

law as of the date of original enactment of this Act (Oct. 21, 1998).

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term “multiple tax” means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis, without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions).

(B) EXCEPTION.—Such term shall not include a sale or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term “sales or use tax” means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term “State” means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term “tax” means—
(i) any charge imposed by any governmental entity for the purpose of generating revenues for governmental purposes, and is not a fee imposed for a specific privilege, service, or benefit conferred; or

(ii) the imposition on a seller of an obligation to collect and to remit to a governmental entity any sales or use tax imposed on a buyer by a governmental entity.

(B) EXCEPTION.—Such term does not include any franchise fee or similar fee imposed by a State or local franchising fee or similar fee imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573), or any other fee related to obligations or telecommunications carriers under the Communications Act of 1934 (47 U.S.C. 151 et seq.).

(9) TELECOMMUNICATIONS SERVICE.—The term “telecommunications service” has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986 (26 U.S.C. 4251)).

(10) TAX ON INTERNET ACCESS.—The term “tax on Internet access” means [a tax on Internet access, including] the enforcement or application of any new or preexisting tax on the sale or use of Internet access [services unless such tax was generally imposed and actually enforced prior to October 1, 1998].

Mr. WYDEN. Mr. President, what some State and local officials now seek to do is to change the definition of “Internet access,” which, under current law, cannot be taxed. In doing so, what it would do is give States and localities explicit permission to tax what Internet users do once they get on line. That would mean you could have games, music, magazines, newspapers, information services, financial services, research services, or other products of services, in effect, facing a barrage of new taxes.

The phrase “you’ve got mail” would be replaced with “you owe taxes.” That is what this proposal would mean to 142 million Americans with household Internet access. Under this proposal,

the consumer could be taxed every time they send an e-mail, every time they read their local newspaper online or check the score of a football game.

Those who are making this proposal are not going to come out publicly and talk about their ideas for taxing e-mail. There isn’t a headline in the language that I have put into the CONGRESSIONAL RECORD today that says: Watch out, our plan is going to tax e-mail. But there is no question that a clear reading of this legislative language will mean just that. Consumers could be taxed every time they check a bank statement online. They could be taxed for paying their bills online. They could be taxed each time they check the sports scores online or listen to the weather on streaming radio. Every time a consumer turns to Google research service, they could be taxed for each key stroke. If that happened, no question, some in my office would just go bankrupt.

As the Chair knows, being so instrumental in working with me and members of the Senate Commerce Committee, this law has worked. It has been a bipartisan law based on the simple proposition that you would treat activity online just as you treat activity online. Some made dire predictions about the law originally that States and localities would be denied the opportunity to gain revenue for essential services. It has been clear that they have been proven incorrect. Internet commerce is now just a small part of our economy. In fact, what we have seen is a merger of what I call bricks and clicks, traditional commerce with Internet commerce. We have not seen problems under current law.

But by redefining the definition of Internet access, as the proposal does that I have put into the CONGRESSIONAL RECORD today, in effect you give a green light to State and local authorities all across the country to tax services that are integral to Internet access, including e-mail.

I believe this proposal would make wider the digital divide in this country. I think the new taxes would restrict growth in the Internet. The American consumer needs to know exactly what some of these taxing authorities are really up to. What they really want is either to stop the ban on Internet access taxes from becoming permanent or they are looking for statutory language which would stick consumers with hundreds of millions of dollars in new taxes each year.

In my view, either option would be unacceptable to a majority of Senators. I hope, as the negotiations originally proceeded in the Commerce Committee and now in the Finance Committee, that there would be an effort to make the ban on discriminatory taxes on Internet commerce permanent and, in particular, let us ensure that the hard hit American consumer is protected from unfair tax schemes such as those I have outlined this morning.

I yield the floor.

The PRESIDENT pro tempore. Who yields time? The Senator from Texas.

Mrs. HUTCHISON. Mr. President, it is my understanding that our side took 3 minutes early. So how much time is remaining on the other side?

The PRESIDENT pro tempore. The majority has 26 minutes 58 seconds. The minority has 13 minutes 34 seconds.

Mrs. HUTCHISON. Mr. President, I will proceed. If a Member of the other side comes, I will be happy to yield to them under their time. But I will start with the majority time.

The PRESIDENT pro tempore. Without objection, the Senator from Texas is recognized.

SCHOOL FOR IRAQ’S CHILDREN

Mrs. HUTCHISON. Mr. President, one of the biggest successes in Iraq in the past month has been the first day of school for millions of Iraqi children. America’s service men and women worked with local partners to refurbish the schools that were destroyed under Saddam Hussein’s regime so these children could experience the freedom that comes with learning. One example of this progress involves soldiers from the 1st Armored Division’s 1st Squadron, 1st Cavalry Regiment, who did an immense amount to improve the quality of life for Iraqi children. Led by Squadron Commander LTC Charles Williams, the soldiers focused their efforts on 25 schools around the rim of Baghdad. The schools had been neglected by the former regime.

They were in a sad state when 1AD forces arrived in Baghdad several months ago. The desks were in pieces. The blackboards were broken. There were no doors on the rooms and there were no ceiling fans. There was very poor lighting or no lighting at all. The squadron took charge. Their engineers came forward. American contractors and local Iraqi contractors worked together to repair the schools.

Over the past few months the schools underwent a dramatic change: Walls were painted. Electrical wiring and plumbing were fixed. Glass was replaced. Security bars were installed in windows and school supplies were issued.

I have some pictures that show better than any words could some of the progress that is being made. This is a picture of Mahmoud Al-Jabouri, a former Iraqi Army general who worked with the 1st Squadron, 1st Cavalry Regiment, 1st Armored Division in repairing the schools in Baghdad. He is giving a speech for the first day of classes at Dufaf Al-Neil primary school. The progress our troops have been making in working with Iraqi citizens enabled this school to open. It was a joint effort. We can see the children at the opening day of the school with our soldiers and the former Iraqi general.

Look at the excitement on the Iraqi faces as soldiers from the 1st Squadron,

1st Cavalry Regiment helped an Iraqi schoolgirl cut the ribbon at a ceremony celebrating the first day of school. These children are so excited, as they see their world opening up. Iraqi children at Dufaf Al-Neil school hold up the markers they received along with other gifts from soldiers of the 1st Cavalry Regiment. Everyone can see that these school supplies have opened a new world for these children. Their liberation cannot be overemphasized.

Aside from the new facilities, there is something else the American forces have provided for these children. They have ended the fear and terror that Saddam Hussein instilled in Iraqi schools. I want to read an excerpt from a National Review article from October 13. This is stunning.

... there will be no mysterious disappearances from the classrooms. No teachers and pupils will be found dead in school doorways. ... Teenage school girls will not be abducted and taken to one of the many harems maintained by Uday, Saddam's sadistic elder son. ...

We could hardly imagine how these children went to school living in fear that they might be abducted and taken into Uday's harem; that their teachers might be killed in the doorway for something that they could not even imagine they had said or done wrong. Not only are we opening these schools with new school supplies and painted walls and lighting, but we have taken the fear from these children that when they go to school, something horrible will happen.

Our Armed Forces are performing heroic acts every day, trying to ensure that the Iraqi people are free and working toward self-government. Step by step, normal life in Iraq is being established as basic services are restored and hope is reborn.

What we are doing in Iraq is going to change the Middle East. It is going to give people in this country a taste of freedom, and others will see it. It will be a message bigger than anything we could say would happen. It is the results that we are working for, and the President is committed to that result.

That is why we are debating a supplemental appropriation that would bring freedom to this country and begin to spread it throughout the Middle East.

I yield the floor.

The PRESIDING OFFICER (Mr. GRAHAM of South Carolina). Under the previous order, the Senator from Louisiana is recognized for 10 minutes.

NATION BUILDING IN IRAQ

Ms. LANDRIEU. Mr. President, I wanted to add a couple of thoughts this morning regarding the plan for nation building in Iraq. I had supported vigorously the amendment by Senator DORGAN last evening, but because of the time constraints I was not able to speak on that particular amendment. I plan to offer a similar amendment—and there are others—that will try to help the Senate focus again on the op-

portunities and possibilities for sustaining a successful effort in Iraq—a successful effort of nation building—by shifting the burden from the American taxpayers to the Iraqi people and their great resources.

As you know, Mr. President, I supported the use of force; I supported the overthrow of that regime. I believe that a lot of the information that was given to us has proven not to be true and accurate; nonetheless, I support the effort because this was a regime that needed to be overthrown. I am also here to say and agree that in order to be successful we have to sustain a long-term commitment, not cut and run, not window dress, not put lipstick on a pig, not pretend that things are going well—but have things really go well. The verdict is still out. I am sure it is not as bad as it is portrayed by the media. Usually nothing is as bad as that. The stories tend to be one-sided in many instances. The fact is, this is a very difficult undertaking. We have undertaken it only seven times since World War II.

There is a very interesting report that I want to mention at this time. I will give more detailed comments about it later. It is an extensive Rand report just finished on nation building. The title is, "The Inescapable Responsibility of the World's Only Superpower." This is bipartisan; it is not a Republican plan, not a Democratic plan. This is a bipartisan American view of this issue, a very balanced approach. It says, basically, there are seven lessons that we have learned since Germany and our successful Marshall plan effort. I will read excerpts from them quickly and talk about it later.

It says that:

Multilateral nation-building is more complex and time-consuming than a unilateral approach. But the multilateral approach is considerably less expensive for individual participants.

So there are tradeoffs. We are doing this in a more unilateral way. I don't necessarily have a problem with that. I understand we have made efforts to reach out to our multinational partners, and we have not been able to reach agreement. Sometimes the United States has to lead alone and lead decisively. I am, for one, not opposed to that. I just understand that it is more expensive. So let's find a way to pay for it. Further, the report says:

Multilateral nation-building can produce more through transformations and greater regional reconciliation than can unilateral efforts.

That is an argument for multilateral involvement. It also says:

Unity of command is essential. . . .

I believe unity of command is one element we have to preserve in Iraq. It seems as though we are on the path to that end. There are problems, though, that this report points out. One of them is:

There appears to be an inverse correlation between the size of the military stabilization force and the level of casualties.

In other words, the more troops and peacekeepers you have on the ground, the less soldiers you lose. One of the objectives I have as a Senator from Louisiana is to lose as few soldiers as possible.

I want to show you a picture—of course, we are touched by many pictures that we see, but I hope the cameras can pick up SGT Rich Armstrong of Lynchburg, VA. This man is not from Louisiana but from Virginia, right across the river. He is a staff sergeant who is saying goodbye to his wife Beth and his 8-month-old daughter Olivia. I hope this soldier can be brought back home so he can spend the rest of his life with his daughter and wife.

This is not about campaigns or politics. This is about trying to lay down the best plan to bring these soldiers home. The more troops you have there and the more police you have there, the less soldiers will come home either wounded or "not" at all.

This reports goes on to say:

Neighboring states can exert significant influence, for good or bad. It is nearly impossible to put together a fragmented nation if its neighbors try to tear it apart.

One of the amendments in the House, I thought, took us a step backward. It took aid away from neighboring states, when we need to encourage them to help in this effort.

I continue to quote:

Accountability for past injustices can be a powerful component of democratization. Such accountability can be among the most controversial aspects of any nation-building endeavor, however, and therefore should be attempted only if there is a deep and long-term commitment to the overall operation.

My contention is that we are going to be there as long as we need to be, but the American people are not going to sacrifice their children or grandchildren's education, or the solvency of the Social Security trust fund, unless we find a better way to pay for it. If we do, then we can be there not just for 2 or 3 years, but like this Rand study says:

None of our cases were successfully completed in less than seven years.

So one of my questions is, How many times is the administration going to come back and ask us to forego college education for our children, support for public schools, and the establishment of a good health care system in Louisiana to rebuild Iraq, when we have the resources in Iraq to do it; when the people of Iraq, in partnership with the United States—friends and allies in a strong partnership—using our know-how and their resources, can rebuild the country? This is not new; this is not MARY LANDRIEU's idea. We did this during the Marshall plan. We used Germany's coal reserves. It was one of the principles of the Marshall plan—how to rebuild Europe. Thank goodness we were dealing with a country—Germany, the aggressor in that situation—that had vast coal reserves. It was one of the reasons we could build the Marshall plan. That was very different