

Nevertheless, to accommodate Senator SCHUMER, I reached this compromise which prohibits corporations from discharging fraud debts owed to Government entities or to plaintiffs under the False Claims Act. I want to make clear for the RECORD that I oppose letting corporations defraud private businesses and individuals, and then discharging those debts in bankruptcy. Hopefully, I will revisit this issue in the near future to make sure that corporate scam artists can't use bankruptcy as a safe haven.

I also want to take this opportunity to thank a number of staff members that were especially helpful in getting this important bill passed: Rene Augustine, Makan Delrahim, and Sharon Probst of Senator HATCH's staff; Ed Haden and Brad Harris of Senator SESSION's staff; Ed Pagano and Bruce Cohen of Senator LEAHY's staff; Jim Greene and Kristin Cabral of Senator BIDEN's staff; Jennifer Leach of Senator TORRICELLI's staff; and Rita Lari Jochum and Kolan Davis of my staff. I also want to acknowledge my former staffer John McMickle who worked on this bill for several years. In addition, I want to thank Laura Ayoud in the Office of Senate Legislative Counsel. This bill would not have passed if it were not for the hard work and tremendous efforts of all these staff members.

Mr. President, I ask unanimous consent to print in the RECORD three letters from former Bankruptcy Review Commissioners.

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

STEPHEN H. CASE,
New York, NY, March 7, 2001.

To: SENATOR GRASSLEY

Re: National Bankruptcy Commission—Small Business

1. I understand Senator Kerry today said on the Senate floor Bankruptcy Review Commission approved its small business provisions by a 5-4 vote.

2. I was the NBRC's Senior Advisor on that project.

3. I was present when the full Commission voted. I remember it very distinctly, because I had just broken my jaw and I had to participate with my mouth wired.

4. The vote was 8 to 1.
I hope the record can be corrected on this point.

S.H. CASE.

ADAMS AND REESE,
Mobile, AL, March 8, 2001.

Senator CHARLES GRASSLEY,
U.S. Senate, Washington, DC.

Re: Amendment by Senator Kerry of Massachusetts to Strike the Small Business Provisions in the Bankruptcy Reform Legislation

DEAR SENATOR GRASSLEY: Senator Kerry of Massachusetts has offered an amendment to strike entirely the provisions relating to small businesses in the bankruptcy legislation currently pending on the Senate floor.

When offering this amendment, Senator Kerry misstated the position of the National Bankruptcy Review Commission, of which I was a member.

The small business provisions, which are very similar to the provisions in the current legislation, were strongly endorsed by the

National Bankruptcy Review Commission. In fact, the vote in support of these provisions was 8 to 1 by the Commission. The adoption of these small business provisions are vitally important to the future wellbeing of the bankruptcy system.

I urge you to table the Kerry amendment.
Sincerely,

JEFFERY J. HARTLEY.

MARCH 8, 2001.

SENATOR CHARLES GRASSLEY.

Re: BRA 2001—Small Business Provisions

Pleased be advised that the National Bankruptcy Review Commission, of which I was a member, voted 8 to 1 in favor of the Commission's recommendation to enact the Small Business Provisions. There was very little dissent among the Commissioners; the vote was not 5 to 4, as has been reported. There was solid support for the recommendation and for the proposals.

Thank you,

JAMES I. SHEPARD,
Bankruptcy Tax Consultant.

45TH ANNIVERSARY OF TUNISIA'S INDEPENDENCE

Mr. LIEBERMAN. Mr. President, I rise today to congratulate the people of Tunisia on the 45th anniversary of their nation's independence. Throughout our long friendship, the United States and Tunisia have shared a mutual commitment to freedom, democracy, and the peaceful resolution of conflict. Indeed, Tunisia was one of the first countries to sign a Treaty of Peace and Friendship with the new United States of America in 1797, and in turn, the U.S. was among the first to recognize Tunisia's independence from France in 1956. Our nations have worked together on many issues of importance over the years, including the ongoing efforts for a lasting peace in the Middle East.

Tunisia and its citizens have many successful endeavors to celebrate, particularly impressive strides in economic development and reform. Tunisia's high standards of living and education, and advancement of opportunities for girls and women, stand as testament to its achievements. I hope that the growth of political freedoms for all Tunisia's people will soon equal its economic success.

As we observe this important milestone in Tunisia's history, we look forward to continued cooperation and friendship between our Nations and our people for many years to come.

Mr. INOUE. Mr. President, I extend my warmest congratulations to the people of Tunisia as they commemorate their country's 45th anniversary of independence. Tunisians have much to celebrate and be proud of, and their firm resolve to fulfill their responsibilities as a republic and to govern themselves with integrity is most admirable. Tunisia has managed, in a relatively short period of time, to make significant gains on the political, economic, and social fronts.

I salute President Zine El Abidine Ben Ali for his leadership in initiating and supporting several reforms that

paved the way for open government. I commend leaders from the public and private sectors for balancing the demands of economic development and social concerns. Finally, I wish to praise all the people of Tunisia for their peaceful participation in Tunisia's remarkable journey from colony to republic.

It is my hope that as Tunisians commemorate their country's 45 years of independence, they will also celebrate their ancient past and their unique cultural identity, which is an amalgam of Arab, Berber, African, and European influences. The country's long and rich history has made Tunisians a resilient and resourceful people, and I am confident that the future of the country will be bright and promising. I look forward to many more years of friendship and cooperation between Tunisia and the United States.

EXTENDING THE INTERNET TAX MORATORIUM

Mr. BURNS. Mr. President, I commend the chairman of the Committee on Commerce, Science, and Transportation for holding today's hearing, as it concerns a topic of great importance to the future development of the Internet—how to make sure that our Nation's tax policy keeps pace with rapid technological change.

The Internet Tax Freedom Act recognized that uniformity and common sense must be brought to taxation policy on the Internet. The act placed a 3-year year moratorium on State and local taxes that discriminate against online transactions. I strongly supported the bill and welcomed its passage by the Senate.

This hearing is particularly timely, as the moratorium on discriminatory taxes on electronic commerce expires on October 21. If the moratorium is not extended, our small businesses across the country face the burden of having to comply with the requirements of over 7,000 taxing jurisdictions.

I am more convinced than ever of the folly of imposing a devastating patchwork of taxes on Internet transactions. I agree with the recommendation of the Advisory Commission on Electronic Commerce that we should extend the moratorium. I would like to add my name as a cosponsor to the Wyden bill, the Internet Tax Non-discrimination Act, which will keep the Internet a "tax-free" zone until December 31, 2006 and will help foster the growth of electronic commerce.

Both consumers and businesses will benefit from a reasoned Internet tax policy. Growth will create more revenue and an expanding tax base for the future. The empowering aspects of the Internet for small business—low barriers to entry and an immediate global reach—must not be inhibited by a heavy-handed government approach to Internet taxation. Extending the moratorium on discriminatory taxes on

Internet transactions will help to ensure that the nearly limitless potential of electronic commerce is realized.

I would like to touch on another issue arising from this debate, the broader question of whether Congress should allow the States to require all remote sellers—be they over the new medium of the Internet, or the more traditional mediums of mail order or telephone to collect sales tax on deliveries into states where the seller has no physical presence or “tax nexus.”

I believe the current rules on whether an out-of-state company should collect sales tax are, in fact, fair and reasonable. Simply stated, a company is required to collect tax on deliveries into a State if it has a presence in that State. This rule has served interstate commerce well, and importantly, has not burdened small, entrepreneurial companies with having to hire lawyers and accounts to comply with 7,600 different taxing jurisdictions, and worse still, liability to audit from States and localities throughout the country.

I'm not prepared at this point to support any new tax collecting requirements on remote commerce. However, if this committee were to act on this broader issue, the Wyden bill's approach, which requires full congressional scrutiny and a mandatory up-or-down vote by Congress before there is any new tax collecting, seems to me to be the correct course.

RETIRED PAY RESTORATION ACT OF 2001

Mr. BIDEN. Mr. President, I am pleased to be a cosponsor of the Retired Pay Restoration Act of 2001, which corrects a long-standing inequity that has resulted in a major slap in the face of our dedicated service men and women.

Current law bans so-called concurrent receipt of VA disability compensation and military retired pay, so that the amount of any VA disability payment to a military retiree is subtracted from the monthly retirement check. In operation, this rule seems to turn logic and common sense on its head, and its repeal is long overdue.

Let's be clear what we're talking about. This provision only applies to military retirees, those who have served their country in uniform for at least 20 years. Such retirees receive a taxable monthly pension based on their length of service and their final pay, which is determined primarily by their rank and length of service. In this regard, the military retirement pay system resembles the civil service retirement system with which we are all familiar.

VA disability compensation is completely different. VA disability compensation consists of tax-free monthly payments to veterans who served in uniform for any length of time and who, during their time in the military, incurred a service-connected disability. These monthly payments are based only on the severity of the disability

and nothing else: not on the length of service, the person's rank, the active duty pay, and so on.

So at first blush, it seems that there is no logical reason why VA disability compensation should be offset against military retired pay: they are disbursed for completely different reasons and are calculated by totally different methods.

But the incongruities of the present rules are nothing short of mind-boggling. Let us hypothesize that twins Jack and Jill sign up for the military at age 18. After 1 year in the military, Jack and Jill both incur identical knee injuries after stepping into a hole while running the obstacle course. The military disability system evaluates both Jack and Jill, confirms a mild disability in both due to intermittent swelling and locking of the knee, but determines that this disability is not severe enough to render them unfit for continued military service.

At this point, Jack and Jill decide to pursue separate paths. Jack decides to leave the military when his enlistment is up, at age 22, and joins the Federal civil service in the Defense Department as a procurement specialist. Immediately after leaving the service, Jack applies to the VA for disability compensation, which is granted, and Jack then receives monthly payments from the VA for the rest of his life. At age 55, Jack retires from the Federal civil service and begins receiving his full monthly civil service retirement check in addition to the VA disability compensation that he has been receiving all along.

Jill, on the other hand, decides to stay in the military after her injury, working as a procurement specialist. Of course, while she remains in the military, she receives no VA disability compensation, even though her twin Jack is receiving VA disability payments for the same injury all along. At age 55, Jill retires from the military, and starts to receive monthly military retirement checks. Jill applies to the VA for disability compensation based on her knee injury, and it is granted. However, when she begins to receive her VA disability checks, the amount of those checks is subtracted from her monthly military retirement pay.

How can we rationalize this disparate treatment of Jack and Jill? We can't. It makes no sense that those in uniform who suffer a service-connected disability end up being penalized for deciding to remain in the military, while those who leave the military are amply rewarded. The longer you serve in the military, the more you are penalized. Does this make sense? I don't think so.

Or let's consider another option. Twins John and Jane both enter the military at the same time, serve in the same position, and retire at the same age. Both receive the same monthly retired pay. John has incurred a service-connected injury, and after retirement, he is granted a disability compensation

from the VA. Jane was never injured in the military. However, they both end up getting the same amount of pay, since John's VA disability payment is subtracted from his military retired pay. Does it make sense that we have an elaborate system for disability compensation that ends up treating the injured John and the uninjured Jane the same? I don't think so.

The logical inconsistencies of the present rules are overwhelming. It is time to repeal the provision in current law that prohibits military retirees from receiving concurrent receipt of full military retirement pay along with VA disability compensation. Those who put their lives at risk by putting on the uniform of this country, and who are then disabled as a result of their military service, must be treated fairly and awarded all the benefits they have earned and which they deserve. To do any less makes a mockery of the sacrifices of all our service men and women.

ADDITIONAL STATEMENTS

RECOGNITION OF MAJOR GENERAL J. CRAIG LARSON

• Mr. HATCH. Mr. President, I want to take this opportunity to recognize an outstanding American and soldier. Major General J. Craig Larson has devoted nearly thirty-three years to the U.S. Army and Army Reserve. It is only fitting that we pay tribute to a magnificent soldier and citizen who has done so much for his country and the great state of Utah.

Major General Larson is the Commander of the U.S. Army 96th Regional Support Command in Salt Lake City, UT. As such, he commands more than 6,000 Army Reservists in the six-state area of Colorado, Montana, North and South Dakota, Utah, and Wyoming.

He was drafted by the Army in 1966, and obtained the rank of Sergeant. He then attended and completed Officer Candidate School at the Ordnance Center and School in Aberdeen Proving Ground, MD. He was commissioned a Second Lieutenant in January 1968. He served nearly seven years on active duty with assignments as Assistant to the Depot Commander, Anniston Army Depot, Alabama; Commander, Company C, 702nd Maintenance Battalion, 2nd Infantry Division on the DMZ in Korea; and Assistant Director of Industrial Operations, Indiantown Gap, PA.

During his twenty-six years in the Army Reserve, he served as: Commander of the 259th Quartermaster Battalion (Petroleum Terminal and Pipeline) in Pleasant Grove, UT; Executive Officer and then Commander of the 162nd Support Group at Fort Douglas, UT, and Deputy Chief of Staff for Logistics, Headquarters, 96th U.S. Army Reserve Command, also at Fort Douglas, UT.