentation of telecommunications regulation to State and local authorities, especially as communications transition to a digital format.

Third, and last, let's make sure we keep it clear and keep it certain. One of my biggest concerns with the 1996 Telecommunications Act is that it has brought forward a tremendous amount of litigation and legal uncertainty. This ongoing litigation and regulatory uncertainty has slowed the deployment and potentially stifled the advancement of future high-speed broadband networks. Any revision to the 1996 Telecommunications Act should contain clear, simple, coherent legislative principles that provide legal certainty and regulatory clarity for business models and also for the capital investment decisionmakers.

It has been the policy of the United States to promote the continued development and deployment of the Internet. The broadband revolution is bringing tomorrow's communications and commerce tools to more and more

Americans every day. These new opportunities for consumers are also providing new opportunities for our Nation's economy in terms of job creation, productivity gains, and innovation.

It is my great hope that as the Senate considers these important issues and potential telecommunications reform next year, we do so mindful that consumers are enjoying more choices, better value, and more personalized products in the Internet age than ever before, primarily due to the advances of broadband technologies.

I ask my colleagues to stand strong for freedom, for clarity of purpose, and we will see more investment and more jobs. I look forward to working with my colleagues for these exciting advancements in the future. We must keep adapting, keep innovating, and keep improving for the competitive benefit of the American people.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The distinguished Senator from Tennessee is recognized.

Mr. ALEXANDER. Mr. President, I salute the Senator from Virginia for his leadership on telecommunications policy. Over the last 2 years, I do not know any Senator in the Chamber, other than the Senator from Virginia, who has been more active, who has been better informed, and who has been more vigorous on the principles in which he believes. He was the leading Senator in advancing a compromise. It was his legislation, S. 150, which a number of us cosponsored, which the House has accepted, which has taken the next step in how we deal with the so-called Internet tax moratorium.

I was glad to have a chance to hear his remarks today as he talked about that and as he looks to the future, and I would like to add my own thoughts because during this past 2 years we have had pretty vigorous debate as we have made our way toward a compromise. It has been a debate in the best traditions of the Senate. We have had it on the floor. On one occasion the Senator from Virginia and I took our points of view to a forum off campus, so to speak, went over to the Heritage Foundation and had a debate. In that debate, we actually learned some things from each other, which shows that when Senators debate and speak, we find some points of common agreement. I think that debate itself helped lead toward the compromise we have made.

I believe the compromise, S. 150, of which Senator ALLEN is the principle sponsor, is important. No. 1, it is temporary, not permanent. This is a fast-moving technology and field. As Senator ALLEN pointed out in his remarks, the 1996 Telecommunications Act in some ways is obsolete today because high-speed Internet access, or broadband as we call it, was barely even known in 1996. It is no insult to the Members of the Senate to say I

doubt if many Senators ever heard of it in 1996, because most Americans had not heard of high-speed Internet access. Very few people were using it.

So the legislation did not contemplate this rapidly growing new technology we have. That is one reason why I felt in the debate that it was good to have a temporary, rather than a permanent, moratorium on what States may do about applying their taxes to Internet access so that the Commerce Committee of the Congress could consider a long-range permanent policy.

S. 150, which has passed this year, this compromise, as the Senator from Virginia said, allows States to continue collecting taxes on the Internet and to continue to do so for 2 to 4 years, depending on the type of access.

One other important thing it does is it makes clear that State and local governments can continue to collect taxes on telephone services even if telephone calls are made over the Internet.

Now, that is a very important development. Most observers believe that certainly most businesses—and maybe most all of us—will soon be making our telephone calls over the Internet. That is a wonderful opportunity and a great advance. I believe there is general consensus among all of us who debated this issue over the last 2 years that in order to make sure that happens, the Government needs as much as possible to get out of the way. That means a different kind of regulation than we now have for what we call traditional telephone services, the plain old telephone.

Where I was concerned about the legislation that was going through the Congress was not about whether we should lighten up on regulation—I believe we should—the question was whether from Washington, DC, we should tell State and local governments that they may not apply the same sales taxes and other use taxes to telephone calls made over the Internet that they apply to other telephone services. We did not change that with the temporary legislation we passed this year, but it is bound to be a big subject of discussion in the new Congress.

Now here is why it is so important: I believe gradually we are making it more difficult for State and local governments to do the things we want them to do. The Senator from Virginia and I are both former Governors. We know many of the things Americans want most from their government, they want from their State and local government. They do not want decisions made up here. So one of my goals is to make sure we do no harm to State and local governments while at the same time we are trying to make sure we do no harm to this exciting new technology, broadband, high-speed Internet access.

My fear was we might unwittingly in this legislation stop Texas, Tennessee,

or Florida, for example, States that have no State income tax, from using their sales tax on telecommunications services. Last year, Texas collected \$1 billion on sales tax on telecommunications services. Florida collected about \$1 billion. Tennessee, according to the Department of Revenue, collected \$361 million on sales taxes on telecommunications services.

Now, not all of that is threatened by telephone calls over the Internet that might not be subject to the same taxation, but gradually, and it may come very rapidly—actually, we hope it comes rapidly—and if people move to this new technology, make their telephone calls over the Internet, and suddenly the Texas State budget has a \$1 billion hole in it or a \$750 million hole or a \$500 million hole, what do they do about it? Well, they raise tuitions at the University of Texas or University of Tennessee, they reduce services, or they raise other taxes.

So my primary reason for becoming involved in the Internet tax debate, so-called, was to try to make sure we did not do here what I never did like when I was a Governor, which was to look up to Washington and see Members of Congress coming up with a good idea, passing it, taking credit for it, and sending the bill to me when I was Governor. I did not like that.

My whole point was if we are going to stop States from collecting a source of revenue they are now collecting, then we should pay the bill from Washington. In other words, that is an unfunded Federal mandate, in my opinion. We did not get to that problem because we reached a compromise for now, but that is the debate coming up in the future.

Will we take some action in the name of making it easier for high-speed Internet access that does real, serious harm to State and local governments by depriving them of billions of dollars of revenue, which in turn could cause the sales tax in Blunt County, TN, to go up, or the property tax to go up or, heaven forbid, Florida, Texas, or Tennessee to have to put in a new State income tax because Washington has told us we cannot have a sales tax on telecommunications services and we still like to have universities, parks, roads, and the other services States are supposed to provide.

So now how do we go from where we are today, which Senator ALLEN has helped to craft a compromise we have all supported, and which is a very excellent piece of legislative work by him and by others, and what is the next step? He has offered a few suggestions about telecommunications in general. Let me reiterate a single suggestion I have about this specific issue about whether State and local governments will be permitted to tax telephone calls made over the Internet.

I would like once more to encourage the Governors, the mayors, and the county executives to meet with the telecommunications industry and suggest to us in the Congress a way to do

this. This is a highly technical subject. It has many moving parts. This is not the best place to come up with a complex reaction to a complex problem. We would like to see some options, or at least I would.

The option I would like to see would have basically two parts. One would be lighten up the regulation on high-speed Internet access. There is a broad consensus about that. But do it in a way that does no harm to State and local governments, that does not have Senator FEINSTEIN from California standing up in the back with letters from 130 cities and counties saying this could take away 5 to 15 percent of their local tax base. I do not think we need to go through that again. I think we need to find a way to do no harm to high-speed Internet access. Let it flourish. Let it grow. Let it move. And do no harm to State and local governments. Those are the principles.

I understand there may be some discussions already beginning to go on and I want to encourage those, and I pledge I will work with Senator ALLEN and others in this Chamber and State and local governments and the telecommunications industry to try to get a commonsense exclusion so the technology can grow and so States can continue to have an adequate tax base to support universities, schools, and the other things we expect from State and local governments.

The guidelines that I suggest for this discussion that I hope is being held outside the Halls of the Senate are, No. 1, separate the issue of taxation and regulation. Let's go ahead and figure out a way to lighten up regulation of high-speed Internet access. I think there is a broad consensus for that. Separate the issue of what do we do about the fact that States and local governments are depending on these revenues. What do we do about that? Second, I agree with the Senator from Virginia that our goal should be simplicity, simplicity both in regulation and in any rules about taxation.

Finally, I believe that a goal should be, in addition to simplicity—certainty. If you are in business, you want some certainty. If you are a State treasurer, you want some certainty. You have budgets to make up. So we need some certainty. We do not need a situation where thousands and thousands of local jurisdictions tax new telecommunications technology in such a confusing way that it creates uncertainty, litigation, and lots of paperwork and slows down the economy. We fail if we have that. In searching for simplicity, there is no need for us to create an unfunded Federal mandate that tells State and local governments they have to give up part of their tax base without reimbursing them for it.

While we can debate it at another day, I do not believe that high-speed Internet access needs a Federal subsidy or State subsidy. It is the fastest growing new technology we have seen. It is growing faster than the cell phone did at this stage of its development.

We are talking about an exciting new technology. We are talking about real dollars. We are talking about a bipartisan disagreement and a bipartisan consensus that we have been able to come to this year about what to do, at least temporarily. For those who say the Senate is not capable of working in a bipartisan way, I think they are wrong because we have had bipartisan agreement and we have disagreement, and we have had some bipartisan agreement.

I see the Senator from New Hampshire is also in the Chamber, and the Senator from Delaware. I have some other remarks I would like to make, but I imagine they both would like to say something about this same subject.

My further remarks have to do with other legislation. What I would like to do at this stage is to yield the floor in just a minute and listen to what they have to say, in the hopes that we may be advancing toward some consensus. Now that we have a consensus about what to do for the next 2 to 4 years, maybe we can take some steps about advancing toward a consensus about the future.

I yield the floor.

The PRESIDING OFFICER. The distinguished Senator from New Hampshire is recognized.

Mr. SUNUNU. Mr. President, I want to begin by thanking Senator ALEXANDER, as well as Senators WYDEN and ALLEN, who have worked on the consensus legislation that was touched on in earlier remarks, a final piece of the legislation necessary to ensure that we do not tax Internet access.

The reason we do this, the reason we think this legislation is so important is, first and foremost, because these are national and global broadband networks. They are interstate and global in nature. I believe the responsibility for both determining the tax status and the regulatory status of these networks falls on the Federal Government. I do believe taxation is merely an extension of regulatory power, in that it has the ability to shape the playing field, to weight the competition among ideas or technology in one direction or another. As was said many years ago, when you tax something, you get less of it. If that is not a form of regulation, I don't know what is.

The issue of broadband voice, of Internet protocol voice services was also mentioned. I do want to be clear, at least in expressing an opinion if not declaring it absolute fact: The Internet tax legislation that we passed was silent on this issue. It doesn't allow or disallow, per se, the taxation on Internet protocol, IP voice service, or broadband voice service. But what it does is protect Internet access, access to that broadband pipe from taxation.

We will discuss and debate in greater detail in the coming year the nature of these broadband voice services—broadband access, spectrum regulations—as we develop telecom legislation in 2005, beginning with hearings

and work in the Commerce Committee. I think in many ways the FCC has already set the direction for this process in a recent ruling that they made, which was to say that broadband voice services using the Internet protocol are interstate in nature and that they should be regulated on a national level for many of the reasons that Senator ALEXANDER has outlined. We want clarity; we want consistency; we don't want it weighted toward one technology or another.

There are lots of ways to get access to these national and global broadband networks. You can get them through wireless systems, DSL, cable. You can get them even through satellite. And there are probably more technologies that will come to give customers and consumers access. We want to be careful that we do not distort the marketplace of ideas, either through subsidies for one form of technology relative to another—which was mentioned by Senator ALEXANDER—or regulatory regimes on one form of broadband network relative to another.

It will be a challenging debate. I think Senator ALEXANDER has been very helpful in this debate in bringing the perspective of a Governor. I think we do need to be very sensitive to the rights and the powers of the States. But where we have something that is interstate, national, or global in nature, then I think it does make sense to try to find a light regulatory touch, as Senator ALEXANDER has described, but one that is clearly defined and that will keep the competitive playing field as open and vigorous as possible. If we have a strong economy, then I think the governments at the local level, the State level, and the Federal level will do fine so far as revenue collection is concerned.

I look forward to participating in this debate with other members on the Commerce Committee and all of the Members in the Senate in order to make sure that we have a regulatory system that is designed for, so to speak, the 21st century, these new technologies, and not just take a regulatory system that was designed for a copper circuit switch phone system, invented by Alexander Graham Bell—don't take that regulatory system and try to force it on emerging technologies for the future.

I yield the floor.

The PRESIDING OFFICER. The distinguished Senator from Delaware is recognized.

Mr. CARPER. Mr. President, while my colleagues, Senator ALEXANDER and Senator ALLEN, are still in the Chamber, I want to express to each of them my own gratitude for their hard work to try to forge a compromise on an issue upon which some folks said we were not going to find common ground. But ultimately we did. They are to be commended for that.

I see we have been joined by Senator BURNS from Montana. I would say to him, thank you as well.

Several people who are not here have been very much involved in this issue, including Senator WYDEN of Oregon and a handful of other former Governors who serve now in the Senate—among them, Senator VOINOVICH of Ohio and Senator BOB GRAHAM. A couple of former mayors who serve here as well worked on this issue, and this includes the former mayor from California, Senator FEINSTEIN, and a former mayor from a little town called Gillette, WY, a fellow named ENZI, who have all been involved in this, along with Senator BYRON DORGAN of North Dakota.

We shared goals and we shared a number of the same objectives. None of us were interested in taxing access to the Internet. None of us wanted to inhibit its growth. But at the same time, none of us were interested in undercutting the ability of State and local governments to raise revenues to fund their own programs.

As a former Governor, as a former chairman of the National Governors Association, as are Senators ALEXANDER and VOINOVICH, I never liked it very much when the Federal Government would tell my State or any other State what to do but not to provide the revenue, the wherewithal to do that thing that was being ordered.

I never liked it when the Federal Government undercut my State or any State's ability to raise revenues to pay for programs that we deemed necessary and not provide the revenues to offset that loss.

I think in the end we have come out with a compromise that is not everything that those of us who are former Governors and mayors who worked with Senator ALEXANDER and myself wanted, and certainly all that was sought by Senators ALLEN and WYDEN. Having said that, I believe we have ended up in a very good place. Senator MCCAIN is not here today, at least in the Chamber at this moment, and I thank him for bringing us to common ground on this issue.

We have passed a compromise that I think sends a good message, that may have applicability to other issues. And there are a whole lot of issues that we have considered this year, certainly that we will be considering next year, where we generally share the same goals, but for some reason we do not—and maybe it is the lack of trust, the lack of interpersonal relationships to be able to work through our differences to get fairly close to, at the end, the goals that we share, to legislation that reflects the goals that we share. In this case we did it. And for all who have had a hand in fashioning what I think is a most acceptable compromise and a good ending, I just want to say well done.

The Commerce Committee will now move to new leadership beginning in January. I presume the leader, the chairman, will be Senator STEVENS, and the ranking Democrat will be Senator INOUE. They have as close a per-

sonal bond as I think any two Senators across the aisle who serve in the Senate. I think that bodes well as they and their committee look down the road to what further changes we need to make, again, to deny the ability to have access to the Internet, make sure we don't inhibit the growth of the Internet and all it can do for our economy, and finally making sure we are fair to State and local governments. It is not an easy thing to do, but in this instance I think we have done quite well for State and local governments, and industry hasn't fared too badly either. With that having been said, I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. I ask unanimous consent to speak as if in morning business.

The PRESIDING OFFICER. The Senator should advise that we are in morning business.

Mr. DURBIN. I thank the Chair.

#### GLOBAL AIDS FUNDING

Mr. DURBIN. Mr. President, last Saturday, just 7 days ago, I was in Cape Town, South Africa, for a conference sponsored by the Chicago Council on Foreign Relations. With me were my colleagues, Senator SUSAN COLLINS, Congresswoman BARBARA LEE from the State of California, and we had an opportunity to visit an AIDS clinic, a clinic that is funded by the Global Fund. It is an area known as West Cape, and it is an extremely poor area. Many people are infected.

South Africa may be the most devastated country on that continent when it comes to the disease of AIDS. To think that 25 percent of the men and women in the South African military are infected with AIDS, to think that most of the major employers in companies find that at least one-fourth of their workforce is infected, is an indication of the reach of this terrible disease.

We went to this clinic because something historic was happening there. Because of the Global Fund and because of contributions from countries such as the United States, for the first time we are providing AIDS pills, ARV therapies to people who are infected. What that means is that for some of the poorest people on Earth, they will receive a few pills which, if they take them dutifully each day, they can live. And if they do not receive the pills, or don't take them, they will surely die. Think about that moment when they first heard of the possibility that they might be on the list to be saved with these drugs.

So we went to this clinic where they are measuring the rate of the infection of these poor people, and if they are far enough along with their infection, where their life is threatened, they qualify. They waited on benches in a crowded room silently for hours, literally for hours for a chance to be examined in the hopes that they would receive these pills.

Outside this clinic was a little dirt playground, just the most basic thing, filled with children. The kids were playing with everything they could find, stones and sticks and old rubber tires, just trying to while away the time together while they waited for their parents who were listening and waiting to be counseled to find out if they would be allowed to live or die. The children had no idea what was going on. They are just little kids. Some of them may be HIV-positive, too. But we walked by this playground, and the kids looked up at this delegation in their suits and ties walking through, and they looked at us and they waved, and we waved back, and I thought: I am going to go over and say hi to the kids.

I no sooner took two steps toward these children when they left the playground, 30 or 40 of them, and gathered around me hugging me. And then, as they were hugging me, these little toddlers, these kids, spontaneously started singing the African national anthem. You could not script that. It sounds like a scene from a movie. It is real life. It happened a week ago. And in this clinic in West Cape, a miracle is occurring. The United States, because of its caring and compassion, has reached out through the Global Fund to give these children the chance that they will grow up with a parent. And for many children in Africa there is no chance—12 million AIDS orphans on that continent, more infections on the continent of Africa than any other place on Earth.

We know how bad it is. We know it is getting worse. Take any minute that I speak in the Chamber, and in that 1-minute period of time, across the world 6 people will die from AIDS, and 10 more will become infected. So no matter what we are doing, as good as it is, we are approaching this with steady steps going after this disease and epidemic while it races away from us infecting more people than we can possibly save with the resources we are putting into it. Stephen Lewis is a special envoy for the United Nations for HIV/AIDS in Africa, and he said, "Never in human history have so many died for so little reason." Then he went on to say, speaking to me and to all of us, "You have a chance to alter the course of that history. Can there be any task more noble?" This is the moral challenge of our generation.

Mr. President, 60 years from now, 100 years from now, people will look back and judge us by what we have done with the global AIDS epidemic. Questions have been asked for almost six decades about what the world did in response to the Holocaust. We will be asked by future generations: What did you do about this epidemic reaching Holocaust proportions and beyond? In 2002, the countries that came together to form the Global Fund said we are going to fight AIDS and malaria and tuberculosis, and all the countries committed some \$3 billion to almost