

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