

to live up to the high standard that Senator JAY ROCKEFELLER has set.

With that, I yield the floor on my remarks about Senator ROCKEFELLER.

#### INTERNET TAX FREEDOM ACT

Now, for a few minutes, Senator THUNE and I are going to talk about the Internet Tax Freedom Act and our involvement in it. The story about the Internet Tax Freedom Act really starts in the 1990s. This was a period when I think policymakers were starting to think about how we lay out a framework for addressing the various challenges to ensure that the Internet would tap its full potential. We wanted to ensure that the Internet would tap its full potential for innovation, for commerce, for learning, for health care. I want to make it clear, we weren't talking about inventing the Internet. What we were talking about was laying out a set of policies to ensure it would be possible for our country and for persons all around the world to tap the full potential of the Net.

I got my start with the former Congressman from California, Chris Cox, when we were looking at the challenge of what would happen if a Web site or a blog was held liable for something that was posted on the Web. The two of us, much like Senator THUNE and I have done over the years on the Internet Tax Freedom Act, tried to really unspool all the implications. It became very clear back in the 1990s that if a Web site or a blog was held liable for something that was posted on the site, nobody would ever go out and invest in what we now know to be the social media because the last thing they would do is put their money into something where they would be hit and hammered with all kinds of litigation and lawsuits. Our former colleague Chris Cox and I wrote the laws that ensured that a Web site would not be held secondarily liable. In fact, at that time, all this was so new that our approach, which relied on voluntary filters and the like to deal with smut, and another approach that was more of an old-fashioned censorship approach—both—went to the Supreme Court, and the Supreme Court upheld our approach and struck down the other.

Today, if you talk to many people in the social media, they cite that law as really being the key that unleashed modern investment in the social media because if you ran a Web site or a blog, you knew you wouldn't be held secondarily liable for something you couldn't control. I think it is fair to say that Congressman Cox and I, we were intoxicated about the fact that we had written this law, upheld by the Supreme Court, and we thought about what ought to go next in terms of trying to lay out a framework, as I indicated, to tap the full potential of the Net. Early on in our discussions, we came across a situation with respect to taxing the Internet that was particularly troubling. What we found was that if someone bought a subscription

to a newspaper and they bought the online edition, they got hit with a big tax. But if they bought the offline edition—what we call now the snail-mail edition—they didn't get taxed. Congressman Cox and I said then that this is not going to help promote innovation. That is not going to allow the Internet to grow. It is just plain discrimination. It is discriminating against the Internet. It is singling the Internet out. You have to pay taxes for the online edition of the publication but you don't have to pay a tax if you buy the snail-mail edition. We wrote the Internet Tax Freedom Act to protect the openness and viability of the Net for the platform for commerce speech and the exchange of ideas.

As both Senator THUNE and I have seen over our years of working together on this, this has become important to the millions of American citizens and businesses who depend on the Net. I think it would be fair to say—Senator THUNE and I discussed this—it is likely the Internet would be subject to the same level of punitive taxation that is currently inflicted on wireless services without the legislation we wrote. Without the Internet Tax Freedom Act, access to information in America would no longer be tax-free—access to online communication would no longer be tax-free. Access to the global marketplace so crucial to America's economic future would no longer be tax-free. The cost to consumers could be hundreds of dollar a year per household, which certainly is a burden to many working-class families who right now are walking on an economic tightrope trying to balance the food against the fuel and the fuel against the college costs and all of the challenges we know for working-class families in Wisconsin, Oregon, and across the country.

Senator THUNE and I have been working together on this issue for a number of years. I want to thank him for our partnership over the years. Now we have gotten a bit of seniority. We chaired a subcommittee on the Finance Committee, and we really see these issues as central to economic competitiveness.

This is what we need to grow and prosper with more good-paying, high-skill and high-wage jobs for middle-class people. That is why we have introduced together legislation that would really set our tax policy in this part of the economy into the 21st century. That is the Digital Goods and Services Tax Fairness Act. This legislation ensures the digital goods will continue to be treated fairly, consistently, and predictably across State lines, just as their nondigital competitors. Because the Internet Tax Freedom Act has been temporary, Senator THUNE and I authored new legislation to make the Net tax-free permanently. Our bill is cosponsored by more than half of our Senate colleagues.

Most importantly—and this is why I think we are on the ascent in terms of

support for our cause—the House passed a permanent bill in July putting the ball in the Chamber's court here. This body could take up and pass our permanent legislation—the permanent legislation Senator THUNE and I have authored—on a permanent basis if it chose to do so. But because the Congress has become too reliant—we certainly have seen this in a number of areas on stop-and-go government—it was necessary to once again pass a yearlong extension as part of a larger bill. The extension, in my view, is certainly a positive step. But in my view, it is clearly time. In fact, it is long overdue to enact a permanent law, to guarantee the certainty and predictability to all who are seeking to innovate online, to the people in a garage, whether it is in Wisconsin, Oregon or anywhere else, and to have some sense of what the ground rules are going to be.

That is what I sought to be a part of in the 1990s. That is why I am so grateful for Senator THUNE's leadership, because he has been a partner in this cause now for many years on the Finance Committee. Our view is that a permanent law in this area would be hugely valuable to innovation, to the small businesses, and to the people who have a good idea, because it would provide them a new measure of certainty and predictability when they are looking at what is coming out of Washington, DC.

We have temporary measures, and we have measures that last a few weeks. Senator THUNE and I want to get away from that.

I am very hopeful that next year a permanent version of the Internet Tax Freedom Act will be enacted. Senator THUNE and I are going to continue to work together on a bipartisan basis until that is done.

With that, I yield the floor for my partner from South Dakota and thank him for all his leadership.

The PRESIDING OFFICER. The Senator from South Dakota.

#### TRIBUTE TO JAY ROCKEFELLER

Mr. THUNE. I thank my colleague from Oregon Senator WYDEN for his continued leadership on this issue. I want to echo what he said about Senator ROCKEFELLER.

I had the opportunity to serve as his ranking Republican on the Senate commerce committee and really enjoyed serving with him during his chairmanship and learned a lot. He is someone who has great experience here—36 years in the Senate. I have been here now for 10. So I have a lot to learn from people like Senator ROCKEFELLER.

We did some good things together. We just recently got through the Senate the cyber security bill that the commerce committee passed earlier this year and the satellite television reauthorization this year, which ended up being—it is always somewhat controversial to move that legislation, but we were successful in getting that ultimately enacted this year. We moved

the STB reauthorization bill, Surface Transportation Board, which had rail reforms in it, out of the commerce committee. Unfortunately, they didn't get it considered on the floor of the Senate but had hearings on numerous issues that are under the jurisdiction of the commerce committee. I appreciate so much Chairman ROCKEFELLER's leadership and his service here. Like him, I come from a small State. We share a lot of things in common. We came from small communities and represent people who work hard and just want a fair break and want to make sure that the people they elect to represent them in Washington, DC, are staying focused on the issues that are important to their livelihood. I appreciate his leadership on those issues.

I have to say that he stands tall among our colleagues. I think he probably has the distinction of being the tallest Senator. The Senator from Oregon, Senator WYDEN, and I are not far behind. But if Senator ROCKEFELLER ever stood up all the way, I think he would have us by several inches. The tall-guy caucus here in the Senate will be less represented when Senator ROCKEFELLER departs. I have always enjoyed his sense of humor and the way in which he approaches the job and the passion he feels for public service. We wish him well in his retirement and thank him for a long and distinguished career here in the Senate.

#### INTERNET TAX FREEDOM ACT

I wish to say to my colleague from Oregon—he mentioned earlier that he was the pioneer on this issue, going back to 1998 when he worked with former Congressman Chris Cox. That was the original Internet Tax Freedom Act. I am hopeful that both our permanent bill, which Senator WYDEN mentioned, the ITFA bill, and our Digital Goods and Services Tax Fairness Act can be considered as early as possible in the next Congress.

The Senator from Oregon, Senator WYDEN, is the chairman of the Senate Finance Committee—a very powerful committee here in the Congress—and will continue his leadership in the next session of Congress as the ranking Democrat on that committee. He will be a very influential voice on all of these issues—tax matters, trade matters, health care matters. The Finance Committee has a very broad jurisdiction. It is really important that we get this part right.

If you look at what most Americans have dealt with when it comes to Internet service, they have not been taxed on Internet access for 16 years due to the Internet Tax Freedom Act moratorium that Senator WYDEN and Senator Cox were able to get instituted back in 1998. That moratorium has been extended three times. It has been critical to the rapid growth of the Internet. All of this would change if we allowed the Internet Tax Freedom Act to expire.

We were able to get through the end of this next fiscal year—which will be September 30 of next year—an exten-

sion of the moratorium. But the fact of the matter is, as Senator WYDEN mentioned, we need permanency with regard to this tax policy. We need certainty. We need predictability. We need people in this country to know—American families to know—they are not going to be hit with substantial taxes as a result of the lapse of this particular legislation.

You look at what it could do to the average American family. The average State telecommunications tax rate is roughly 12 percent. Imagine a married couple with two children where everyone in the family has a phone with a \$50 data plan. Currently, the Internet Tax Freedom Act prevents taxes on the data plan in States that didn't have these taxes prior to the law's enactment, which is a large majority of the States. If this law expires, this family of four would be likely to see at least a \$20 increase in their monthly phone bill, meaning a tax increase of more than \$200 a year. For families struggling to make ends meet, as Senator WYDEN pointed out, this is real money.

This tax increase would not just be bad for American families and American consumers, it would also be bad for American economic competitiveness because we know that higher costs for the deployment of high-speed Internet will mean a slower rollout of this technology.

This is especially the case in rural America, where the cost of exploring high-speed Internet is often higher than urban or suburban areas. By keeping the cost of Internet access as low as possible, we help to encourage the continued use of the Internet as a source of economic growth, creativity, and entrepreneurship.

As the incoming chairman of the Senate commerce committee, I am committed to increasing Internet connectivity in this country. Whether it is through the Universal Service Fund, by getting additional spectrum into the hands of the private sector, or by providing regulatory certainty to encourage broadband buildout, our committee is going to be looking at all available options to make sure more Americans have access to high-quality Internet.

Unfortunately, if the Federal Government allows new taxes to be levied on Internet access, we risk canceling out our other efforts to get more Americans online. This does not make any sense. We all need to be rolling in the same direction if our country is going to be connected and engaged in this expanding Internet ecosystem.

Earlier this year the House of Representatives, as Senator WYDEN pointed out, by voice vote passed a bill to make the Internet Tax Freedom Act permanent, which is a very positive step forward. I am hopeful that next year we will move on a much longer term extension of ITFA as well as other measures that promote the digital economy, such as the Digital Goods and Services Tax Fairness Act that I mentioned earlier.

As incoming chairman of the commerce committee and as a member of the tax-writing Finance Committee, I am looking forward to a new agenda next Congress, one that is optimistic and forward-leaning, an agenda that recognizes that the dynamism in our economy today should not be a source of concern but, rather, a source of opportunity for jobs, growth, and economic freedom. This agenda begins with support for the Internet Tax Freedom Act. That is why I am pleased the bill we passed Saturday evening extends the Internet Tax Freedom Act through September 2015 so that we can have a debate next year about how we promote the Internet economy with all of its benefits on a much more permanent basis.

I look forward to working with my colleague from Oregon, Senator WYDEN, and Senators on both sides who I think care deeply about this critical issue moving forward early in the next Congress. As the Senator from Oregon mentioned, I think half of the Members of the Senate are cosponsors of this bill. That suggests to me that obviously there is broad, bipartisan support for what we are talking about here.

I also look forward to working with Senator WYDEN on other issues that are important to the digital economy. Digital trade is something he and I have partnered on in the past as well. As we look at the trade agreements that are currently being negotiated—the TPP as well as the TTIP trade agreements with Europe—all need to include important protections for the digital economy.

This is one of the areas in our economy where we actually have a trade surplus. Because of American ingenuity, know-how, creativity, and innovation, we continue to lead the world in this area. We need to make sure that we not only are putting in place the important safeguards here in this country against taxing these services but also ensuring that we have access to other markets around the world where we know American know-how and American ingenuity and creativity can lead the way.

I very much look forward in the next Congress to continuing to work with my colleague from Oregon on these important matters so that we can continue to see middle-income families in this country benefit from the gains in productivity that come, hopefully a higher standard of living, higher take-home pay, better wages, and better job opportunities that come with a robust, vibrant digital economy that enables our broader economy to continue to make great gains.

I thank the Senator from Oregon, Mr. WYDEN, for his leadership on this issue both past and present. I look forward to working with him as we try in the future to make sure that those gains are protected and that we move even further in the direction of economic freedom when it comes to the Internet.