this proposal is about how the wireless industry administers state and local taxes. It does not reduce or change the wireless industry's tax obligations. This same simplicity will also help lower the cost to states and localities of administering taxes on wireless services. And, this all comes together for the wireless consumer—greater simplicity, lower costs, and reduced chances of getting caught in a "double-tax" situation where two tax jurisdictions are seeking to tax the same revenue.

There are some practical problems which can arise in the administration of state and local governments on wireless phone calls. For example, different jurisdictions may employ different methodologies making the determination of the correct taxation very difficult. Depending on the methodology a call could be taxed in the town or city where the customer is located; or, in the city or town where the wireless antenna is located; or, even in the city or town where the wireless switch is located. The bottom line—it's confusing, it's costly, it's a practical problem we can fix with the legislation we are introducing today.

I would like to stress that this situation is born of good faith efforts of state and local governments to apply existing methods. The problem is that all existing methods do not necessarily work for wireless telecommunications and, due to that fact, sometimes different methodologies are applied to the same wireless call resulting in double-taxation and confusion.

I would like my colleagues to know that extensive discussion of various options to solve this problem has gone on over the past few years among state and local government organizations—including the National Governor's Association, the National League of Cities, the Multistate Tax Commission, the Federation of Tax Administrators and others—and the Cellular Telecommunications Industry Association representing the wireless industry. Together, they have developed a new methodology for dealing with a complex problem—and that new methodology is embodied in the legislation I am introducing today.

Under the new methodology—Telecommunications Sourcing and Privacy Act, all state & local telecommunications taxes would be assigned to one location—the customer's place of primary use—which must be either the customer's home or business address.

This new method of sourcing wireless revenues offers certainty and consistency in the application of tax law, and does so in a way that does not change the ability of states and localities to tax these revenues.

I want to also make it clear that this bill in no way provides any determination or has any impact on the work of the Advisory Commission on Electronic Commerce.

The bill also requires the General Accounting Office (GAO) to examine the Federal Communications Commission's (FCC) implementation of provisions of current law which requires the telecommunications industry to pay fees to recoup costs of regulatory functions. There has been concern that these fees have not in the past and are not presently being properly assessed. While I do not take a position on this matter at this time, I do think it is important to get a thorough examination of the issue. The GAO study will provide such a review.

Furthermore, the bill includes provisions of a bill introduced and led through the legislative process in the House by my fellow Commerce Committee colleague, Mrs. Wynn, on the issue of improving the privacy protections afforded users of wireless communications devices. This bill, H.R. 514, overwhelmingly passed the House earlier this year. Inclusion of these provisions in this bill is a natural partnering of wireless telecommunications issues and will ease member consideration of these important concepts.

Wireless customers will benefit because their monthly bills will be simpler and the possibility of double taxation of their mobile calls from competing jurisdictions will be greatly reduced. Tax administration will be simplified for both government and industry.

I want to thank my colleagues for joining me in introducing this legislation. I look forward to working with all of them to ensure the full and speedy consideration of this proposal. I urge all my colleagues to support this legislation.

A TRIBUTE TO BRIGADIER GENERAL PATRICK O. ADAMS, OF CAPE GIRARDEAU, MISSOURI ON HIS RETIREMENT FROM THE U.S. AIR FORCE

Mr. WYNN. Mr. Speaker, today we consider H.R. 3261, the Communications Satellite Competition and Privatization Act. I do not think that anyone in the House would disagree with this bill's purpose to create increased competition in the global communication satellite industry. This goal is commendable. However, I would like to express some concern about one of the provisions in this bill.

First, let me say that, I am pleased that this bill would permit Lockheed Martin and COMSAT to complete their merger. This transaction, which has received approval from the Department of Justice, and has passed the first phase of FCC approval, has been in need of enabling legislation for over a year.

Unfortunately, this bill puts unnecessary conditions on the lifting of COMSAT's ownership cap and therefore on the Lockheed Martin-COMSAT merger. Earlier this year, the Senate passed satellite reform legislation, which does not contain these restrictions. It is my view that the House should not impose new restrictions during this process of creating open competition.

To add to this, I would urge my colleagues to support the removal of the conditions on the Lockheed Martin-COMSAT merger. This merger is important for my constituents in Maryland, not withstanding American consumers who deserve more competition in the satellite services market.