June 14, 2000

CONGRESSIONAL RECORD—SENATE

10671

REPEAL OF THE TELEPHONE EXCISE TAX

Mr. BURNS. Mr. President, I rise today to express my support for a bill which I have co-sponsored. The bill, S. 2330, will repeal federal excise taxes on telephone services.

This tax was first introduced as a temporary luxury tax in 1898 to fund the Spanish American War. However, over 100 years later this tax remain in effect. The definition of temporary should not span an entire century.

This tax is imposed on telephone and other services at a rate of 3 percent. Furthermore, these taxes are not applied to a specific purpose that enhances telephone service in our nation—rather these taxes are directed to the general revenue account. In other words, there is no reason we shouldn’t repeal this tax. It means only one thing—Montanans end up paying one more tax to encourage government spending.

As I said a moment ago, this tax was enacted to fund the Spanish American War. Considering that war was ended a mere six months after it began, I feel its time to repeal this tax. Instead, Montana consumers continue to pay this tax on all their telephone services—local, long distance, and wireless.

It is time to eliminate this excise tax. At the time of enactment, this tax was considered a luxury tax on the few who owned telephones in 1898—this tax has now become an unnecessary burden on virtually every American taxpayer. Repealing this excise tax on communications services will save consumers over $5 billion annually.

Furthermore, this tax is regressive in nature. It disproportionately hurts the poor, particularly those households on either fixed or limited incomes. Even the U.S. Treasury Department has concluded in a 1987 study that the tax “causes economic distortions and inequities among households” and “there is no policy rationale for retaining the communications excise tax.”

Rural customers in states like Montana are also disproportionately impacted. This tax is even more of a burden on rural customers due to the fact that they are forced to make more long distance calls than urban customers.

This tax also impacts Internet service. The leading reason why households with incomes under $25,000 do not have home Internet access is cost. If consumers are very price sensitive, the government should not create disincentives to accessing the Internet. Eliminating this burdensome tax can help to narrow the digital divide.

Mr. President, this is a tax on talking—a tax on communicating—a tax on our nation’s economy—I encourage my colleagues to join me in support of this bill to repeal this unnecessary and burdensome general revenue tax.

SEQUENTIAL REFERRAL

Mr. WARNER. Mr. President, I ask unanimous consent to have printed in the RECORD my letter to Senator LOTT dated May 8, 2000.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:


Hon. TRENT LOTT, Majority Leader, U.S. Senate, Washington, DC.

DEAR MR. LEADER: Pursuant to section 3(b) of S. Res. 400 of the 94th Congress, I request that S. 2507, the Intelligence Authorization Act for Fiscal Year 2001, which was reported out on May 4 by the Select Committee on Intelligence, be sequentially referred to the Committee on Armed Services for a period not to exceed thirty days.

With kind regards, I am
Sincerely,

JOHN WARNER, Chairman.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, June 13, 2000, the Federal debt stood at $5,651,368,584,663.04 (Fifty trillion, six hundred fifty-one billion, three hundred sixty-eight million, five hundred eighty-four thousand, six hundred sixty-three dollars and four cents).

Five years ago, June 13, 1995, the Federal debt stood at $4,903,284,000,000 (Four trillion, nine hundred thirty-four billion, seven hundred eighty-four million).

Ten years ago, June 13, 1990, the Federal debt stood at $3,120,867,000,000 (Three trillion, one hundred twenty-eight billion, eight hundred sixty-seven million).

Fifteen years ago, June 13, 1985, the Federal debt stood at $1,766,874,000,000 (One trillion, seven hundred sixty-six billion, eight hundred seventy-four million).

Twenty-five years ago, June 13, 1975, the Federal debt stood at $528,036,000,000 (Fifty two trillion, eighty-eight billion, thirty-six million) which reflects a debt increase of more than $5 trillion—$5,123,332,584,663.04 (Fifty trillion, one hundred twenty-eight billion, three hundred thirty-two million, five hundred eighty-four thousand, six hundred sixty-three dollars and four cents) during the past 25 years.

ADDITIONAL STATEMENTS

TRIBUTE TO CAPTAIN VILHELM HANSEN (1917–2000)

• Mr. LIEBERMAN. Mr. President, I submit for the RECORD the following, written by Marshall H. Cohen, photojournalist, and honorary life-member of the Association of Tall Ship, the Danmark, June, 2000.

Captain Vilhelm Hansen passed away at age 82 on May 3, 2000. Captain Hansen was master of the training ship the Danmark for twenty-two years from 1964 until his retirement in 1986. He was not only a legendary captain and educator, training thousands of Danes and American careers, but also a familiar, and well-liked ambassador of good will to the United States with his ready wit, his unparalleled knowledge of seamanship, and his unending strong character. Whenever the Danmark anchored in various East Coast ports, thousands of Americans, including members of the U.S. Congress, have been welcomed on board this beautiful full-rigged ship.

Captain Hansen received many honors and awards here in the United States. He has been presented with the keys to many U.S. cities, among them, Baltimore. He received the Danish-American Society’s “Man of the Year” award in New York City in 1987, and this year (June 8, 2000) Captain Hansen posthumously received the National Maritime Historical Society Walter Cronkite Award for Excellence in Maritime Education in a ceremony in Miami, Florida.

The Danmark has played a significant role in the maritime history of the United States. In 1939, the Danmark was on a routine training mission to the United States when the Second World War began. The Captain at that time, Knud Hansen, was informed that Germany had invaded Denmark, and consequently, the Danmark remained in the United States for the duration of the war. The Danmark was based in New London, Connecticut, and served as a training ship for U.S. sailors.

The First Officer of the Danmark during the war was Knud Langevad, and he was in...