Mr. Speaker, we meet today in a Chamber that exhibits a magnificent portrait of George Washington just to my left. We meet at a location actually selected by George Washington, the father of our country. Just above the Speaker's podium is a profound quote from another of our distinguished patriots, Daniel Webster. We are governed today by rules promulgated in part by Thomas Jefferson, the author of the Declaration of Independence and another of our great founders.

In that atmosphere, Mr. Speaker, it is perhaps hard for us to imagine that not everyone in our country shares our appreciation for this great system of government and this wonderful tradition and history of freedom and independence that we have in America or has even a rudimentary knowledge of that great system of government. Yet, sadly, as I talk to my colleagues about this issue, they have observed the same thing as they travel around the country that I have: an appalling, even shocking, lack of knowledge about American history and our American system. This is particularly true among our young people.

Just a few facts, Mr. Speaker. Sixty-two percent of Americans today cannot name the three branches of the Federal Government. An examination was given to seniors in 55 of our Nation's top colleges and universities, including Brown, Harvard and Princeton. The exam contained 34 questions, multiple choice, testing a high school level of proficiency on American history. Some 81 percent of the seniors in these colleges received either a D or an F on these examinations. Seventy-five percent of our high school seniors are not proficient in American history and civics, and one-third lack even a basic knowledge of this subject matter.

Part of the reason for this, Mr. Speaker, is that the curriculum at these same 55 elite universities does not require an American history course for graduation and 78 percent require no history credit at all to graduate from the best colleges and universities in our land. As a result of this fact, over one-half of our high school history teachers received their college degrees in subjects other than history.

□ 1200

This is not their fault, Mr. Speaker. This is simply a fact which we are trying to address today.

Simply put, what this bill does, as my friend from Delaware stated, is to authorize the Secretary of Education to award competitive grants from existing funds for summer academies that would promote civics and history education. The grants would be available to colleges and universities, to museums, libraries, nonprofit organizations, some of which are already engaged in this type of activity, and other entities that can demonstrate the capability to enhance the subject matter.

The sessions for teachers would focus on new ideas and more creative ways to communicate the history and civics curriculum to students. It would not dictate a curriculum. Separate academies for students would provide a unique and more comprehensive look at the important subjects of civics and education.

I would say to the Members in closing, Mr. Speaker, that this legislation has the support of a wide spectrum of Americans, from Paul Weyrich and Bill Bennett on the right, to Senator TED KENNEDY at the other end of the political spectrum. I think it simply demonstrates this: that knowledge and understanding of America and Americanism really has no ideology.

I again express my thanks to the leadership of the committee and of House of Representatives, and I urge a ''yes'' vote on the bill.

Ms. WOOLSEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. CASTLE. Mr. Speaker, I urge support of the legislation, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the motion offered by the gentleman from Delaware (Mr. CASTLE) that the House suspend the rules and pass the bill, H.R. 5360, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

DIRECTING SECRETARY OF SENATE TO CORRECT ENROLLMENT OF S. 150

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and concur in the Senate concurrent resolution (S. Con. Res. 146) to direct the Secretary of the Senate to make corrections in the enrollment of the bill, S. 150.

The Clerk read as follows:

S. CON. RES. 146

Resolved by the Senate (the House of Representatives concurring), That, in the enrollment of the bill (S. 150) to extend the moratorium on taxes on Internet access and multiple and discriminatory taxes on electronic commerce imposed by the Internet Tax Freedom Act, the Secretary of the Senate shall make the following corrections:

(1) Amend subsection (a) of section 1104 of the Internet Tax Freedom Act (47 U.S.C. 151 note), as added by section 3 of the bill, to read as follows:

''(a) PRE-OCTOBER 1998 TAXES.—

''(1) IN GENERAL.—Section 1101(a) does not apply to a tax on Internet access that was generally imposed and actually enforced prior to October 1, 1998, if, before that date—

''(A) the tax was authorized by statute; and

''(B) either—

''(i) a provider of Internet access services had a reasonable opportunity to know, by virtue of a rule or other public proclamation made by the appropriate administrative agency of the State or political subdivision thereof, that such agency has interpreted and applied such tax to Internet access services; or

''(ii) a State or political subdivision thereof generally collected such tax on charges for Internet access.

''(2) TERMINATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), this subsection shall not apply after November 1, 2007.

''(B) STATE TELECOMMUNICATIONS SERVICE TAX.—

''(i) DATE FOR TERMINATION.—This subsection shall not apply after November 1, 2006, with respect to a State telecommunications service tax described in clause (ii).

''(ii) DESCRIPTION OF TAX.—A State telecommunications service tax referred to in subclause (i) is a State tax—

''(I) enacted by State law on or after October 1, 1991, and imposing a tax on telecommunications service; and

''(II) applied to Internet access through administrative code or regulation issued on or after December 1, 2002.''.

(2) Insert after section 6 of the bill the following:

SEC. 6A. EXCEPTION FOR TEXAS MUNICIPAL ACCESS LINE FEE.

The Internet Tax Freedom Act (47 U.S.C. 151 note), as amended by section 6, is amended by adding at the end the following:

''SEC. 1109. EXCEPTION FOR TEXAS MUNICIPAL ACCESS LINE FEE.

''Nothing in this Act shall prohibit Texas or a political subdivision thereof from imposing or collecting the Texas municipal access line fee pursuant to Texas Local Govt. Code Ann. ch. 283 (Vernon 2005) and the definition of access line as determined by the Public Utility Commission of Texas in its 'Order Adopting Amendments to Section 26.465 As Approved At The February 13, 2003 Public Hearing', issued March 5, 2003, in Project No. 26412.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from North Carolina (Mr. WATT) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. Con. Res. 146 currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the enrolling resolution before us from the other body makes some modest, but important, changes to S. 150, a bill to extend the moratorium on Internet access taxes and multiple and discriminatory Internet taxes, which we will consider in a few minutes. When we move to that bill, I will describe the underlying legislation. For now I will just state that the changes made by this enrolling resolution are necessary in order for me to support passage of S. 150.

The most important change to S. 150 contained in the enrolling resolution is that it will apply the same moratorium on Internet access taxes to my home

State of Wisconsin that applies to at least 40 other States. Beginning in November of 2006, the special grandfathered status enjoyed by Wisconsin since 1998 that allows the State to continue to tax Internet users will end, and my State like most every other State will have to abide by the Internet tax moratorium and stop taxing Wisconsinites' Internet service.

The House passed legislation reported by the Committee on the Judiciary, H.R. 49, that would have ended the special grandfathered status of all the 1998 States effective immediately.

The section of language added to S. 150 by this enrolling resolution affecting grandfathered taxation is intended to apply to all States that have imposed Internet access taxes via an administrative ruling made well after the 1998 moratorium was enacted that taxes Internet access as a telecommunications service. I find this type of ex post facto attempt to circumvent the general moratorium without new State legislative action to be offensive. However, out of the 1998 grandfathered States, I believe only Wisconsin's actions today meet the requisite objective criteria in this provision. Therefore, only Wisconsin will find its 1998 grandfather status revoked by this language.

The other change contained in the resolution adds a new section to the bill that would clarify that certain taxes and fees imposed by Texas municipalities are not included within the scope of the moratorium on Internet access and that such Texas municipalities could continue to collect franchising and right-of-way fees when telecommunications companies build infrastructure and use public rights of way. We believe that this provision clearly only applies to Texas.

Mr. Speaker, I urge Members to extend the Internet tax freedom once again to most of our citizens and join me in supporting this concurrent resolution and the underlying bill.

Mr. Speaker, I yield back the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and concur in the Senate concurrent resolution, S. Con. Res. 146.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

INTERNET TAX NONDISCRIMINATION ACT

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 150) to make permanent the moratorium on taxes on Internet access and multiple and discriminatory taxes on electronic commerce imposed by the Internet Tax Freedom Act.

The Clerk read as follows:

S. 150

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Internet Tax Nondiscrimination Act''.

SEC. 2. FOUR-YEAR EXTENSION OF INTERNET TAX MORATORIUM.

(a) IN GENERAL.—Subsection (a) of section 1101 of the Internet Tax Freedom Act (47 U.S.C. 151 note) is amended to read as follows:

''(a) MORATORIUM.—No State or political subdivision thereof may impose any of the following taxes during the period beginning November 1, 2003, and ending November 1, 2007:

''(1) Taxes on Internet access.

''(2) Multiple or discriminatory taxes on electronic commerce.''.

(b) CONFORMING AMENDMENTS.—(1) Section 1101 of the Internet Tax Freedom Act (47 U.S.C. 151 note) is amended by striking subsection (d) and redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

(2) Section 1104(10) of the Internet Tax Freedom Act (47 U.S.C. 151 note) is amended to read as follows:

''(10) TAX ON INTERNET ACCESS.—

''(A) IN GENERAL.—The term 'tax on Internet access' means a tax on Internet access, regardless of whether such tax is imposed on a provider of Internet access or a buyer of Internet access and regardless of the terminology used to describe the tax.

''(B) GENERAL EXCEPTION.—The term 'tax on Internet access' does not include a tax levied upon or measured by net income, capital stock, net worth, or property value.''.

(3) Section 1104(2)(B)(i) of the Internet Tax Freedom Act (47 U.S.C. 151 note) is amended by striking ''except with respect to a tax (on Internet access) that was generally imposed and actually enforced prior to October 1, 1998,''.

(c) INTERNET ACCESS SERVICE; INTERNET ACCESS.—

(1) INTERNET ACCESS SERVICE.—Paragraph (3)(D) of section 1101(d) (as redesignated by subsection (b)(1) of this section) of the Internet Tax Freedom Act (47 U.S.C. 151 note) is amended by striking the second sentence and inserting ''The term 'Internet access service' does not include telecommunications services, except to the extent such services are purchased, used, or sold by a provider of Internet access to provide Internet access.''.

(2) INTERNET ACCESS.—Section 1104(5) of that Act is amended by striking the second sentence and inserting ''The term 'Internet access' does not include telecommunications services, except to the extent such services are purchased, used, or sold by a provider of Internet access to provide Internet access.''.

SEC. 3. GRANDFATHERING OF STATES THAT TAX INTERNET ACCESS.

The Internet Tax Freedom Act (47 U.S.C. 151 note) is amended—

(1) by redesignating section 1104 as section 1105; and

(2) by inserting after section 1103 the following:

''SEC. 1104. GRANDFATHERING OF STATES THAT TAX INTERNET ACCESS.

''(a) PRE-OCTOBER 1998 TAXES.—

''(1) IN GENERAL.—Section 1101(a) does not apply to a tax on Internet access that was generally imposed and actually enforced prior to October 1, 1998, if, before that date, the tax was authorized by statute and either—

''(A) a provider of Internet access services had a reasonable opportunity to know, by virtue of a rule or other public proclamation made by the appropriate administrative agency of the State or political subdivision thereof, that such agency has interpreted and applied such tax to Internet access services; or

''(B) a State or political subdivision thereof generally collected such tax on charges for Internet access.

''(2) TERMINATION.—This subsection shall not apply after November 1, 2007.

''(b) PRE-NOVEMBER 2003 TAXES.—

''(1) IN GENERAL.—Section 1101(a) does not apply to a tax on Internet access that was generally imposed and actually enforced as of November 1, 2003, if, as of that date, the tax was authorized by statute and—

''(A) a provider of Internet access services had a reasonable opportunity to know by virtue of a public rule or other public proclamation made by the appropriate administrative agency of the State or political subdivision thereof, that such agency has interpreted and applied such tax to Internet access services; and

''(B) a State or political subdivision thereof generally collected such tax on charges for Internet access.

''(2) TERMINATION.—This subsection shall not apply after November 1, 2005.''.

SEC. 4. ACCOUNTING RULE.

The Internet Tax Freedom Act (47 U.S.C. 151 note) is amended by adding at the end the following:

''SEC. 1106. ACCOUNTING RULE.

''(a) IN GENERAL.—If charges for Internet access are aggregated with and not separately stated from charges for telecommunications services or other charges that are subject to taxation, then the charges for Internet access may be subject to taxation unless the Internet access provider can reasonably identify the charges for Internet access from its books and records kept in the regular course of business.

''(b) DEFINITIONS.—In this section:

''(1) CHARGES FOR INTERNET ACCESS.—The term 'charges for Internet access' means all charges for Internet access as defined in section 1105(5).

''(2) CHARGES FOR TELECOMMUNICATIONS SERVICES.—The term 'charges for telecommunications services' means all charges for telecommunications services, except to the extent such services are purchased, used, or sold by a provider of Internet access to provide Internet access.''.

SEC. 5. EFFECT ON OTHER LAWS.

The Internet Tax Freedom Act (47 U.S.C. 151 note), as amended by section 4, is amended by adding at the end the following:

''SEC. 1107. EFFECT ON OTHER LAWS.

''(a) UNIVERSAL SERVICE.—Nothing in this Act shall prevent the imposition or collection of any fees or charges used to preserve and advance Federal universal service or similar State programs—

''(1) authorized by section 254 of the Communications Act of 1934 (47 U.S.C. 254); or

''(2) in effect on February 8, 1996.

''(b) 911 AND E–911 SERVICES.—Nothing in this Act shall prevent the imposition or collection, on a service used for access to 911 or E–911 services, of any fee or charge specifically designated or presented as dedicated by a State or political subdivision thereof for the support of 911 or E–911 services if no portion of the revenue derived from such fee or charge is obligated or expended for any purpose other than support of 911 or E–911 services.