

nearly 24 years as a Member of this body. For the last 10 years, I have enjoyed working with Senator FORD on a variety of issues within the jurisdiction of the Senate Commerce Committee. Through his leadership on this legislation, Senator FORD has proven himself as a champion of rural aviation issues. The Senate will certainly miss his guidance and insight. Likewise, the Senate will miss his wry, biting humor.

Rural Americans are the biggest winners with the passage of the Ford Act. Citizens of underserved communities will no longer have to travel hundreds of miles and several hours to board a plane. This legislation gives incentives to domestic air carriers and its affiliates to reach out to these people and serve them conveniently near their homes. Many Americans will be able to travel a reasonable distance to gain access to our Nation's skies and, from there, anywhere they wish to go.

Mr. President, I also applaud the hard work of Senator BILL FRIST of Tennessee. He added provisions to the Ford Act to expand small community air service. His dedicated efforts ensured that underserved cities like Knoxville, Chattanooga, and Bristol/Johnson City are now in a position to receive additional or expanded air service.

The major policy changes in the Ford Act led to hard fought but honest disagreements. I have enormous respect for the efforts of Senators JOHN WARNER, JIM INHOFE, and KAY BAILEY HUTCHISON as they diligently advocated for their constituents and their respective States. This honest debate is what makes it exciting to serve in the United States Senate. I was very pleased by the efforts of Senators SLADE GORTON and ARLEN SPECTER to address a very sensitive issue, while resolving it in a true Senate fashion—a consensus which will prove to be beneficial to both sides of the debate.

Throughout the last 12 months, my home State of Mississippi has received Federal support from the AIP to make needed physical improvements. A portion of these funds went to the Bobby L. Chain Municipal Airport in Hattiesburg to rehabilitate their existing runway pavement and lights. Other funds were allocated to the Jackson International Airport to construct a new taxiway and apron. These enhancements are needed. And this bill will ensure that the AIP will continue uninterrupted. AIP's reauthorization within the Ford Act will allow Mississippi to continue to receive funds for essential enhancements for the upcoming year. I look forward to working with the airport authorities in my home State to make sure that the right improvements are made at the right airports. This is about safety and about economic growth.

No legislative initiation is ever possible without the dedicated efforts of staff, and I want to take a moment to identify those who worked hard to prepare the Ford Act for consideration by the full Senate.

From the Senate Committee on Commerce, Science, and Transportation: Mark Buse; Ann Choiniere; Jim Drewry; Becky Kojm; John Raidt; Mike Reynolds; Ivan Schlager; Scott Verstandig; and Sam Whitehorn.

The following staff also participated on behalf of their Senators: David Broome; Steve Browning; Jeanne Bumpus; Nat Grubbs; Brett Hale; Katrina Hardin; Dan Renberg; Pam Sellars; Ellen Stein; Ben Thompson; and Clay Williams.

Mr. President, these individuals worked very hard on the Wendell H. Ford National Air Transportation System Improvement Act of 1998 and the Senate owes them a debt of gratitude for their dedicated service to this legislation.

Mr. President, our Nation's small communities are a step closer to receiving long-sought air service. Also, America's smaller, yet important air strips and airports will be enhanced. This is good for all Americans.

MORNING BUSINESS

Mr. MCCAIN. Mr. President, for the information of Members, we are still working on a unanimous consent agreement on the Internet Tax Freedom Act between now and 10:30.

I now ask unanimous consent that there be a period for the transaction of routine morning business until 10:30, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER (Mr. HAGEL). Without objection, it is so ordered.

UNANIMOUS CONSENT REQUEST— S. 442

Mr. MCCAIN. Mr. President, I ask unanimous consent it be in order for the majority leader, after notification of the Democratic leader, to turn to S. 442, the Internet tax bill and immediately after the reporting by the clerk, the Commerce Committee amendment be agreed to, and immediately following that action, the Finance Committee substitute be agreed to and considered original text for the purpose of further amendments.

I also ask unanimous consent that, during the Senate's consideration of S. 442 or the House companion bill, that only relevant amendments be in order.

Finally, I ask that the Senate proceed to the bill at this time.

The PRESIDING OFFICER (Mr. GORTON). Is there objection?

Mr. GRAHAM. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The Senator from Arizona.

Mr. MCCAIN. I heard the objection from the Senator from Florida. I deeply regret that.

The Senator from Florida, as I understand it, is insisting on a specific result in this legislation. We never do that. The Senator from Florida knows that. We don't insist on a specific result.

We would be more than happy to listen to the amendment of the Senator from Florida. We would be glad to debate it. Perhaps I could even support it. But, frankly, what the Senator from Florida is doing right here—the other 99 Senators are in agreement—by objecting to us moving forward to the bill that is vital to the future of the economy of this Nation, I think the Senator from Florida takes on a very large responsibility.

I want to tell the Senator from Florida I am going to file cloture right now and we are going to have a vote. And I also want to tell the Senator from Florida that because of that, we will delay, again, consideration of this very important bill. We will move forward. I do not understand why the Senator from Florida, after having a commitment of mine, that of the Senator from Oregon and everybody else, to give the kind of consideration that he deserves, and ample debate, unlimited debate on his amendment and a willingness to work with him—because the Senator from Florida knows that there is a Senator on this side who cannot agree to the language of the amendment that he is insisting on. That is what debate is all about.

We just finished a bill, an omnibus aviation bill, where everybody sat down together. The Senator from Oregon was very unhappy with one of the results, as were a number of other Senators, including this one. But we worked the process.

So I again urge the Senator from Florida to withdraw his objection, especially when faced with the inevitability that this cloture motion is going to be agreed to, probably 99 to 1.

Mr. President, I ask, again, unanimous consent that the Senate proceed to the bill at this time.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. GRAHAM. I object.

INTERNET TAX FREEDOM ACT— MOTION TO PROCEED

CLOTURE MOTION

Mr. MCCAIN. Mr. President, I still have the floor.

In light of the objection, I now move to proceed to the consideration of S. 442 and I send a cloture motion to the desk. I announce this cloture vote would occur on Tuesday of next week.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provision of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 509, S. 442, the Internet legislation:

Trent Lott, John McCain, Dan Coats, Chuck Hagel, Larry Craig, Christopher

Bond, Wayne Allard, Paul Coverdell, Tim Hutchinson, Jim Inhofe, Mike DeWine, Dirk Kempthorne, Strom Thurmond, Jeff Sessions, Conrad Burns, and Robert F. Bennett.

Mr. MCCAIN. I now ask the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Is there objection to the motion to waive the mandatory quorum? Without objection, it is so ordered.

The Senator from Arizona.

Mr. MCCAIN. Mr. President, let me just point out the President of the United States is in Silicon Valley today and the people in Silicon Valley were under the impression that we were going to move forward with this bill and resolve it next week. I hope that is duly noted.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I am very hopeful that the Senate will not have to get into this cloture matter with respect to the Internet tax bill. The Senator from Florida is one of the Senators that I most respect in this body. I find myself agreeing with him on just about everything that comes before the Senate. As he knows, we have, over many, many months, tried to address the host of legitimate concerns that the States have. We have a number of Governors—the Senator from Florida having served as Governor, as have others here—who know a tremendous amount about this. I have tried to make clear, as the principal sponsor of this legislation, all we are seeking is technological neutrality with respect to the Internet. The Internet would be treated like everything else—nothing favorable, nothing discriminatory.

Because many of the Nation's Governors are concerned about other issues, particularly the question of out-of-State sales, this legislation, S. 442, has become a magnet for a variety of other issues.

The sponsors, Senator MCCAIN and I, especially have, in my view, done somersaults now to make sure there was a fair evaluation of all the important issues with respect to out-of-State sales. Let me say, in doing that, there have been a number of other Senators—Senator GREGG and Senator LIEBERMAN—who I think have been very fair in an effort to try to get to a compromise on this matter. As the Senator from Florida knows, just a few minutes ago Senator MCCAIN and I were willing to make additional changes in the managers' amendment to ensure that there would be a fair study of both the Internet and commercial activities, which is the precise language that the Governors have sought.

I don't think there is anything else that Senator MCCAIN, I, or others can offer at this point to ensure that a fair and objective set of studies and analyses go on by the commission.

I hope that if there continues to be opposition to this legislation, that

those who oppose the legislation simply say that they are opposed and not, in effect, produce a situation which I think is going to turn what ought to be a bipartisan and thoughtful fight into what will be a very bloody battle.

I see my friend from North Dakota here. The Senator from North Dakota has had strong views on this, and over many, many months we have been negotiating on it. He did not come to the floor today to object as a result of that work, nor did Senator BUMPERS.

I am hopeful that particularly Senators on the Democratic side are not going to force what I think will be a very unfortunate and bloody fight with respect to a bill that has undergone more than 30 separate and important changes since it was originally introduced to accommodate the concerns of the States and localities. Those folks were very, very opposed when this discussion started. They raised legitimate issues. We have sought to deal with them. I am hopeful we will be able to go to a motion to proceed early next week and not have a bitter fight as I think we have over cloture.

Let me conclude by way of saying that I and my staff are prepared to continue to work around the clock with the Senator from Florida and others who may have questions about how this legislation will affect the States, but let us go forward in an effort to try to resolve this and not just get to a solution with respect to one section and then say, "Well, I have another one that we have to deal with," which, regrettably, has been the case. I have enormous respect for the Senator from Florida and I think one of the more unpleasant tasks is to have an argument with him. I hope this can be resolved.

Mr. President, I yield the floor.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I appreciate those kinds words from my good friend from Oregon. I share the hope that we can arrive at a reasoned resolution of this matter.

I will briefly state why I think this is such an important piece of legislation. First is fundamental fairness. We have a situation now in which remote commerce—that is, commerce that is not conducted through the traditional retail sales outlet—is effectively exempted from State sales taxes. The same sweater that one would buy at the local department store, subject to local and State sales taxes, is exempt from those taxes, for practical purposes, if it is purchased by a remote sale, either the traditional postal sales or by the newer electronic commerce.

The U.S. Supreme Court has ruled that that degree of unfairness as to taxability of the form of sales is a decision which has been made by the Congress. It is, as Harvey Cox once observed, not to decide is to decide. Our decision not to authorize the States to impose a tax on the seller using a remote sales method has resulted in the

inability of the States to impose that tax.

Therefore, as we are looking at the issue of Internet sales, those of us who are concerned about this unfairness in the marketplace where our local merchants are required to collect the sales tax and, therefore, are subject to the competitive disadvantage of their remote sales brethren who are not—that this commission should study that issue. That is one of the concerns that those of us who have been negotiating on this matter want to see achieved.

But there is really a larger issue at stake here, Mr. President. Many of our States, including my own, are very heavily dependent upon the sales tax as the means for financing their basic responsibilities, and the most basic responsibility of State government is education. In my State, some 35 to 40 percent of its tax collections, which are predominantly sales tax, are used to finance education.

What is happening is that as the new forms of commerce, particularly electronic commerce, become more attractive and more available and more familiar, they are gathering a larger and larger share of all retail sales in the United States. If we adopt the policy that they should not be subject to tax, as we have adopted the policy by inaction that postal long distance sales should not be subject to tax, we are going to substantially erode the ability of State government to carry out its most fundamental responsibility, which is to educate the next generation of Americans.

That is the fundamental issue which I think is at stake here. The idea of having a short pause so that we can arrive at a rational way to deal with all of these issues is appealing. I think the idea of this bill, as reported by the Finance Committee, to have a 2-year pause in any discriminatory taxation relative to Internet sales or charges to have access to the Internet, and during that period to have a commission that would look at all of this interrelated set of issues, is a proposition that I can support.

I just want to be personally satisfied that, in fact, that is going to be the result and that the result will not be a skewed study that will exclude some of the most important aspects of this and which, by saying that we are going to treat Internet commerce the same way as we do other remote commerce, answers the question before it is asked, because we know how other forms of remote commerce are dealt with; i.e., they are exempt from State sales taxes. If we say the Internet shall be treated in an equivalent manner, we have preordained how it is going to be treated; i.e., exempt from State sales taxes, and we have further preordained that the States' fiscal capacity to carry out their important functions, particularly education, will be eroded.

Mr. President, that is why I have had this degree of disagreement with some

of my best friends and colleagues in this Chamber, the Senator from Oregon and the Senator from Arizona. I don't believe that we are that far apart in terms of finding the set of words and phrases that will carry out our joint intention, and I hope that between now and Tuesday we can achieve that goal and be able to have a consideration. I recognize that once this bill is up, there will be policy differences among the different parties. The National Governors' Association feels very strongly about this legislation as it impacts the ability of the States to meet their responsibilities, and those views deserve to get a proper airing.

I also recognize that the House has already passed a companion bill to this but which is somewhat different from the bill that is before the Senate. So there will be a conference committee. There will be further reforms on this matter.

My concerns are fairness in the marketplace and the ability of the States to be able to carry out their responsibilities, especially the responsibility which I think the American people feel is the principal national challenge today, which is to properly educate the next generation of Americans so that they will be able to compete in a world of electronic commerce.

Mr. President, I appreciate the opportunity to have made those clarifying remarks and yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

THREE ITEMS OF CONCERN ON THE SENATE'S AGENDA

Mr. DORGAN. Mr. President, I want to make some comments on three items that are left on the Senate's agenda that I am very concerned about. The Senate is going to continue, for apparently 2 additional weeks, and try to adjourn for the year and finish the 105th Congress on October 9th or October 10th. In the 2 short weeks that remain, I am told that we will consider H.R. 10, the financial modernization bill, fast-track trade authority for new trade treaties, and a substantial tax cut.

I want to describe how easy it is, with a small amount of time left, to make big mistakes. I am mindful there will be much disagreement about these three items. And I am also mindful back in my hometown one of the older fellas who was the wise sage said, "It's hard to tell the difference between the open minded and the empty headed. They dress alike."

Let me describe these three issues and tell you what I think is empty headed about the attempt to try to pass these three pieces of legislation in the final 2 weeks of a legislative session.

FINANCIAL MODERNIZATION

First, H.R. 10, the Financial Services Act of 1998. H.R. 10 is a huge piece of legislation that deals with the finan-

cial institutions of this country and the methods by which they are involved in various kinds of activities.

We have had some experience in this country with the mixing of different kinds of enterprises—banks whose deposits are insured to \$100,000, by the American taxpayer I might say; banks, those who are speculating in real estate, those who are involved in securities activities, those who are selling insurance; those kinds of financial activities.

We have had some experience in this country putting a number of those together in one institution and then seeing, through speculation, one part of the institution weakening and eroding the other part of the institution that caused massive bank failures in our country. The result was in the 1930s and this country said let's not forget what happened here. Let's not allow this to happen again, and let's create certain circumstances that would prevent us from merging banking enterprises whose very existence depends on the perception of safety and soundness—not unsafety and soundness, but on whether people perceive the institution to be safe and sound. Their very existence depends on that.

Let's not threaten again the banking institutions by fusing together financial conglomerates that merge banks with the more speculative enterprises of securities and insurance, or even commerce.

The American public has in this century paid a heavy price for the mistakes in those areas and put together walls in the form of legislation to prevent it from happening again. H.R. 10 is an attempt to bring the walls down. It says, "Let's create a kind of financial fruit salad here. Let's decide we can merge all of these again. We can put all of these together and we can build firewalls, and you'll never feel the heat in between and it will never threaten bank institutions and the American taxpayer will not be put at risk."

I guarantee you this, that if this Congress passes in the final hours, H.R. 10, financial modernization legislation, it will result almost immediately in exacerbating the orgy of mergers that now exists in this country with big banks, and an orgy of mergers that will not only include banks, but will continue to include, at a greater pace, banks with the other kinds of financial enterprises I just described.

And 20 years or 30 years from now they will look back at this Congress and this period and say, "How on Earth could they have thought that that made sense? How could they have possibly thought that was in the public interest? How could they have forgotten the lessons that they learned in the 1920s and 1930s that resulted in the legislation that had protected us?"

I know that there are some big interests around this town who want this bill to pass. There is a great deal of lobbying on its behalf. But I feel so strongly that to do this in the final 2

weeks of a legislative session would have such enormous consequences and pose such substantial risks for our country that I am going to resist with all of my effort the motion to proceed and in every other way to see if we cannot slow this train down on behalf of the American citizens.

I know it sounds attractive. I know some say, "This is creating a new financial blueprint for our institutions for the future, allowing them to compete at home and abroad. It's now a global economy." What it is is forgetting the lessons of the past. It will be a replay, in some ways, of the Garn-St Germain bill of the early 1980s in which they unhitched the S&Ls and said, It is OK. You go broker deposits. You load up with risky junk bonds. You can become Roman candles. Take a small S&L and turn it into a giant S&L with broker deposits, and you can do a whole range of other things, and it is fine—and the American taxpayer got stuck with a nearly \$500 billion bailout for that fiasco.

If this bill passes, there will be massive, massive mergers once again. And they have already been going on at an unprecedented and unhealthy pace in the banking industry and other related financial industries. So that is one big mistake I hope this Congress will avoid in the remaining days of this session. And to the extent I have the energy to be able to help them avoid it, I intend to try to do that.

FAST TRACK

Second is fast track. I know that also has a lot of support, fast-track trade authority. Just the very words "fast track" connote lack of preparation. Fast track, fast food—you just go down the line on what "fast" precedes, and it describes well "fast track."

Fast track means you create a trade agreement negotiated in secret, behind locked doors someplace, probably in most cases overseas, and bring it to Congress and say to Congress, "You weren't there when we negotiated this trade agreement, but you have no right to offer amendments to it."

The last three trade agreements under fast track have been incompetent. I voted against all three. In each case we have, as a result of it, had higher and higher trade deficits—Canada, Mexico, GATT—record trade deficits. This country is choking on trade deficits. I think to bring fast track to the floor of the House and the Senate in the final 2 weeks is regrettable.

I will, again, to the extent I have any capability of slowing this down, there will be nothing fast about it. If I can create a legislative bog through which they cannot pull this fast track, I guarantee you I will object to every circumstance that allows anybody to short-circuit any amount of time to try to get fast track through this Congress. It is not in this country's interest to continue that kind of trade policy.