

Kennie Gill and her staff and the men and women of the Capitol Police force have shown us that anything is possible. Together, they have kept the Senate safe and operating in these anxious times. We are grateful to them all.

**INTERNET TAX
NONDISCRIMINATION ACT**

Mr. REID. Mr. President, yesterday the Senate decided to ban, for two more years, Internet access taxes and discriminatory taxes on e-commerce. For American Internet users, I fully support this decision, as did the vast majority of my colleagues.

I also supported the Senate's decision to more thoroughly consider a meritorious yet deficient proposal that would have helped States eventually require interstate retailers to collect tax on all sales, even to States where the retailer has no substantial presence. E-commerce and brick and mortar businesses should be placed on a level playing field.

On behalf of the important State and local government programs that sales tax revenue support, I firmly believe this issue needs to be resolved very soon. I was concerned, however, that the proposed legislation had a few key shortcomings.

First, I believe the proposal did not give the States clear guidance on what Congress expects them to address as they simplify their sales tax rules. The Supreme Court has said that the current State sales tax system is unconstitutionally complex, but that Congress can remedy that problem. On one particular point, the proposal did not tell the States to ensure that no tax loopholes be adopted that would allow some sellers to avoid tax collection responsibilities. I believe that Congress must not allow tax discrimination among retail business models.

Second, I believe that Congress will need expert assistance to help analyze the State's efforts to make their tax systems constitutional, especially if we hope to consider their efforts quickly. For that reason, I believe there must be a timely federal review of the States' eventual agreement before it is presented to Congress. Also, I believe a federal agency is much better positioned than Congress to ensure continuing compliance with the interstate agreement.

I did not support the Enzi/Dorgan amendment because it would have added complexity, making a retroactive change in the law, that is unclear, and did not go through a complete vetting process. This was a meritorious but flawed amendment. The House would not have accepted this legislation with this amendment.

I look forward to working with my colleagues, the States, and industry next year on a bill that addresses the States' legitimate tax revenue needs

and ensures that the simplified State tax system is fair to all retailers and can be efficiently considered and monitored.

I will not likely support another moratorium. We must take the steps necessary to bring our interstate tax rules into the 21st Century.

Mr. KERRY. Mr. President, I voted in support of the Enzi Amendment to the Internet Tax Nondiscrimination Act because I believed that after nearly 2 years of working towards a compromise on this very important issue, it was time to move forward and provide States with guidance on how to level the playing field for Internet and bricks and mortar retail establishments. Of equal importance is that in this time when State coffers are shrinking and State spending requirements are increasing with the need to pay for the increased security needs each State now faces, we cannot in good conscience short change the States.

Let me be clear. I do not support a tax on the Internet. The Enzi amendment did not tax the Internet. It simply provided a way to move towards a system where States can collect taxes that are already owed. Moreover, I strongly support a permanent ban on Internet access taxes. The Enzi amendment intended to create such a ban. If there were questions as to whether that intent was fully carried out by the language as drafted, I believe we could have addressed those questions adequately in conference. I oppose discriminatory Internet taxes. Again, the Enzi amendment banned such taxes for 5 years and ultimately such a ban will be made permanent.

It is also important to point out that the Enzi amendment, had it succeeded, would not have been the final word on whether States could begin collecting taxes owed on Internet sales. After up to 5 years of working towards a compromise, and after at least 20 States agreed to simplify their tax collection systems in a uniform manner, Congress still would have had the opportunity to vote down a simplification plan, if we believed it was unfairly burdensome to Internet or other remote sellers. That provision provided a critical measure of assurance that States could not unfairly insist on the collection of taxes.

I was an original cosponsor of the Internet tax moratorium that only recently expired, and I hope, with the additional 2-year moratorium that we have just enacted we will enjoy some measure of success in forging a compromise that will have broad support. I will continue to work with my colleagues to ensure that Internet companies are never required to divine the tax rate of a consumer in one of thousands of taxable jurisdictions. In addition, I will work to ensure that uniform definitions for taxable property are part of any simplification plan, so

that companies do not have to analyze different definitions for the same item in different states. Uniformity in auditing procedures, filing requirements and remittance forms will also be goals we will continue to try to reach.

Equity dictates that we do not treat the taxation of goods differently simply because of the method by which they were sold. I look forward to continuing to work on this issue so that we can find a way to reach that goal that is fair to States, consumers, Internet companies and traditional retailers.

**AMTRAK REFORM COUNCIL
FINDING**

Mr. MCCAIN. Mr. President, I want to explain for the benefit of my colleagues some recent actions that involve Amtrak. I will begin, however, by briefly describing Amtrak's history.

Amtrak was created in 1971 by the Rail Passenger Service Act which was enacted in 1970. The law established Amtrak in order to relieve the freight railroad industry from the burden of providing ongoing passenger service. With capital acquired from participating railroads and the Federal Government providing \$40 million in direct grants and another \$100 million in loan guarantees, the corporation was to become self-sustaining within 2 years. Since 1971, however, Amtrak has received nearly \$24 billion in taxpayer assistance to help cover its operating and capital costs.

Today, much like when Amtrak started, Amtrak serves approximately 500 locations. It carried 22.5 million passengers in fiscal year 2000. By contrast, the intercity bus industry carries 744 million passengers annually and serves over 4,000 locations. The aviation industry carries more than 600 million passengers annually. I mention this comparison because I believe we must consider Amtrak in the context of other passenger carrying transportation services.

Amtrak was most recently authorized during the 105th Congress, after several years without an authorization. The Amtrak Reform and Accountability Act, Public Law 105-134, was bipartisan compromise legislation and enacted, in part, due to the very critical reports of Amtrak's financial situation at that time. During the act's development, the General Accounting Office, Amtrak, and others estimated that the rail system was on the brink of bankruptcy.

Taking into account the very serious financial situation facing Amtrak, the reform law provided the statutory operational, procurement, labor and liability reforms that Amtrak requested so it could operate more like a private business. It reauthorized Amtrak for 5 years, through fiscal year 2002, releasing the approximately \$2.2 billion to

Amtrak that was provided in the form of a tax "refund" in the Taxpayer Relief Act of 1997, TRA, even though Amtrak has never earned a profit, let alone paid income tax. It also required Amtrak to operate free of taxpayer assistance 5 years after the date of enactment of the law, which is December 2, 2002.

The law established an 11-member Amtrak Reform Council, ARC, appointed by the President and leadership in both the House and the Senate, to oversee Amtrak and make recommendations for improvements. The law provided that if at any time following 2 years after the date of enactment the ARC finds that Amtrak is not meeting its financial goals, the Council is directed to develop and submit within 90 days to Congress an action plan for a restructured and rationalized intercity rail passenger system. Within that same time period, the law directs Amtrak to prepare a plan for its complete liquidation. The law provides for an expedited procedure during which Congress would vote, simple majority, on a resolution to disapprove an Amtrak liquidation.

What has Amtrak accomplished since the reform bill's enactment? Amtrak's press releases often boast about increased ridership and revenues. Unfortunately, those press releases never quite tell the full story. According to the General Accounting Office, any increase in ridership and revenues has resulted in an even greater increase in expenses.

Moreover, Amtrak's debt load has tripled since the reform bill's enactment to over \$3.3 billion and it has spent more than \$4.4 billion in taxpayers dollars during that same period. And, despite repeated testimony by Amtrak officials this year about being on a "glidepath to operational self-sufficiency," Amtrak entered into a creative agreement in June to mortgage a portion of Penn Station to obtain cash to allow Amtrak to continue operating past the summer. Clearly, our expectation for a new and improved Amtrak when we passed the reform bill in 1997 has not been realized.

The Department of Transportation Inspector General and the General Accounting Office have testified repeatedly before Congress that Amtrak is in a very precarious financial situation. Moreover, last Friday, November 9, 2001, the ARC officially issued a finding that Amtrak will not be operationally self-sufficient by December 2, 2002, as required by law. The ARC has found there are major inherent flaws and weaknesses in Amtrak's institutional design and it must be restructured. As a result of this finding, the ARC will submit a restructuring plan and Amtrak will submit a liquidation plan to the Congress in early February. In addition, the administration, according to testimony from the Federal Rail-

road Administrator, is also preparing to submit a proposal to restructure our Nation's passenger rail system as part of its fiscal year 2003 budget request.

I understand Amtrak and others have made some very critical comments about the ARC's decision. Clearly, it was a decision not taken lightly by the ARC members. I, for one, commend the ARC members for abiding by the law and making the tough decision that they felt needed to be made. I only question what took them so long.

I look forward to a robust debate on the future of intercity rail passenger service in this country. I believe that passenger rail can and should be a part of our Nation's transportation system, but I continue to question how it should be structured and managed, knowing that Amtrak has failed to meet even the lowest of expectations for 30 years.

I find it indefensible that despite the findings of the ARC, the IG and the GAO, this week we were considering legislation that would have given another \$9 billion to Amtrak by authorizing Amtrak to issue bonds. I imagine proponents of that provision will continue to seek enactment of their proposal prior to adjournment. I vow to do everything in my power to prevent such efforts from succeeding, as I strongly question the logic of throwing billions of additional dollars at Amtrak when nearly every expert that knows anything about Amtrak and finances knows, and has told Congress, that Amtrak cannot live up to the promises it makes.

Before moving forward with any additional funding for Amtrak we need to address a number of tough questions: What is the future for intercity rail passenger transportation? Where does it attract passengers and where doesn't it? Does rail passenger service have to equate to "Amtrak" or should we finally accept the fact that after 30 years, it is time to find a new approach? Where might high-speed rail service actually attract enough passengers to be economically viable? How does it fit into our national transportation system? What is the financial obligation we will be imposing on the American taxpayers and what can they realistically expect as a result of their expenditures?

It is simply time to have an open and honest debate on this issue. We need to hear from the administration and the American public. I hope my colleagues will agree that we need to allow the debate on Amtrak's future to move forward and stop the hemorrhaging of taxpayers' dollars by this entity. I certainly intend to do all I can to ensure the Senate Commerce Committee, which has jurisdiction over Amtrak, steps up to the plate and does its part on this subject.

BIOTERRORISM PREPAREDNESS ACT OF 2001

Mr. WELLSTONE. Mr. President, I rise today to support the Bioterrorism Preparedness Act of 2001. This act represents a critically important turning point in the readiness of our public health system to respond to the challenge of bioterrorism. In many places in our Nation the public health infrastructure has been underfunded and understaffed. Many of our public health workers have been working day and night since September 11. The anthrax attack has demonstrated that our system can be overwhelmed by a bioterrorist attack. This bill provides essential assistance to our network of local and State health departments, public health laboratories, hospitals and health care facilities so that they can protect all of us in the event of further bioterrorist attack, or of other infectious disease outbreaks.

Mr. President, we in Minnesota have long been aware of the dangers of bioterrorism thanks to the efforts of Mike Osterholm, head of the Center for Infectious Disease Research and Policy at the University of Minnesota. But since September 11, everywhere that I have traveled in Minnesota I have been hearing about the need for preparedness. I am very glad that this bill is providing for bioterrorism preparedness.

This bill provides block grants to states to improve public health departments and to get the equipment they need, and to help local governments safeguard their communities from these threats. The bill also provides grants to hospitals and other health care facilities to improve their abilities to respond quickly and effectively to a bioterrorist attack. I am glad this bill emphasizes getting funds to the local level. That is very important. In fact, I would have even gone further in setting aside funds specifically for localities.

I do have some reservations about the scope of the antitrust exemption the bill in its current form provides to the drug industry and others in connection with the development of countermeasures against bioterrorism. I fully understand the urgency of the situation and the need to create "safe space" for the work necessary to bring such countermeasures on line. However, I do think we need to tread carefully when it comes to further insulating the drug industry from the discipline of competitive market forces. I hope that my colleagues will work with me as we move forward on this very important measure to ensure the fullest possible protection for American consumers consistent with the development and production of necessary countermeasures.

As chair of the Subcommittee on Employment, Safety and Training, I am particularly glad that this bill recognizes the threat of bioterrorism in the