

for the expedited consideration of SBA's proposal by the U.S. House and Senate and takes steps to ensure that a small sellers' exemption will ultimately be approved by Congress. States would be allowed to require impacted remote sellers to collect sales taxes only after federally mandated simplification is accomplished and a small business exemption is approved by Congress.

All of the other parts of my bill are identical to those included in Senator ENZI's bill. These provisions also deserve our immediate attention. There are over 7,000 tax jurisdictions across the country that rely on sales taxes to fund a range of local activities, from education and fire suppression to police protection and road construction. But billions of dollars in needed sales tax revenues go uncollected year after year in many jurisdictions due to a ruling by the U.S. Supreme Court in 1992 that said current State and local sales tax systems impose an undue burden on sellers without a physical presence in each State.

Internet and catalog sellers have argued that collecting and remitting sales taxes for thousands of different tax authorities is exceedingly complex. This is a legitimate complaint. And I understand why the U.S. Supreme Court in its Quill decision said that States and localities could not require sellers to collect sales tax on remote sales until the States and localities have first dramatically reduced the complexity and burden of collecting sales taxes.

The States and localities have stepped up to the challenge outlined in the Quill decision. For five years now, the States have been working with the retail community and local governments to develop a streamlined and uniform sales tax system agreement that will alleviate the burden of sales tax collection on local retailers and remote sellers.

The Streamlined Sales and Use Tax Agreement, which was approved by 34 States and the District of Columbia in November 2002, requires participating States to comply with dozens of stringent simplification requirements that streamline how State sales and use taxes are identified and collected. By early next year, 19 States will have enacted legislation to bring them into compliance with the Agreement and will be members of its Governing Board.

By harmonizing their State sales and use tax rules, bringing uniformity to definitions in the sales tax base, significantly reducing the paperwork burden on retailers, and incorporating a seamless electronic reporting process, compliance with the Agreement will result in a significantly reduced tax collection burden on all sellers.

As the volume of remote on-line retail sales grow, states are losing more and more sales tax revenues. An estimated \$15 billion in sales and use taxes will go uncollected in 2005. This threat-

ens the future ability of states and localities to make critical investments in even the most basic community services, while forcing local retailers who are required to collect sales taxes today to compete with large remote competitors who are not. Senator ENZI and I are determined to address this problem.

I think that the legislation I am introducing today strikes a reasonable balance between the interests of consumers, local retailers, remote sellers and the states. Having said that, I will be working with Senator ENZI early in the next session to see if we can put together a single approach that would address any remaining concerns about the small business exemption and help us move this legislative effort forward in the next session.

We will also have an opportunity to more fully examine some issues raised by the representatives of local governments and some Indian tribes about the impact of our initiative on their constituencies.

By Mr. KERRY (for himself and Mr. ISAKSON):

S. 2155. A bill to provide meaningful civil remedies for victims of the sexual exploitation of children; to the Committee on the Judiciary.

Mr. KERRY. Mr. President, today Senator ISAKSON and I introduce legislation to increase civil penalties for child exploitation. Our legislation is a small piece of a larger battle that we believe will stop would-be child predators and protect our children. Predators like the ones who exploited Masha, a little girl who was featured on Prime Time Live a few weeks ago, and the thousands of other children who are victims of these horrific crimes.

According to the National Center for Missing and Exploited Children, child pornography has become a multi-billion dollar internet business. With the increasingly sophisticated technology of digital media, child pornography has become easier to produce and purchase. Countless people around the world have instant access to pictures and videos posted on the Internet and, unfortunately, millions of these images are pornographic depictions of infants and children. Masha is one of these children, whose images—hundreds of them—are on the Internet and being downloaded around the world. And while the man who sexually abused Masha and posted the pictures on the web is in jail, the damage has been done and will continue until people stop downloading pictures of her off the internet.

Under current law, a victim of child exploitation is entitled to civil statutory damages in U.S. District Court in the amount of \$50,000—less than the civil penalty for illegally downloading music off the internet. This penalty is far too low to effectively deter would-be child pornographers. This legislation increases the civil penalties recoverable by victims of child sexual ex-

ploitation, including internet child pornography, to at least \$150,000. This increased penalty will serve as a deterrent to those who disseminate and possess child pornography, as well as a means of compensating victims of this terrible abuse. If someone downloads a song off the Internet, Federal copyright law provides for statutory damages to be awarded to the copyright holder in the amount of \$150,000. Downloading child pornography is far more detrimental to the victim than downloading copyrighted music and, as a result, the penalty should reflect that.

But it is not only the statutory damages that are flawed. The current statute states that "Any minor who is a victim of a violation [of the act] may sue in United States District Court". This language has been interpreted literally by a Federal district court to restrict recovery to plaintiffs whose injuries occurred while they were minors. Thus, when victims turn 18 they cannot recover against their perpetrators even if pornographic images of them as children are still distributed via the internet. Our legislation would clarify the statute to include victims of child pornography who are injured as adults by the downloading of their pornographic images.

This bill takes an important step towards ensuring justice for victims of child exploitation. I would urge speedy passage of this legislation as a stand alone bill or encourage its inclusion in a larger child protection package. It is the very least Congress can do for Masha and the thousands of children like her who have suffered at the hands of these criminals. I thank Senator ISAKSON for his co-sponsorship, and I look forward to working with him and all my colleagues to see that it passes the Senate.

PRIVILEGES OF THE FLOOR

Mr. HARKIN. Mr. President, I ask unanimous consent that Dr. Marlene Watson and Dr. Gordon Day, fellows in the office of Senator ROCKEFELLER, be granted the privilege of the floor during the Senate's proceedings today.

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

Mr. GRASSLEY. I ask unanimous consent the following Senate Committee on Finance interns and fellows be granted floor privileges during the consideration of the conference report to accompany S. 1932, the Deficit Reduction Act: Melissa Atkinson, Brad Behan, and Amber Mackenzie.

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

COMMENDING DR. DOUGLAS HOLTZ-EAKIN

Mr. FRIST. Mr. President, I ask unanimous consent the Senate now proceed to the consideration of S. Res. 341, which was submitted earlier today. I ask the resolution be read.

The PRESIDING OFFICER. The clerk will report the resolution.

The assistant legislative clerk read as follows:

A resolution (S. Res. 341) commending Dr. Douglas Holtz-Eakin for his dedicated, faithful, and outstanding service to his country and to the Senate.

S. RES. 341

Whereas Dr. Douglas Holtz-Eakin has served as the sixth Director of the Congressional Budget Office since February 4, 2003 and will end his service on December 29, 2005;

Whereas during his tenure as Director, he has continued to encourage the highest standards of analytical excellence within the staff of the Congressional Budget Office while maintaining the independent and nonpartisan character of the organization;

Whereas during his tenure as Director, he has expanded and improved the accessibility of the Congressional Budget Office's work products to the Congress and the public;

Whereas he has expanded and enhanced the agency's macroeconomic analyses of the range of negative and positive feedbacks on the economy and budget from fiscal policy changes; and

Whereas he has earned the respect and esteem of the United States Senate: Now, therefore, be it

Resolved, That the Senate of the United States commends Dr. Douglas Holtz-Eakin for his dedicated, faithful, and outstanding service to his country and to the Senate.

There being no objection the Senate proceeded to consider the resolution.

Mr. GREGG. Mr. President, the executive branch agencies have many programs to recognize performance and talent. In the legislative branch, we too often take personal effort and hard work for granted. Unfortunately, the Senate does not possess many ways to recognize excellence, and thank the people who make this institution function so well.

Today, I would like to take a little time to mention something that is not debatable. I think this is simply stating something that all Members, on both sides of the aisle, know only too well.

In the three years that Dr. Douglas Holtz-Eakin has been Director of the Congressional Budget Office, he has led with dedication and integrity. He has provided the Members of Congress with impartial analyses of a wide array of budgetary and economic issues. He has never hesitated to meet with Members and staff regarding any issue. Douglas has always approached his responsibilities with enthusiasm and a desire to make sure that the information CBO provides leads decisionmakers to create better public policy outcomes.

Douglas Holtz-Eakin is the sixth Director of the Congressional Budget Office. He was appointed to that position on February 4, 2003; following an 18-month stint as chief economist for the President's Council of Economic Advisers.

During his tenure, he has certainly made an impression on CBO; leaving behind a legacy that Congress will benefit from for years to come. He has strengthened and improved the transparency of CBO's analytical methods by convening an annual Director's Con-

ference to bring in outside experts to assist the agency in tackling complex economic issues. He also has enhanced the publication production effort by publishing background papers that explain CBO's models and methods, working papers that discuss new analytical developments and improvements, and issue briefs that communicate analyses in a concise manner for those unable to commit the time to more indepth research. Dr. Holtz-Eakin has devoted a great amount of attention to improving the clarity of CBO's work to make it more accessible to policymakers, professional analysts, and the public.

Under Doug's guidance, CBO extended its modeling and analytic capacity; most notably in the critical areas of dynamic analysis and long-term microsimulation. CBO also has begun to apply the tools of modern financial analysis to improve budgetary and economic cost measures.

Prior to his appointment as CBO Director, Dr. Holtz-Eakin already had a remarkable career, distinguishing himself in academia and as a public servant. He is a trustee professor of economics at the Maxwell School of Syracuse University, where he also served as chairman of the Department of Economics and as associate director of the Center for Policy Research. He held positions as editor of the National Tax Journal, associate editor of the Journal of Human Resources, and as a member of the editorial board for Public Budgeting & Finance, Economics and Politics, Journal of Sports Economics, Regional Science and Urban Economics, and Public Works Management and Policy.

Earlier in his career, he held academic appointments at Columbia University and at Princeton University. Since 1985, he has served as a faculty research fellow and research associate for the National Bureau of Economic Research. He has been a consultant to the New Jersey State and Local Expenditure and Revenue Policy Commission, the State of Arizona Joint Select Committee on State Revenues and Expenditures, and the New York State Office for the Aging. He also has served as the Executive Director, Tax Study Commission, New York State Assembly.

Dr. Holtz-Eakin's remarkable career in public service will not end with CBO. He will continue making positive contributions to public policy research as the next Paul A. Volcker fellow in international economics and as the director of the Maurice R. Greenberg Center for Geoeconomic Studies at the Council on Foreign Relations. The council is a nonpartisan research organization that is national in scope and global in its reach.

Doug's quick wit and sense of humor will be sorely missed in the Halls of the Capitol and on the fourth floor of the Ford House Office Building. We wish him good luck in his new endeavors and are grateful for his contributions and work on our behalf. He leaves be-

hind a first-rate professional staff with high morale, testimony to his excellence in leadership. We wish him well.

Mr. CONRAD. Mr. President, I want to join Senator GREGG in commending the public service of Congressional Budget Office, CBO, Director Douglas Holtz-Eakin. Congress will lose a valuable member of the budget community when he leaves CBO at the end of this year to join the Council on Foreign Relations. He has been an exemplary leader for the agency and deserves to be recognized for his outstanding performance.

Director Holtz-Eakin has lived up to the high standards set by his predecessors at CBO. He will be remembered for leading the agency in an open, straightforward, professional, and nonpartisan manner. From day 1, Director Holtz-Eakin has been responsive and helpful on a wide range of requests. And he has repeatedly shown his considerable knowledge of the budget and economic affairs of the Nation.

I was initially concerned about Director Holtz-Eakin's appointment in 2003 to the nonpartisan CBO, because he was coming directly from an administration position, as the chief economist of the President's Council of Economic Advisers. However, Director Holtz-Eakin put my concerns to rest by demonstrating his desire and ability to rise above political pressures and focus on the best interests of the American people.

Notably, Director Holtz-Eakin took a balanced and scientific approach regarding the issue of dynamic scoring. Ultimately, he concluded that the dynamic impact of various fiscal policies could include a range of positive and negative effects and, in any case, was likely to be small.

Although we have faced difficult times for our Nation's budget, Director Holtz-Eakin has provided Congress with crucial information and insight. His expertise, honesty, and good humor will be missed. I commend Director Holtz-Eakin for his public service and wish him the best of luck in his new position.

Mr. FRIST. Mr. President, I ask unanimous consent the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid on the table.

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

The resolution (S. Res. 341), was agreed to.

The preamble was agreed to.

ORDERS FOR WEDNESDAY,
DECEMBER 21, 2005

Mr. FRIST. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9 a.m. on Wednesday, December 21. I further ask that following the prayer and pledge the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be