

maintain could isolate two or three settlements, but would not jeopardize Israel's security.

In addition, the current proposal would result in final status talks beginning immediately, and tough requirements on Palestinian security cooperation—both of which Prime Minister Netanyahu has been seeking for many months.

And the Administration is still working hard to address Israel's concerns. Ambassador Ross, who just arrived back from London last night, is flying out to Israel tonight for further talks.

President Clinton made clear what he is trying to do yesterday in a press conference. He said:

I have tried to find a way actually to do what [Prime Minister Netanyahu] suggested. I have done my best for a year now to find the formula that would unlock the differences between them to get them into those final status talks. That's all I am trying to do. There is no way in the world that I could impose an agreement on them or dictate their security to them even if I wished to, which I don't.

If the current peace process fails, the deadlock will likely lead to unilateral acts by both sides, an escalation of violence, the further unraveling of Israel's relations with its neighbors. If the United States is committed to Israel's security, we cannot allow that to happen.

So I want to express my support for the Administration's efforts. I think they are principled, worthy efforts, and are the best hope at the moment of saving the peace process from disaster. They are also grounded in a deep commitment to Israel's security.

So I would ask my colleagues to please give these talks a chance to succeed, to please refrain from attempts to micromanage the Administration's conduct of these negotiations, and to please recognize that Israel's security depends on their success.

Thank you. I yield the floor.

Mr. MACK addressed the chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. Mr. President, I ask unanimous consent to have 2 minutes to speak as if in morning business and then to proceed to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MACK. Mr. President, it was not my intention, frankly, to speak on the issue of Israel. But Senator FEINSTEIN and I have a difference of opinion on this, and I feel compelled, frankly, to make a comment.

I strongly believe the administration has made a major mistake in publicly tabling and publicly pressuring the Government of Israel in this particular set of circumstances. The administration knew at the time that the plan that was being proposed would be accepted by Arafat and rejected by Prime Minister Netanyahu. I, again, think it is fundamentally wrong for one democracy to try to impose on another democracy what it should be doing. The people of Israel have chosen its govern-

ment. They have chosen this government based on what they perceive to be their No. 1 priority, which is security, and that government should not be pressured by the ally, the United States. It is fundamentally wrong. And I personally believe that to do that could end up with a forced agreement, which, in fact, would be a false peace. That would endanger the Middle East.

Again, Mr. President, I appreciate the opportunity to express those feelings.

INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2372

(Purpose: To strike the Secretary of the Treasury from the Internal Revenue Service Oversight Board)

Mr. MACK. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. MACK], for himself, Mr. FAIRCLOTH, and Mr. MURKOWSKI, proposes an amendment numbered 2372.

Mr. MACK. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 174, line 23, strike "9" and insert "8".

On page 175, strike lines 3 through 5.

On page 175, line 6, strike "(C)" and insert "(B)".

On page 175, line 8, strike "(D)" and insert "(C)".

On page 176, line 10, strike "(D)" and insert "(C)".

On page 177, line 10, strike "(D)" and insert "(C)".

On page 177, line 21, strike "(I)(D)" and insert "(I)(C)".

On page 178, line 10, strike "(D)" and insert "(C)".

On page 180, line 11, strike "(I)(D)" and insert "(I)(C)".

On page 180, line 18, strike "(I)(D)" and insert "(I)(C)".

On page 181, line 14, strike "(I)(D)" and insert "(I)(C)".

On page 182, strike lines 3 through 7, and insert the following:

"(B) COMMISSIONER.—The Commissioner of Internal Revenue shall be removed upon termination of service in the office."

On page 182, line 11, strike "(D)" and insert "(C)".

Mr. MACK. I thank the Chair.

Last week, thanks to the leadership of Finance Committee Chairman ROTH, Congress resumed the first meaningful IRS oversight hearings we have conducted in decades. The testimony we heard reinforced the impression of a rogue agency that is literally out of control. As was the case when the oversight hearings began in September, some of what we heard was shocking, much of it was saddening, and all of it was angering. Witnesses testified to incidents of IRS abuse and of blatant

misuse of IRS power that are simply unacceptable.

I recall in particular the story of one taxpayer who could not be at the hearings in person but was represented by his former attorney. The reason the taxpayer could not attend was that he was literally hounded to death by the IRS. The 61-year-old taxpayer had been suffering from severe health problems. He had heart disease and was weakened by cancer. The IRS revenue officer assigned to his case was informed that the taxpayer could not physically withstand stressful situations but, with the support of his supervisor and the chief of collections, persisted in aggressive and intimidating tactics.

I want to make this clear now about the IRS being well aware of the health conditions of the taxpayer. They had a letter, I believe, from the physician that was sent to them informing them of the condition of the taxpayer, and yet they persisted in aggressive and intimidating tactics. The IRS, disregarding this humanitarian appeal, sent the taxpayer a notice of intent to levy.

By the way, let me back up for a moment as well. Notice I talked about that taxpayer going to his attorney. The request on the part of the attorney was that further contacts in this case be with the attorney, not the taxpayer, again because of the health condition. They totally ignored that request. And so 2 days after this levy, the man died from a heart attack.

This story highlights, perhaps better than any other we heard, the fundamental and disgraceful problems at the IRS, an agency which never seems to consider the interests and perspective of the taxpayer. This attitude is entirely unacceptable and cannot be tolerated. The IRS Criminal Investigations Division has apparently learned from the FBI and the DEA criminal investigative techniques that are appropriate for dealing with violent and dangerous criminals and now uses these in routine criminal tax investigations of taxpayers who are neither dangerous nor violent. Taxpayers have had their businesses raided by armed agents, their lives turned upside down, and their reputations ruined.

In listening to hours of compelling testimony, members of the Finance Committee could not help but wonder how in the world could such things be happening. Why would the IRS send 10 special agents to a woman's home at 7:30 in the morning to serve a search warrant and spend 8 hours in her home not to search for drugs or illegal contraband but, instead, so that a furniture appraiser could value items from her grandmother's estate? Who could have approved such a blatantly intrusive act? Why would the IRS send 64 agents to raid a man's family business with 35 employees at the home office? The taxpayer was not a violent or dangerous criminal. What purpose could be served by the use of 64 agents in this raid other than to intimidate and oppress the taxpayer?

The villains of the horror stories that were presented to the Finance Committee last week were not just frontline, low-level employees of the IRS. None of these abuses could have taken place without either the approval of management or of failure in supervision. Last week's hearings exposed a corrupt culture permeating IRS management which will require a major housecleaning at the Service.

The current oversight of the Service is just not working. The Treasury inspector general has the power to investigate IRS operations, but we learned last week that the inspector general is being ignored by the IRS. The inspector general investigated and substantiated allegations of travel fraud, abuse of subordinates, sexual harassment, fraudulent performance appraisals, and others to cover up illegal actions, all against IRS executives. Yet in each and every one of these cases the report from the inspector general was sent to the Deputy Commissioner's desk and no disciplinary action was taken. In other cases, the IRS has hindered oversight by keeping information from the inspector general.

Now, this particular problem of inspector general oversight is addressed in the IRS reform bill that we have before us through the creation of a new inspector general for tax administration. But the problem underscores the corrupt culture at the IRS, a culture in which the decent, honest IRS employees who report abuses of their coworkers receive not thanks but retaliation.

At the IRS, an individual who sexually harasses his subordinates can end up being the National Director of Equal Employment Opportunity. At the IRS, midlevel managers can decide to close the audits of major corporations and determine that no extra taxes are owed even when the corporation concedes that it owes more taxes. At the IRS, a renegade special agent with a drinking and substance abuse problem can fabricate allegations of political corruption and be protected rather than punished by his supervisors.

This culture must change, and it is not happening. We heard last week that some IRS managers have been bragging that they have no regard for the Finance Committee's oversight hearings and that they intend to go back to business as usual once the spotlight is off. Even after we exposed the illegal use of enforcement statistics to evaluate IRS employees and offices, it seems that the southern region is still ranking their district offices based on property seizures.

Many IRS bureaucrats appear to have concluded that we are not serious about oversight and that we are not serious about reform. We in the Congress must prove them wrong and send a strong message to the IRS and to the taxpayer that business as usual will not be tolerated.

Since our hearings last September exposed numerous instances of tax-

payer abuse, it seems that not one person has been fired at the IRS. It is my hope that the provisions in the IRS reform bill that require the termination of employees who commit certain acts such as taxpayer abuse will help correct this problem.

Commissioner Rossotti has made a number of positive moves since taking office. He has ordered an independent review of the IRS Inspection Service, and now he has enlisted Judge William Webster for a much needed review of the Criminal Investigations Division. In order to change the corrupt culture at the IRS, it is necessary that outside people with a perspective different from that of the IRS bureaucracy be given a prominent role.

It is for this reason that I have offered this amendment. My amendment, cosponsored by Senator FAIRCLOTH and Senator MURKOWSKI, would move us closer to Chairman ROTH's vision of a private sector oversight board by removing the Secretary of the Treasury from this board.

The purpose of the oversight board is to reform the IRS from the outside. The board will be composed of people from the private sector, people with management and information systems expertise, people who still have the interest of the taxpayer in mind. To change the culture of the IRS, we need to replace the law enforcement mentality with a customer service mentality. The independent oversight board will play a vital role in changing this culture. There is no place on such a board for a Government official, such as the Secretary of the Treasury. The board must be the voice of the taxpayer, not the voice of the status quo. For this new board to have any credibility with the public, it must not be under the influence of the Cabinet Member who already has responsibility for the agency.

We must prove that we are serious about reform of the IRS. Making the oversight board a private sector check on the IRS is essential for reform. Otherwise, it is just Washington business as usual with another Washington-controlled commission. That is not what we need. We need an oversight board of the taxpayers, by the taxpayers, and for the taxpayers.

Mr. President, I want to make it clear, because I realize that in these kinds of situations the impression could be drawn that I am focusing my concerns personally at the Secretary of the IRS. That is not the point at all. The Secretary of the Treasury is, frankly, reflecting the views of the bureaucracy. I find it troubling that we would have changed the legislation from the markup document that we began with, which Senator ROTH proposed, which did not include members other than private sector individuals. Again, I want to stress this point. This is not directed personally at the Secretary of the Treasury, but it is a response in essence to an attempt by the bureaucracy to protect itself.

Here is what the Secretary has said in the past with respect to this issue.

In the Cincinnati Inquirer, on September 17, 1997, Secretary Rubin said:

The fact that the agency was being run by private sector individuals would almost surely have what lawyers call a chilling effect on IRS employees and influence audit policy, enforcement policy, and the like.

You bet it would. I think that is exactly the reason we had called for a board in which there were only private sector representatives on that oversight board.

The ultimate concern that I have here is that if we are going to make a change, it should not be business as usual. It should not be a commission dominated by Washington insiders. Why do I say it would be dominated when this is a board that would be, under its present organization, nine members, six from the private sector, three not? The six private sector members, as I recall, are part-time members of this commission, this oversight board. When you add the Secretary of the Treasury, the Commissioner of the IRS, and a representative of the employees at IRS, what you have done is totally changed the makeup in this sense. There are huge bureaucracies that the Secretary of the Treasury and the other members from Government can call on who will dominate, in my opinion, the six individuals who are serving from the private sector on a part-time basis with very limited staffs.

I want to conclude my comments by saying to those Members of the Senate who participated in hearings, not just in the Senate but also in the process outside the committee, in no way do I try to lessen the significance of the work that you have done. But this is not an issue of what we hear at hearings. This is an issue of how Washington works and how the bureaucracy will do whatever is necessary in order to protect itself. And to put the Secretary of the Treasury and a representative of the employees on this board is just business as usual, Washington protecting itself.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I compliment my good friend from Florida relative to this particular issue concerning the IRS evaluation and the oversight board, in particular the position of the Secretary on this board.

First of all, in this amendment that my friend from Florida has proposed, we would give the IRS Advisory and Oversight Board a far greater capacity to exercise its oversight and advisory functions, ensuring taxpayers are treated fairly. That is the object of this entire exercise.

Our friends on the Finance Committee, and I am a member of that committee, as we discussed in the makeup of the nine-member board, we reflected on the debate yesterday where the Senate rejected the idea of making the board a full-time board consisting exclusively of private citizens. However,

in my view, this board will have a very, very hard time fulfilling its oversight and advisory functions because, I think, as does the Senator from Florida, that its composition is basically unbalanced.

First of all, let's examine the board. We have six private sector members to be selected based on their expertise in such areas as management, customer service, information technology, and, most important, the needs and concerns of the taxpayer. If those were the only members of the board, the board would be basically free to take an unbiased and objective view of how to improve the operations of this agency, with the goal of ensuring the proper treatment of the American taxpayer and the efficient and courteous delivery of services.

But let's look at it realistically. Unfortunately, the board is not made up that way. As the board has emerged, it will likely be dominated by three additional people who are required to be members. First of all, we have added the Internal Revenue Service Commissioner. A representative of the employees of the IRS is the second member. And third, the Secretary of the Treasury.

Does anyone in this body really believe that this board, consisting of three of the most important people—these are policy people—most important people involved in the operation of the IRS, will be free to exercise real oversight of the IRS? Why do we even need an advisory board to make recommendations to the Secretary of the Treasury and the Commissioner of the IRS when these two individuals already serve on the board? What kind of advisory group are we talking about here? You have insiders on the advisory group. These insiders are very powerful—the Commissioner of the Internal Revenue Service, a union employee representative of the Internal Revenue Service, and the Secretary of the Treasury. So where is the objectivity? These people will control the direction and policy of this board. So where does this advisory board stand independently? It does not. That is the fallacy in the makeup. That is why I encourage my colleagues to consider the amendment offered by the Senator from Florida, which I wholeheartedly support.

We have heard the horror stories of taxpayer abuse described in the Finance Committee last September and at last week's hearings. Mind you, Mr. President, this occurred on the watch of the Treasury Secretaries appointed by both Republican and Democratic Presidents. What kind of oversight did these Treasury Secretaries perform on the IRS during their tenure in office? It appears there was very little, if any, oversight. Why? We would like to think because we don't have an independent board. But, if you put the insiders on the board, you don't have objectivity. If we allow the Secretary of the Treasury to participate on this board, along

with the IRS Commissioner, I fear we will have business as usual in the IRS. That is what the Finance Committee attempted to address: no longer business as usual.

I assume many of my colleagues are out there now making their sound bites, appealing to the folks back home that this is a major step forward, this legislation, in making the IRS accountable. But it is not. It is business as usual. You have the same insiders, only this time they are on the board that is supposed to oversee the IRS.

Mr. President, let's stop kidding ourselves around here. The Secretary has a staff of thousands of people. They can provide him with any number of reasons to dissuade the board from recommending and implementing significant changes to the Internal Revenue Service. The Secretary and the IRS Commissioner work together. They have to. They work together on a regular basis and will form a powerful team that could prevent real and meaningful changes at the IRS.

I have seen it in my own business career, where people of knowledge and responsibility who are insiders direct the activities of an objective group of outsiders simply because they have the power and influence of their position. This board should have as its No. 1 goal finding ways to improve services by the Internal Revenue Service to the American taxpayer. If the Treasury Secretary who oversees the IRS is on this board, I fear the interests of the bureaucracy—and I noted my friend from Florida mentioned time and again in his presentation "don't underestimate business as usual"—and the power of the bureaucracy. And, don't kid yourself, it is in the Internal Revenue Service as well.

So I fear the interests of the bureaucracy and the Government are simply going to be put ahead of the interests of the taxpayers because it has always been that way in the past. It is inherent in the nature of his high position and his large and sophisticated staff that the Secretary of the Treasury will dominate this board and the interests of the taxpayer will not be adequately represented.

I have the utmost respect and admiration for the Treasury Secretary, Bob Rubin. He has done, and is doing, an admirable job as Secretary of the Treasury. I differed with him on the Mexican bailout, but he proved to be right. He has done, and is doing, an admirable job as Secretary of the Treasury. My support for this amendment has nothing to do with Mr. Rubin, in the interests of full disclosure. But it is my concern that the official in charge of Treasury and the IRS operations cannot bring an objective view to oversight of his own operations. I urge the adoption of the Mack amendment.

Finally, I have been in the business community for 25 years. Many of my colleagues here have not. I can tell you how it works in that kind of environment, where you have insiders with po-

sitions of influence, not that they are not well meaning, but it is the very nature of the beast that you lose the objectivity that you are going to have if you have this board set up without considering the implications of the influence of the Secretary of the Treasury.

I encourage my colleagues to consider the merits of this amendment and act accordingly. Mr. President, I yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I have very much appreciated listening to the arguments for this amendment. However, I think it is important for us to step back a little bit and look at this issue a little more broadly. The first point I would make is to remind my colleagues that the IRS Restructuring Commission recommended that the Treasury Secretary serve on the Board, as well as recommend there be a representative of an employee organization.

The Restructuring Commission spent a lot of time thinking about this. This is not something they willy-nilly recommended to the Congress. Just as we in the Senate voted to honor the Restructuring Commission's inclusion of a representative of an employee organization, I submit it makes sense for us to honor the Restructuring Commission's recommendations to continue to include the Treasury Secretary. The Restructuring Commission spent a lot of time thinking about this, and they did conclude that the Treasury Secretary should be a member of the Board.

Why did they do that? I think for a number of reasons. First, the Treasury Secretary has responsibility for the IRS. After all, that is a large part of his job. In fact, 80 percent of Treasury's resources and people are in the IRS—over 100,000 employees.

Second, there is an analogy with corporations. Corporate boards include chairmen. Corporate boards include CEOs. Why do they do so? Because they want communication between the governing board on the one hand, and the operation management on the other. You have to have direct communication; you have to have guidance. If the Treasury Secretary is not on the Board, that certainly diminishes communication between the Board and the Treasury Secretary. It is just obvious and also does something else which is the exact opposite of what we are trying to do here. It tends to create an adversarial relationship between the Treasury Secretary and the Board.

The analogy which someone alluded to earlier of having 'the fox guard the chicken coop' to have the Treasury Secretary on the Board, is totally inapplicable. Why? Simply because the other board members, the six private board members, are going to be pretty strong-willed people if they are going to agree to serve on this Board. Any President who wants to make IRS restructuring work is going to get pretty

strong people. These are not people who are going to roll over willy-nilly at the insistence of the Treasury Secretary.

First of all, they don't work for the Treasury Secretary. These are private sector people. The only working relationships between the Secretary and Board members is with the Commissioner, Mr. Rossotti, and in some indirect way, the employees representative. There are six private sector people on the Board who are going to be strong-willed, strong-minded people. They are not going to roll over and play dead.

In addition, the Treasury Secretary is going to want to be a two-way messenger, both to and from the Board, to the President's Cabinet, to the President himself. If we want IRS restructuring to work, we want him to participate in the Board's deliberations. He will be able to share information with the other members of the Board that they might not otherwise know about, and that no one else would know. At the same time, he would learn things about the IRS by serving on the Board that he might not otherwise discover.

Another way to see that we have ensured independence of the Board is that each of the six private sector members is subject to the confirmation process in the Senate. When we are talking to these nominees as they go before our committees in the Senate, we have ample opportunity to insist upon the independence of these board members. We have ample opportunity for commitment from these nominees. They are not going to kowtow to any Secretary.

To sum up, Mr. President, the Restructuring Commission recommended the Treasury Secretary. It makes sense to keep the communication flowing between the Board and the Treasury Department and the President's Cabinet. The private sector Board members are going to be strong-willed people. They are not going to just acquiesce to the suggestions of the Treasury Secretary. In fact, there are provisions in this legislation to help assure that independence. One is having the Board send a separate budget to the Congress, for example, independent of the Treasury Secretary. It makes good sense to follow the recommendations of the Restructuring Commission on this matter. I urge my colleagues to keep the Treasury Secretary on the Board.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, how much time remains?

The PRESIDING OFFICER. There are 22 minutes 56 seconds for the Senator from Florida and 39 minutes 38 seconds for the Senator from New York.

Mr. MCCAIN. I ask to be recognized for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCAIN. Mr. President, I rise in support of this legislation. Again, I

thank the chairman and other members of the Finance Committee for their work in crafting this measure.

The vast majority of Americans comply with our country's tax laws. In the same vein, most IRS workers do their jobs in a conscientious fashion.

We have heard numerous accounts of abuses and mismanagement at the IRS. We have had months of hearings and hours of debate. Some of the reported incidents of taxpayer abuse have been so outrageous that it is hard to believe that they actually took place. Clearly, the system that guides and directs workflow at the IRS needs to be overhauled.

Today, we are poised to go beyond talking about IRS reform. We are actually doing something about IRS abuse of innocent individuals.

The reforms in this bill are carefully crafted structural reforms. They are reforms that will not only change the practices and procedures of the IRS, but its fundamental culture as well. These reforms will ensure that the IRS treats taxpayers fairly and with the respect they deserve.

As with any proposal, there are improvements that can be made. Our colleagues have sponsored several amendments to make this bill even better.

I am a strong advocate of IRS initiatives which provide increased customer service, fiscally responsible computer modernization, management and employee accountability and overall protection of citizens' rights. I support measures that would remove the union representative and the Secretary of the Treasury from the IRS Oversight Board, as well as a measure to create a full-time oversight board for the IRS.

I also support a measure that would establish a Spanish-language help line at the IRS to ensure that all citizens can get needed assistance in paying the taxes they owe.

I support an amendment that would greatly reduce unnecessary and onerous reporting requirements on colleges and universities that were imposed in last year's Taxpayer Relief Act in support of two new educational tax credits.

I support an amendment to suspend interest and penalties on deferred taxes due from individuals who are in officially declared disaster areas.

In addition, I support amendments to protect innocent spouses from undue harassment in an effort to collect taxes from their spouse.

Finally, Mr. President, I am a cosponsor of a Coverdell amendment to this bill which outlaws random audits. Numerical quotas and random audits are inherently unfair. A culture that permits and encourages such practices is counterproductive to overall fairness and accountability. It is difficult to find another area of American society where you become subject to such intense Government scrutiny based solely on a random selection process.

It is fundamentally unfair to impose the burden of a tax audit on an individ-

ual taxpayer for no reason other than his or her name was randomly selected.

Reforming the tax collection and enforcement agency is only part of the solution of reducing the burden of excessive taxation on Americans. We still must continue our efforts to simplify the existing Tax Code and provide additional tax relief to all Americans.

I am an original cosponsor of the Coverdell-McCain Middle Class Tax Relief Act of 1998, which is a step toward a simpler, flatter, fairer Tax Code. The Middle Class Tax Relief Act would deliver sweeping tax relief to lower- and middle-income taxpayers by increasing the number of individuals who pay the lowest tax rate, which is 15 percent. In 1998 alone, this bill will place approximately 10 million taxpayers, now in the 28 percent tax bracket, into the 15 percent tax bracket. Preliminary estimates by the Tax Foundation indicate that 23 million taxpayers would benefit from this broad-based middle-class tax relief in 1998 alone.

Mr. President, I supported the Middle Class Tax Relief Act because it is a step forward to further reform, it helps ordinary middle-class families who are struggling to make ends meet without asking the Government to help out, and it promotes future economic prosperity by increasing the amount of money taxpayers have available for their own savings and investments.

In addition, this bill significantly lessens the effect of one of the Tax Code's most inequitable provisions—the marriage penalty. Our current Tax Code taxes a married couple's income more heavily than it taxes a single individual earning the same amount of income as the married couple. This bill reduces this inequity by taxing a married couple's joint income and a single individual earning the same income as the married couple at essentially the same effective rates.

It is essential that we provide American families with relief from the excessive rate of taxation that saps job growth and robs them of the opportunity to provide for their needs and save for the future.

Mr. President, I ask unanimous consent for 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCAIN. This measure permits individuals to keep more of the money they earn. This extra income will allow individuals to save and invest more. The increased savings and investment are key to sustaining our current economic growth.

In sum, the Coverdell-McCain measure is a win for individuals and a win for America as a whole. The Middle Class Tax Relief Act is a good bill, and I am hopeful that we can move forward on this bill during this Congress.

Mr. President, regarding action taken yesterday on the IRS reform bill, let me note that I supported the chairman's amendment to fully offset the costs of implementing these reforms. However, I do have some concerns

about one of the funding sources. Specifically, the relaxed IRA rollover rule may create greater long-term revenue losses than anticipated. Because we cannot accurately score a bill beyond 10 years, it is difficult to determine how much additional revenue we may lose in the future as more individuals take advantage of the relaxed IRA rollover rules and make tax-free withdrawals from their accounts. I raise this concern simply to bring it to the attention of the managers of the bill as an item to be considered in conference with the House.

Mr. President, let me close by saying that the IRS Restructuring Act of 1998 illustrates our continuing effort to change the way we collect our taxes and, on a larger note, the role of Government in our everyday lives. This bill reinstates the principles of fundamental fairness and overall efficiency to the operation of the IRS.

We should pass this bill today and move forward to provide additional tax relief to all Americans.

Mr. President, I yield back the remainder of my time.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I yield myself 6 minutes.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise in support of the bill which, of course, creates the IRS Oversight Board and follows exactly the proposal made by the report of the National Commission on Restructuring the Internal Revenue Service: "A Vision for the New IRS." This exceptional document is the work of an extraordinarily able public and private group, including the distinguished Senator from Iowa and the Senator from Nebraska, who is managing this legislation today. Their report called for the inclusion of the Secretary or Deputy Secretary on the board.

The Secretary of the Treasury is not a bureaucrat, sir. He is the second-ranking member of the American Government; third if you want to include the Vice President. At any given moment there is the Secretary of State and the Secretary of the Treasury. Their predecessors begin with Thomas Jefferson and Alexander Hamilton, and the sequence since has been extraordinary.

Now, I speak from personal experience. I have known every Secretary of the Treasury since the Honorable C. Douglas Dillon of New Jersey, who served President Kennedy so well and then stayed on with President Johnson—Secretary Dillon; Henry Fowler; Joseph Barr; David Kennedy; John Connally; George Shultz; William Simon; Michael Blumenthal; William Miller; Donald Regan; James A. Baker, III; Nicholas Brady; Lloyd Bentsen—our own Lloyd Bentsen—and now Robert E. Rubin.

They have been among the principal officers of the American Government.

And a board that includes such is an important institution. Absent that, sir, it is inevitably one of the myriad advisory commissions which do useful work but are never and cannot be central to the concerns of the American Government.

The House of Representatives voted 426-4 for a bill that included the Secretary for the obvious reason that absent his membership or her membership on the board, nothing comes back to the Secretary with the force of his or her own endorsement. The board does not know what only the Secretary can know. If you prefer the model of a corporate board and the chief executive officer, do so. I prefer the model of American Government with a Cabinet officer chosen in a two-century succession, chosen by an elected President, confirmed by the U.S. Senate, responsible for this high and solemn responsibility.

If the Secretary is on the board, the board will know things it cannot otherwise learn. And the Treasury Department in turn will have the advice and counsel of persons, we hope, not next year but 50 years from now and will continue to think of this as a public service of importance and consequence.

The Secretary of the Treasury is a world figure. This very moment our Secretary is on his way to London to again engage in the increasingly institutionalized international economic deliberations which are so important to the world. If he is on this board, it becomes an important one; if he is not, it becomes a marginal advisory committee.

The idea that there are concerns that a board might have, that private members might have, which the Secretary would not have, does not speak well to our understanding of the centuries of occupants of this high office.

Nor, sir, does it address a slight matter, but little noted in this debate, which is the information we received from the Treasury Department that in a given year there are some \$195 billion in taxes owed but not paid. Anyone who wishes to describe ours as a tyrannical, unfeeling, and ruthless tax collection administration might ponder how it comes about that \$195 billion a year—\$2 trillion a decade—of legitimately owed taxes go unpaid.

That will be a part of the responsibility of this panel as well, and properly so, so let us do what the wise judgment of the Commission proposed that we do. We are here in response to that effort. Let us do what clearly is in the interests of this institution and include the Secretary, as the Finance Committee did in the measure now before the Senate.

I see my friend from Florida. Is there any Member wishing to speak in favor of the amendment?

Mr. MACK. I say to the Senator, I do not know if there are additional Senators who wish to speak in favor. I ask the Senator the same question, whether there are others who wish to speak.

Mr. MOYNIHAN. There is on the floor now Senator DORGAN, and I yield 5 minutes to my friend.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Let me associate myself with the remarks just made by the Senator from New York, and let me also say that the work that has been done by Senator ROTH and Senator MOYNIHAN to bring this legislation to the floor is work that will benefit all of America. I think this legislation has a great deal to commend it to the Congress and the American people.

It is true that in recent hearings evidence of misconduct and mismanagement, and, yes, in some cases the abuse of taxpayers by the Internal Revenue Service by a few employees of the Internal Revenue Service, has cast a shadow over that organization.

A recent speaker indicated, I believe it was Senator MCCAIN, that he was certain—and I share that view—that by far the majority of the men and women who work in the Internal Revenue Service are good people who do good work and try to do the best job they can. But because of the abuse by some few agents in the Internal Revenue Service, we must take steps to make sure it never happens again.

This piece of legislation brought to the floor of the Senate creates a nine-member oversight board. The purpose of that board and its duties is to oversee the administration, the management, the conduct, to provide some assistance and some guidance and some additional management, to make certain that we never again convene a hearing and hear of abuses by IRS agents of the American taxpayers. In short, this legislation, in many ways, is an attempt to restore credibility by restructuring the Internal Revenue Service and creating an oversight board.

The two goals, it seems to me, are: One, to make the changes necessary to make certain that this behavior never again occurs, and to prevent this kind of taxpayer abuse from surfacing again, because we want to prevent it from ever happening again; No. 2, to enforce the tax laws so that the many citizens in America who pay their taxes will have some confidence that the few who try to avoid them will be required to meet their responsibility. Those are the two elements that are important here.

The amendment offered by the Senator from Florida would strike from the nine-member oversight board the Treasury Secretary. I agree with the Senator from New York, who says that this board will not be a significant and important board unless it has as part of its membership the Secretary of the Treasury. Part of it is about accountability, but part of it is about whether or not this will be a significant oversight board. I believe very strongly that the membership on this board is going to contribute to the effective

workings of the Internal Revenue Service, but it must include the Treasury Secretary.

For all of the reasons I think that have been articulated by others who have spoken before, let me just again say that I hope we will defeat this amendment and I hope we will pass this underlying piece of legislation with a very significant vote today.

I must say as well, I regret opposing an amendment offered by my friend from Florida, for whom I have the greatest respect. I know he supports the purpose of this bill, to give assurance to the American people that we have an agency that can do what we expect a tax collection agency ought to do, while at the same time protecting the rights of all the American people.

I will vote against this amendment but will be pleased to vote for the underlying bill.

Again, I commend Senator ROTH and Senator MOYNIHAN for the work they have done to bring this to the floor of the Senate.

I yield back the remainder of my time.

Mr. MOYNIHAN. Mr. President, my friend will not mind adding Senator GRASSLEY and Senator KERREY, whose work on the original Commission brings us here today.

Mr. MACK. Mr. President, my intention now is to make a few closing remarks, and then I am prepared to yield back the remainder of my time and go to a vote.

Mr. KERREY. How much time remains on this side?

The PRESIDING OFFICER. 27 minutes 28 seconds.

Mr. KERREY. I think I will go for about 27 minutes and yield back 28 seconds.

Mr. President, 30 seconds, and then I will yield it all back.

Likewise, I have great respect for the Senator from Florida. I believe his amendment is well intended but, if it is accepted, it will significantly weaken this board. This board needs to be more than advisory; it needs to have a sufficient amount of authority and power when it meets with Congress and we pay attention to it. If it advises and works with the IRS Commissioner, the IRS Commissioner, as well, listens and pays attention.

So, this amendment will weaken the board. I understand what the Senator from Florida is trying to do, but I hope this amendment will be defeated.

I yield back the remaining time.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. I appreciate the kind comments that my colleagues have made in their disagreement over the amendment I offer today.

Let me go to the heart of the matter as I see the argument that the Senators are making. What they are saying is that this oversight board, in essence, has no authority without the Secretary of the Treasury. I fundamentally disagree with that. The power

comes from the law, not the presence of the Secretary. The authority is written into the legislation that is before the Senate today. Having the Secretary of the Treasury on that Commission does not add power. In fact, I say it reduces the power of the taxpayer, which is the intention behind, at least from my perspective, the oversight board.

The reason we need an oversight board is because there have been decades of inadequate oversight by the people empowered to oversee the IRS—Commissioners, Secretaries, Presidents, and Congresses. The entire purpose of the oversight board is to provide to private citizens, to taxpayers, some power over the IRS. If the Secretary of the Treasury is on the board, his oversight power is not enhanced but the power of the private citizens on the board will be diluted.

There is no guarantee that the staff of the board will be of any size at all. My fear would be that they might be detailees from the IRS and from the Treasury.

It is not very realistic to assume that the private sector members of the oversight board can escape the dominance of the Treasury Secretary.

There is one last argument I will respond to and then yield the floor. Should the Secretary be on the board so the board has the advantage of his knowledge and access to information? Nothing prevents the Treasury Secretary from submitting his views to the oversight board. It should be expected that the oversight board will consult with the Treasury Secretary. Input from within the Treasury Department is already guaranteed by the Commission's representation on the board.

I think the amendment that I have offered and the perspective that I have argued, frankly, have great power. I hope my colleagues on both sides of the aisle will support this amendment.

I yield back the remaining time. I believe the yeas and nays have been called for.

The PRESIDING OFFICER. They have not been ordered.

Mr. MACK. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii (Mr. AKAKA), is absent because of a death in the family.

The PRESIDING OFFICER (Mr. GORTON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 40, nays 59, as follows:

[Rollcall Vote No. 124 Leg.]

YEAS—40

Abraham	Gramm	McConnell
Allard	Grams	Murkowski
Ashcroft	Grassley	Nickles
Bond	Gregg	Roberts
Brownback	Hatch	Roth
Burns	Helms	Sessions
Campbell	Hutchinson	Shelby
Coats	Hutchison	Smith (NH)
Coverdell	Inhofe	Smith (OR)
Craig	Kempthorne	Thomas
DeWine	Kyl	Thompson
Enzi	Lott	Thurmond
Faircloth	Mack	
Frist	McCain	

NAYS—59

Baucus	Feingold	Lieberman
Bennett	Feinstein	Lugar
Biden	Ford	Mikulski
Bingaman	Glenn	Moseley-Braun
Boxer	Gorton	Moynihan
Breaux	Graham	Murray
Bryan	Hagel	Reed
Bumpers	Harkin	Reid
Byrd	Hollings	Robb
Chafee	Inouye	Rockefeller
Cleland	Jeffords	Santorum
Cochran	Johnson	Sarbanes
Collins	Kennedy	Snowe
Conrad	Kerrey	Specter
D'Amato	Kerry	Stevens
Daschle	Kohl	Torricelli
Dodd	Landrieu	Warner
Domenici	Lautenberg	Wellstone
Dorgan	Leahy	Wyden
Durbin	Levin	

NOT VOTING—1

Akaka

The amendment (No. 2372) was rejected.

Mr. BOND. Mr. President, I move to reconsider the vote.

Mr. KERREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 2373

(Purpose: To improve electronic filing of tax and information returns)

Mr. BOND. Mr. President, I rise today to offer an amendment which I offer for myself and my colleague, Senator MOSELEY-BRAUN, to improve electronic filing of tax and information returns. Working with the manager of the bill, I believe we have an agreement on the amendment.

Mr. President, I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. If there is no objection, the pending amendment will be set aside and the clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND], for himself and Ms. MOSELEY-BRAUN, proposes an amendment numbered 2373.

Mr. BOND. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 256, strike line 11 and all that follows through line 18, and insert the following:

“(a) IN GENERAL.—It is the policy of Congress that—

“(1) paperless filing should be the preferred and most convenient means of filing Federal tax and information returns,

“(2) electronic filing should be a voluntary option for taxpayers, and

“(3) it should be the goal of the Internal Revenue Service to have at least 80 percent of all such returns filed electronically by the year 2007.”

On page 258, line 12, strike “and Government Reform and Oversight” insert “Government Reform and Oversight, and Small Business”.

On page 258, line 14, strike “and Governmental Affairs” insert “Government Affairs, and Small Business”.

On page 258, line 19, strike “and”.

On page 258, line 21, strike “such goal.” and insert “such goal; and”.

On page 258, line 21, insert the following:

“(4) the effects on small businesses and the self-employed of electronically filing tax and information returns.”

Mr. BOND. Mr. President, I rise today with an amendment, which I offer for myself and my colleague, Senator MOSELEY-BRAUN, to improve electronic filing of tax and information returns. After working with the managers, I believe we now have an agreement on this amendment, and I send that amendment to the desk.

The bill we are now considering contains far-reaching provisions that will encourage the Internal Revenue Service to expand the use of electronic filing. My amendment improves those provisions in two ways. First, my amendment makes it absolutely clear that electronic filing of tax returns should be voluntary—not another burdensome government mandate on American taxpayers. While the bill calls on the IRS to make electronic filing the “preferred and most convenient means for filing,” it also establishes a goal of 80 percent electronic filing of tax returns by 2007. Without a clear statement of congressional intent, it will be too easy for the IRS to interpret those provisions as requiring electronic filing by certain taxpayers or in certain circumstances.

As the Chairman of the Committee on Small Business, I have heard over the past 2 years from hundreds of small businesses about a similar government mandate—the Electronic Federal Tax Payment System or EFTPS. Under the statute establishing this system, the Treasury is required to collect certain percentages of tax electronically each year. To implement that requirement, the IRS established thresholds based on a business' past employment tax deposits. Regrettably, the IRS established the thresholds to serve its convenience rather than the taxpayer's. As a result, it now appears that far more taxpayers are required to pay their taxes electronically than the law requires.

While EFTPS deals with electronic payment of taxes, as opposed to filing of tax returns as we are addressing in this bill, it is a clear example of how the intent of Congress can be misinterpreted and result in an onerous mandate, in this case on America's small businesses. My amendment cuts that misunderstanding off at the pass. As the IRS develops new programs and procedures for electronic filing, they

must not be forced down the throats of the country's taxpayers. If they are truly convenient and cost effective, taxpayers will volunteer in droves to file their tax returns electronically, just as they have with the IRS' TeleFile program. And those taxpayers who, for one reason or another, decide that electronic filing is not practical, should be permitted to continue filing paper returns.

Second, my amendment expands the reporting requirements under the bill to ensure that the IRS pays particular attention to electronic-filing issues pertaining to small business. The bill currently requires that the Treasury Secretary, the IRS Commissioner, and the advisory group on electronic filing to report annually to the Congress on the progress made in expanding the use of electronic filing.

I commend the distinguished Chairman of the Finance Committee for including representatives of small business on the advisory group as I proposed. My amendment capitalizes on that small business voice, by requiring that the report to Congress include an analysis of the effects of electronic filing on small enterprises. If we are to prevent another burdensome program like EFTPS, I believe we must require the IRS to focus on how electronic-filing programs will affect small business. It will be of little benefit to the government if new electronic-filing programs include new requirements, like a substantial investment in new equipment, since most small businesses will not be able to participate. In addition, if the IRS pays particular attention to the issues facing small businesses in this area, the agency will be better equipped to market and promote the benefits of electronic filing—a 100 percent improvement over the agency's initial efforts to encourage small firms to use EFTPS.

I fully endorse the intent of this legislation to make electronic filing widely available, cost effective, and an attractive option. My amendment fine tunes the bill to ensure that the intent becomes a reality. With the continuing advances in technology, we have an enormous opportunity to make all taxpayers' lives easier. But with technological advances comes the risk of imposing even more burdens on taxpayers, and Congress must make sure that these improvements are not implemented at the expense of the taxpayers, and especially the small businesses, who are expected to benefit from them. My amendment is designed to achieve that goal.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I congratulate the distinguished Senator on his amendment. It has been cleared on both sides of the aisle. I think it better states the policy of Congress and I urge its adoption.

The PRESIDING OFFICER. Are there further remarks? The Senator from Nebraska.

Mr. KERREY. Mr. President, the amendment has been cleared on this side as well. It is a good amendment and I appreciate the fine work of the distinguished Senator from Missouri.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2373) was agreed to.

Mr. BOND. Mr. President, I move to reconsider the vote.

Mr. ROTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 2374

(Purpose: To expand the shift in burden of proof from income tax liability to all tax liabilities)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. If there is no objection, the pending amendment will be set aside. The clerk will report the amendment of the Senator from Texas.

The legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes an amendment numbered 2374.

Mr. GRAMM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 265, between lines 21 and 22, insert: “(4) EXPANSION TO TAX LIABILITIES OTHER THAN INCOME TAX.—In the case of court proceedings arising in connection with examinations commencing 6 months after the date of the enactment of this paragraph and before June 1, 2001, this subsection shall, in addition to income tax liability, apply to any other tax liability of the taxpayer.”

Mr. GRAMM. Mr. President, this is a very simple amendment. We have a provision in the bill, a very important provision, that sets up a set of criteria where, if the taxpayer meets a test of keeping prudent records and of turning those records over to the IRS on a timely basis, that once that transfer of records has occurred and the other requirements have been met, then the burden of proof shifts to the Internal Revenue Service when someone is accused of having violated the IRS code by not being in compliance on their income taxes.

This was a provision that was included in the bill under the leadership of the chairman. We, I think, generally wanted to extend it to all tax cases but because of revenue constraints we were unable to do it. I have constructed this amendment in a fashion which does permit the expanded burden of proof transfer. It delays the expansion for 6 months and sunsets it at the end of 5 years, so it fits within the revenue cap we have.

I believe that once we provide this protection that we will end up not taking it back or allowing it to expire. I

think this is an important protection, because on gift and estate issues, we have the same problem as income taxes, where the Internal Revenue Service enters into a dispute with the taxpayer and, in a system unlike any other system in American society, under existing law, you are guilty until you prove yourself innocent.

This amendment would simply say that if you keep all the records that a prudent person could be expected to keep, and if you turn those substantiation records over to the Internal Revenue Service so there is no question about the fact that you have shared the information you have with them, at that point the burden of proof shifts from the taxpayer to the IRS not only in cases dealing with income tax disputes but in all other types of tax cases as well.

I hope this amendment will be accepted. I have discussed it with both sides of the aisle. I believe it is strongly supported. It does fit within the budget constraint we have in the bill, so I commend this to my colleagues.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, both of these amendments are good amendments. I urge their adoption. I appreciate very much the burden of proof amendment. I think it is very important it apply to all income, and I appreciate the fine work the distinguished Senator from Texas has done.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I, too, congratulate the distinguished Senator from Texas for this amendment. It was our desire that this burden of proof be extended to all types of taxes. I urge the adoption of the amendment.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2374) was agreed to.

Mr. KERREY. Mr. President, I move to reconsider the vote.

Mr. ROTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 2375

(Purpose: To prohibit Government officers and employees from requesting taxpayers to give up their rights to sue)

Mr. GRAMM. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside, and the clerk will report the amendment of the Senator from Texas.

The legislative clerk read as follows: The Senator from Texas [Mr. GRAMM] proposes an amendment numbered 2375.

Mr. GRAMM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 370, between lines 18 and 19, insert:

SEC. 3468. PROHIBITION ON REQUEST TO TAXPAYERS TO GIVE UP RIGHTS TO BRING ACTIONS.

(a) PROHIBITION.—No officer or employee of the United States may request a taxpayer to waive the taxpayer's right to bring a civil action against the United States or any officer or employee of the United States or any action taken in connection with the internal revenue laws.

(b) Exceptions.—Subsection (a) shall not apply in any case where—

(1) a taxpayer waives the right described in subsection (a) knowingly and voluntarily or

(2) the request by the officer or employee is made in person and the taxpayer's attorney or other federally authorized tax practitioner (within the meaning of section 7525(c)(1)) is present, or the request is made in writing to the taxpayer's attorney or other representative.

Mr. GRAMM. Mr. President, in the hearings that we held in the Finance Committee, over and over again taxpayers, who made compelling cases that they had been abused by the IRS, told us that in response to their efforts to try to stop what they considered to be unfair treatment—whether it was seizure of their home or their business or being accused of things they claim not to have done—one thing that they were consistently required to do by the IRS in order to end the dispute, even though the Internal Revenue Service may have turned up no wrongdoing, was to sign a statement whereby the taxpayers gave up their right to sue the IRS for the abuses that had been imposed on them.

I have talked to Commissioner Rossotti. He has said that he has no objection to this amendment. In addition, my staff has met with the staff of the Treasury Department, and they have suggested some changes which we have made.

Basically, what this says is that if I am in a dispute with the Internal Revenue Service, they can't force me, as part of that dispute, to give up my rights. At the end of the process, if I have done nothing wrong, they can't force me to give up my right to sue them if I feel my rights have been violated.

They can notify my attorney that this is something that could be part of the negotiation. I can voluntarily propose that if we can settle the case today, for example, I would be willing to pay so much and give up this right. But what this amendment does is prohibit the Internal Revenue Service from forcing this provision as part of any settlement. I think it is an important protection.

With these changes, it is my understanding it is supported by my colleagues and I hope it can be accepted at this point.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, again, I congratulate the Senator from Texas for offering the amendment. This addresses a question that became very

clear in our hearings last week that it was a serious problem.

It is my understanding this has been cleared by both sides of the aisle. I urge its adoption.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I also support this amendment. The Senator from Texas has carefully drafted this amendment to make certain that the waiver of the right to sue can still be granted. It is a very important provision in all kinds of negotiations, not just with the IRS. The Senator from Texas drafted it so that right is still preserved, but it just can't be coerced. It can't be coerced.

The IRS supports this amendment. They do not believe it is going to have any impact on the capacity to reach agreements with taxpayers or get non-compliant taxpayers to comply. I urge its adoption.

The PRESIDING OFFICER. Is there any further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2375) was agreed to.

Mr. GRAMM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KERREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KERREY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. POLICY AND THE MIDDLE EAST PEACE PROCESS

Mr. BYRD. Mr. President, I commend the courage and decisiveness displayed by President Clinton and the Secretary of State, Ms. Albright, in attempting to get the Arab-Israeli negotiations back on track. The attacks by some in the other body are disappointing and not helpful. If there has been coercion and strong-arming or unreasonable tactics on the matter of negotiations between Israel and the Palestinians over the last year or so, Mr. President, in my judgment, it has not been on the part of the United States.

The unfortunate reality as I view it, is that the Israeli Prime Minister has pursued a policy of paralysis in the peace process. I think it is unwise for any responsible American leader to suggest that this practice should continue, and the United States should not intervene to get the negotiations underway again in a meaningful way. The Israeli Prime Minister has traveled to Washington before, totally empty-