

out a Statement of Administration Policy insisting that this was a terrible idea, to give them the flexibility to avoid exactly what they are doing.

I don't know how one can come to any conclusion other than that this administration wishes to impose this inconvenience, this disruption, and this cost on the American people and our economy. They have it within their ability to accept the device we were offering, which would have allowed them to avoid this entirely.

I am extremely disappointed the administration would choose to inflict this kind of harm to our economy, this kind of inconvenience to our travelers, all for the purpose of furthering a political agenda. This is no way to run this government.

What I would suggest we do is we revisit the legislation Senator INHOFE and I offered which would have avoided all of this, allowed us to cut some of the waste, excess, duplication, and avoid all of this inconvenience. This is entirely unnecessary, and it is unacceptable.

One of the proper functions of any executive, including the President of the United States, is to look throughout the spending over which he or she has control to find the lowest priority, to find the least necessary and least disruptive way to achieve the savings we need. We are running unacceptably large deficits. We have a huge debt that is already costing this economy the kind of growth we ought to have.

The very modest savings of the sequester could be achieved in a way that wouldn't be disruptive at all. The size of the Federal budget has more than doubled in the last 12 years. To suggest that it is not possible to find 2.5 percent savings is simply ridiculous. It is not true.

I urge my colleagues, let's fix this. We know how to do it. We have the tools available. Senator INHOFE and I offered. There are other ways, and I would be open to any number of them. We need to achieve the savings of the sequester, and we need to do it in a way that is not disruptive and that can be done.

I yield the floor.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. REID. Las Vegas is the destination resort of the world. I may get a little static from New York about that, but it is a place a lot of people wish to visit. We understand the importance of doing something about the lines at airports as the result of sequestration. But as I indicated in my remarks, I am also concerned about the little boys and girls who are knocked off Head Start—70,000 of them. I am also concerned about medical research. As I stated yesterday, Duke University is laying off 50 people. Duke does some of the most important medical research there is, dealing with dread disease. I am concerned about homeless veterans. The program will eliminate homeless veterans having a home. This is what sequestration does to them.

The reason sequester is taking effect is because Congress enacted it into law the Budget Control Act of 2011. The vast majority of Republicans voted for this. The Senate considered an alternative that would have altered sequester, and it would have done it with a balanced package. Republicans blocked it earlier this year.

We need to lessen the impact of sequestration. It is not as if we are blind to doing something about deficit reduction. We have already reduced the debt by about \$2.6 trillion.

My friend from Pennsylvania has a reputation for being very concerned about dealing with money, and I admire him for his tenaciousness in that regard.

What I have suggested here certainly seems reasonable. For 5 months, we do a timeout on the sequestration. During the 5 months, sequestration would be paid for with part of the \$650 billion that was in a pot that is a result of the money building up due to reducing the wars in Iraq and Afghanistan. During these 5 months, let's find a better way to go forward with our efforts to reduce the debt. I think this is reasonable, it would be fair, and it would give us time to do something.

Certainly with the debt ceiling coming up and other major issues we need to deal with, I think we should lessen not only the impact of the problems we have at airports around America, but also we should focus on little boys and girls and elderly men and women who are losing Meals On Wheels, their only hot meal of the day.

I think we should do that—look at this sequestration and take a timeout.

I recognize my friend from North Dakota, who is going to give her maiden speech. We are looking forward to hearing what she has to say.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

FACING CHALLENGES TOGETHER

Ms. HEITKAMP. First, I wish to thank all of my colleagues who came here today to see me offer my first speech on the floor of the Senate. It is a great group, a bipartisan group, and I believe our new class is exactly that—a group of great people who are very bipartisan and very willing to work to solve America's problems. I am proud to be part of this freshman class in the Senate.

People here all think they know each other, and this is absolutely true, but sometimes it is a good reminder to tell people about from where you come. I wish to spend a little time talking about my home State because I think it speaks a great deal about how I believe, how I vote, and who I am.

I grew up in a small town in North Dakota. Many may think that means 90,000 people. No, it is 90 people. My family was one-tenth the population of that small town. When I was born, my mother had four kids, and the oldest was 2 and there were no twins. By the

time my parents were done having children, there were seven children in 9 years. My dad was a seasonal construction worker, and my mom was a school cook and a janitor. Think about those occupations.

My mom never let anyone be bullied. The worst thing a person could do, in my mother's eyes, was to pick on someone who couldn't defend themselves. We knew that was what our role would be throughout our entire lives. This is a value my six siblings and I carry with us.

From my dad we learned about community and building community. My dad built the smallest VFW chapter in the country. He returned from World War II and knew they needed a place to gather, to provide support for veterans and for each other, and that needed to be in his community. He built the ballpark, he built the fire hall, was chief of the volunteer fire department for years, head of the VFW, and was someone who believed in the community. He believed that when Mrs. Poster needed her sidewalk shoveled so she could go to church, it was our job. It wasn't someone else's job. We didn't look around to see who would come; we picked up the shovel and we went down there.

What do you learn from the place where you grew up? In Mantador, ND, as in communities all across this country, people gather at coffee tables usually at 7 o'clock, maybe 10:30 in the morning or maybe a little bit in the afternoon, and they talk about the problems of America. They talk about the problems of their community. There are many ideologies at that table—Democrats and Republicans; as we say in Mantador, there are Lutherans and Catholics; there are Green Bay fans and Vikings fans, which may be the most divisive issue. They gather together and solve all the problems of America, if we would only listen here in Washington, DC. More importantly, even though they have horrible fights, they get together and solve problems in their community. They figure out how to put up the Christmas lights on Main Street. They figure out how to fix the roof on the church, how to pass a school bond so they can expand classrooms.

All across America, people work together. That is the spirit, and that is what I learned growing up in a small town in North Dakota—that we can accomplish things if we keep our eyes on the goals, if we understand and appreciate that we all come from different places and need to work together. Sometimes we are not going to agree, but we need to move forward. We need to work together to move this country forward.

I wish to take a moment, and hopefully I won't get too emotional, but I want to think about this. We live in a country, an amazing country where the daughter of a school cook and janitor and a seasonal construction worker can

stand on the floor of the Senate and address this body. It is an amazing country, and we can never forget that value. But I never thought I would be here. What I mean by that is I never thought I would come to the Senate. Do you know why? North Dakota had Senator Conrad and Senator Dorgan—two giants who came to this body, spoke their minds, and represented their State. I knew they would always represent me. Then something happened: They became tired, frustrated, and moved on with their lives. They asked me to join this fight, the fight for North Dakota and the fight for our values. They asked me to step into their shoes. I am extraordinarily proud to be here, extraordinarily proud to represent agriculture.

What do I mean by that? We have frustration in farm country. There are 16 million jobs in agriculture. It is the bright spot on our economy, and it is helping to reduce our trade deficit. It is everything in my State.

We have small farmers, small family farmers who must spend \$1 million before they can even take a crop out of the ground. That is an average farmer in my State. That is how much it costs to engage in farming. When we don't have a farm bill that provides certainty and security for them, we not only hurt them and hurt American agriculture, we risk our secure food supply. So I came here to speak for North Dakota farmers.

I came here to speak for an energy policy. This is an amazing place. You hear everybody say we believe in "all of the above." In North Dakota, we do "all of the above." We not only are rich in natural gas, oil, and coal, but we also have geothermal, ethanol, and biofuels. We are one of the leading producers in the country of wind energy. We get it. But policies in this body and in this city that provide certainty to our energy producers need to be established.

I am here to address the concerns we have. If we do not have policies that address issues of redundancy and reliability in energy, we will fall further and further behind. And these are new technologies and great innovations that are coming down the pike. We need to address those. We need to move forward.

I came here to speak about reasonable fiscal solutions. We heard a debate—a good debate—about the effects of sequestration. We know we have challenges. On both sides of the aisle, there is a sense of purpose to change the trajectory of this debt. We are borrowing 40 cents of every dollar we spend. We have a national debt that is almost equal to our gross domestic product. We have interest payments that are the third highest payment we make here at a time of record-low interest rates. This is unsustainable and it needs to be addressed, but it needs to be addressed responsibly.

Like many of you, I have my own personal passions. They involve senior

citizens—making sure we provide them with a secure future, but also a secure future for future senior citizens. Veterans, I care deeply about the condition of veterans benefits and what we are going to do to reward and truly thank the 1 percent in this country who step up to serve us. I have a great concern for people living in Indian Country, what we are going to do to make sure they enjoy a future in our State. If we take every problem of America and multiply it times 3, those are the problems in Indian Country that need to be addressed. I care about Head Start. I believe a Head Start investment is a smart investment.

My colleagues might wonder, with all of these concerns and all of these issues, why I am standing today to talk about marketplace fairness. Well, we are going to hear a lot about a case called *Quill v. North Dakota*. What my colleagues may not know is the whole caption of that case is *Quill v. North Dakota ex rel. MK Heidi Heitkamp*.

Over 20 years ago, I heard the despair of Main Street businesses. I had a woman come to me who ran a little wallpaper shop in her town. At the time—and I don't know if it is true today—she had to buy these wallpaper books from the companies, so there was an investment in presenting this product. People would come to her, they would open the book, and she would help them do a little interior design. She would work through the fabrics and all of this, and then they walked out and she never saw them again.

She knew and I knew what they did was go home, look in their catalogues, take the lot number she had given them, and then order the wallpaper. Maybe—maybe—they ordered it more cheaply than just the sales tax, but she wanted to know from me, when I was tax commissioner, how I could justify the 5 percent disadvantage she was having. She wanted to know what I could do to level the playing field so she at least had a chance, she at least could compete.

Well, I listened. And it wasn't just that woman who ran the wallpaper business, it was the furniture stores, and it was the Main Street office supply stores. So we initiated a lawsuit called *Quill*.

For those who think this is going to unduly burden small business, I want them to think about this: In my State we sued *Quill* because they were the third highest retailer of office products in my State—the third highest. It was pretty remarkable. Yet they were enjoying this advantage of not having to collect sales tax. So we took the case to the Supreme Court.

Some might say that didn't turn out very well for us. But let me cite some basic information about the court case because at the time there was a sense there was not due process jurisdiction if one didn't have physical contacts in their State. A lot of us in this body are lawyers, and we know that long-arm

statute had at the time moved on. The question was what in fact would be the contact, and could we, in tax jurisdiction and in sales tax collection, get the court to agree that due process was not disturbed by an extension of regulation and responsibility to Internet sales and at that time catalogue sellers.

The court agreed with that piece, but when they were challenged with the argument did North Dakota's imposition affect interstate commerce—and they heard a lot of arguments we will hear today about a lot of jurisdictions, it is not very streamlined—they said: We aren't comfortable. But you know where this belongs. It belongs where the Constitution puts this discussion. It belongs in the Senate. It belongs in the House of Representatives. It belongs to Congress because Congress has the obligation of regulating interstate commerce.

So here we are almost 20 years later—over 20 years later—since the court case was decided and still debating this issue. This issue has grown tremendously because of the explosion of Internet sales. Remote sellers are getting bigger and our Main Street businesses continue to suffer and continue to struggle.

We will hear a lot today about how this bill discriminates. We will hear a lot about how it is not fair. We will hear how it affects small business. Every time we hear that argument, I want my colleagues, the Members of this body, to think just for a moment that you are that one woman with the wallpaper books or you are the small drugstore trying to sell candles to supplement the prescription drug business you have. You are that small business, and what you see is that you have the burden of collecting this sales tax and you are building your community. You take out a little ad in your school newspaper to help that school newspaper or an ad for the scoreboard down at the high school. When they come around and ask for a little money for the fire hall, you chip in. So you are building the community, and you are there, and you are employing people there and wondering why this government can authorize and approve discrimination against you, and why you have to fight so hard.

We will hear a lot today about small businesses that operate on the margin; right? Retail has a small margin. Exactly. That is exactly the point. That small margin is just as small for that Main Street business, but they have a 5-percent disadvantage.

So today and tomorrow we will hear a lot about this bill. I know feelings are running fairly high for people who oppose it. But when we hear discrimination and we hear it is not the role of this body to take this on, understand this: It is exactly the role of this body. It is exactly the obligation we have—to level the playing field, to make things fair, to respond to the needs of our community. And that is why we are fighting so hard. That is why we are working so hard on this bill.

I think we are going to get it done, but let's just think for a moment. We have taken a couple of votes. They have been pretty good, lopsided votes for us. If we fail in moving this bill after it has such tremendous support, how do we do the tough stuff? How do we do the deficit reduction we need to do? How do we do the tough stuff that comes here? Let's do this. Let's level the playing field. Let's make this responsive to those Main Street businesses who every day struggle and are simply asking for justice. They are simply asking for equity.

I yield the floor.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MCCONNELL. Mr. President, I am going to proceed on my leader time.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator is recognized.

THE SEQUESTER

Mr. MCCONNELL. Mr. President, as a result of the administration's poor planning and, I would argue, political motives, thousands of people were stuck on tarmacs over the last few days. The FAA's mismanagement of this issue is the source of bipartisan frustration. Our goal shouldn't be to score political points on the backs of weary travelers, it should be to fix the problem.

Look, the Obama administration knew about the sequester for months—for months. Yet it gave the traveling public and Congress only 3 days' notice before implementing the furloughs now being blamed for these delays. The FAA Administrator testified before the Commerce and Appropriations Committees last week but made no mention of the magnitude and impact on delays of these furloughs that were just right around the corner.

It seems completely implausible to me he didn't know about them when he was testifying last week. Was the administration hiding the ball from the traveling public? It seems like a fair question.

Frankly, this episode is a perfect illustration of why Republicans sought to give the administration even greater flexibility to ensure they could prioritize essential services. One of the primary areas for which that flexibility was intended was air traffic control. The fact the administration rejected it strongly suggests a political motive is at play.

I would also remind everyone this flexibility was rejected by nearly every Democrat in the Senate, and the President threatened to veto legislation that granted it, holding it hostage to tax hikes instead.

So here is what I would suggest at this point. We are where we are. The Obama administration needs to direct the FAA to review their current spending and use their existing flexibility to keep America moving as smoothly as possible. Ensuring the safe, efficient movement of the traveling public is a much higher priority than the administration's own travel, conferences, and consultants.

Not all government spending is created equally, and so this morning I am calling on the Obama administration and the FAA to be smarter and more transparent about the sequester. That means prioritizing funding to ensure flights are not needlessly delayed or canceled.

If for some reason the President or the FAA do not believe they have the flexibility to address this issue, they should ask Congress for the flexibility they need. Until then, however, they should use the flexibility we all know they do have to ease the burden on passengers.

But let's be clear: We wouldn't even be in this situation if the administration hadn't rejected the flexibility we offered them months ago or if they had done the planning they needed to do in the first place. There is no good reason for these delays.

MARKETPLACE FAIRNESS ACT

Mr. MCCONNELL. Mr. President, this week, the Senate is debating a bill that would authorize States to require retailers to collect taxes on remote sales. I recognize there are a range of views on this bill, and these views don't break along partisan lines nor do they follow, really, along traditional ideological lines. Speaking for myself, however, I intend to oppose the bill, and here is why.

For me, the issue boils down to the fact the legislation we are considering would create an enormous compliance burden for a lot of small businesses out there, making them tax collectors for thousands of far-away jurisdictions. Just as importantly, this legislation would increase the tax burden on Kentuckians. As I have said before, I don't think the people of Kentucky sent me here to help them pay higher taxes.

Brick-and-mortar companies complain about the inequity that exists in current law, where their customers have to pay taxes that online shoppers do not. Frankly, that is a legitimate concern; but by imposing this new Internet tax, States would suddenly be empowered to force online retailers to simultaneously comply with all the different tax codes of all the States in which their customers reside. And that is no small feat.

From what I am told, there are nearly 10,000 State, local, and municipal tax

codes nationwide. While complying with so many codes might not be a big deal for large online retailers, it is actually a huge burden for the little guys. So small business owners are worried, and justifiably so.

I know they are in Kentucky because so many keep writing to share their concerns with me. One small business owner lamented that "small online business owner[s] ha[d] been silenced and pushed to the side" in this debate as larger companies "[press] for the changes to take effect as quickly as possible. The simple matter of the fact is that any business with [fewer] than 100 employees would be completely overwhelmed by applying, keeping, updating, and reporting sales tax for every state and tax zone in the United States."

It is pretty hard to argue with that. Moreover, this is a bill that—once again, as happens all too often in the Senate—hasn't been run through a committee, hasn't been properly vetted, and hasn't yet had the kinks worked out of it.

It is not like there aren't other things that can be done to improve tax compliance for online shoppers—things that don't require us to turn private businesses into tax collectors for remote State governments. Most States impose a use tax, for instance, which requires taxpayers to report how much they have purchased on the Internet. Individual States that are concerned about this issue could choose to enforce their own existing use taxes rather than expect the Federal Government to impose sweeping legislation to empower States to reach across borders to collect taxes.

And let's not forget the fact that the Internet has been such an enormous source of innovation and convenience for our constituents, our country, and our economy—even in these tough economic times. But that is largely because the government has kept its nose out and allowed innovation to flourish.

I won't be supporting this bill. If States decide they need this revenue, they should keep in mind the tremendous burden they will be placing on the little guys who do so much to drive this economy. In my view, the Federal Government should be looking for ways to help, not hurt, these folks. Let's be honest; the big guys can take care of themselves. Let's not make it even harder for the smaller competitors.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

COMMENDING SENATOR HEITKAMP

Mr. HOEVEN. Mr. President, I come to the floor to commend my esteemed colleague from the State of North Dakota, Senator HEITKAMP, on giving her maiden address this morning. She is not only someone I have known for a long time and worked with for a long time but somebody who I think truly brings a spirit of bipartisanship to this