

object, but I would simply clarify that this has been a work in progress for several days. I appreciate very much the cooperation of the majority leader in accommodating Democratic Senators and Republican Senators who wish to offer amendments.

There were two issues here. One was the opportunity to offer amendments. This unanimous consent request does that. People can vote up or down on the amendments and can certainly vote up or down on the bill. There will be plenty of discussion about the reasons for a vote on either side of these amendments as the debate unfolds.

The second issue was one relating to the IRS bill. It was our view that the bill reforming the IRS needed to be brought to the attention of the Senate and needed to be scheduled. The majority leader has acknowledged the need to do that as well, and he has given me a commitment that we will take up the IRS bill prior to the end of March. So given his commitment to address the IRS and to allow amendments to be offered, that will, in my view, certainly provide us with an opportunity to move forward. So I appreciate very much his effort to respond to those concerns.

We have no objection.

The PRESIDING OFFICER. Regarding the majority leader's unanimous consent request, without objection, it is so ordered.

Mr. LOTT. Mr. President, I thank Senator DASCHLE for his comments. I think this is a fair agreement. Senators understandably want to be able to offer relevant amendments, and these amendments do pertain to this general area of discussion. I think that is reasonable. I think that is fair. I was concerned earlier on at the suggestions that were being made that we would wind up with just a litany of amendments making it impossible for us to bring this to a reasonable conclusion, and delaying other issues that we have already made a commitment to do. So I am pleased that we have this agreement.

IRS RESTRUCTURING LEGISLATION

Mr. LOTT. Mr. President, I further announce to all Senators that it will be my intention to call up and consider the IRS restructuring legislation no later than March 30, 1998. I have done that after consultation with Members on both sides of the aisle and, particularly, the chairman of the Finance Committee. He has assured me that he is very dedicated to getting this done. We found out last year in our hearings in the Finance Committee that, in fact, the abuses we had heard about were occurring.

The House passed a bill that made some very positive changes and sent that over to the Senate right at the end of the session. We believe that we are finding out still other problems that exist, and that that bill can be

strengthened. We have given our word, frankly, on both sides of the aisle, that we are going to deal with this issue and we are going to deal with it in a timely way. I think the Finance Committee may have another hearing or two, although I am not limiting it to that. I didn't ask the chairman how many more he wanted to have. We heard from the Secretary of Treasury last week and the new IRS Commissioner, Mr. Rossotti about their reorganization plans. We are still learning things that are happening in order to maybe try to change the culture at IRS, but at the same time we are continuously finding additional problems that have not been addressed in the bill that came across from the House. I believe we can have whatever additional hearings that we need to have and have a markup and have this legislation on the floor of the Senate by the end of March.

The only reason why I didn't want to narrow it down more than that, frankly, is we have a number of issues we have to deal with in March, as Senator DASCHLE knows, such as NATO enlargement, the budget, supplemental appropriations, which I presume will involve at least a part, or all of IMF, as well as this issue. Now, I believe this issue may not take that much time. But we have to make sure that we have looked at the entire schedule for March and we have allowed appropriate time to consider this very important issue of restructuring of the IRS. I think this is a good agreement and we should move forward with it.

Mr. DASCHLE. Mr. President, I only want to acknowledge, again, the extraordinary leadership in our caucus that this Senate has benefited from, thanks to Senator KERREY, on the issue of IRS reform. He and Congressman PORTMAN were the two chairs of the IRS commission that delved into all of these issues. They formulated the policy, convinced the administration, and worked to resolve many outstanding differences. So I appreciate very much their tenacious leadership in this area and, again, thank them for their efforts in bringing us to this point. We will, at long last, resolve this matter.

I am told that 1½ million taxpayers have been adversely affected by IRS activity since the House passed its reform legislation last year. We need to put an end to that, and we need to find ways in which to ensure that the American people and the IRS have a clear message: The old days are gone. The time for reform of the IRS is here.

The Senate, on a bipartisan basis, thanks to the leadership of Senator KERREY is committed to that. We will send the bill to the President well before the April 15 filing time for taxes for the last calendar year.

I thank the majority leader, and I yield the floor.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

IRS REFORM

Mr. KERREY. Mr. President, first, let me thank both the majority leader and the Democratic leader for resolving this. I thank, as well, Chairman ROTH of the Finance Committee, Senator GRASSLEY, and others who have worked on this. Getting it done by the end of March means that, prior to the 15th of April, taxpayers will have substantially more power. I know that Senator ROTH is looking at some additional things that he might add to the bill.

Let me identify a few that are in this bill that, if we can get it passed before April 15, taxpayers will have. Under current law, the IRS can come out and try to collect money from a taxpayer that they think owes money and, if they make a mistake, tough luck, there is no sanction against them. Under this changed law, if the IRS goes out and does this and it is discovered that they are negligent, they can be responsible for \$100,000 in punitive damages to be paid to the taxpayer. And if it is discovered that they were wrong, they have to pay the legal fees and other expenditures that the taxpayer would have been out. It puts the burden on the IRS to make certain that they don't send out a collection notice unless they are certain there is a collection there. Today, they have no negative sanctions at all. This will shift a substantial amount of power to the taxpayers, which I think is needed.

Chairman ROTH has used what is called section 6103 to look at some of the privacy problems, and he has some additional ideas he may want to add in this area. Just with what the House has passed and what we have in our bill right now, there is a substantial amount of new power that the taxpayer will have. We will make the taxpayer advocate more independent. Senator JOHN BREAU and others—and I believe Chairman ROTH supports it—will make the taxpayer advocate even more independent by removing them from the IRS. They do a relatively good job, but there is a conflict of interest and they have a difficult time being able to be a powerful advocate for the taxpayers.

There are lots of other things that this piece of legislation does, and to be able to get it done by the 15th of April, I think taxpayers are going to like it a lot. Here are some more examples. We all know the code is complicated, and we all know that one of the cheapest ways to get an audience to their feet and to appreciate this is to propose some tax break, a deal that we favor. And everybody around here has one that they like. If we have a reconciliation bill or a tax bill we are going to move through this bill, this law would say that the IRS Commissioner has to be at the table when that is being discussed, and then to say this is what it is going to add to the taxpayer burden.

It has been estimated now that it costs somewhere between \$100 billion and \$200 billion a year to comply with

the code. This would put the Commissioner at the table and give the commissioner a sufficient amount of independence to say this is what it will cost, or that it requires an index and some measure of cost to the taxpayer.

We heard Mr. Rossotti talk about his need for power. It's surprising how little management authority the Commissioner has, though you will not likely see that having an impact immediately. Long-term, there is no question that is going to have an impact. My guess is that most Members have heard complaints coming from citizens that they know have to go to a regional office to get an answer to a question or get a problem solved. That is because what IRS has done is increasingly centralized the decision-making process. And what Mr. Rossotti, correctly, is trying to do is decentralize that process, so you have human beings in offices at the local level helping to make decisions. The way he is proposing to do that is to end the stovepipe structure that exists and create functional structures. He needs the law to be changed in order to have the management authority to get that done.

So I think the majority leader very much and the Democratic leader, Senator DASCHLE, for their determination to get this done. I thank Senator GRASSLEY and Senator ROTH. And before I leave the floor, I also want to thank Secretary Rubin. There was an awful lot of attention paid to a conflict that Congressman PORTMAN, who was cochair of this effort, and I had having to do with an independent board for the IRS. We worked out those disagreements. Lost, unfortunately, in the process of debating that is another change we put in place, which was to require some consolidated oversight on Congress' side and the purpose of both is so that we can get to a point where you have a shared agreement, you have consensus between the executive and legislative branch about what you want the IRS to do. It is impossible to make technology decisions.

The administration is asking for another \$400 million for tax system modernization. Without this piece of legislation in place and Mr. Rossotti with the power and consolidated congressional oversight, I would vote no on that.

This process began with Senator SHELBY and I on the floor adding money for the creation of this commission. Congressman Lightfoot and Congressman HOYER, the ranking member of the Subcommittee on the Treasury, were involved in the House. It began because Senator SHELBY and I saw that the General Accounting Office had said that nearly \$3 billion of money had been wasted trying to modernize the information systems at the Internal Revenue Service. Unless you can get an environment where the legislative and executive branch say we agree on the plan, we support the plan, we support what we are trying to do—everybody

from the private sector and the public sector said, take another \$100 million, or \$400 million, or whatever you can, to put into technology and it is going to be more money down the rat hole.

To get this done by the 15th of April gives us an opportunity to increase confidence that when we give the IRS the technology money they need to modernize their system, it is likely to be that they will do the right thing. I also predict, Mr. President, that there is a title in here that hasn't been given a lot of attention because it is not very controversial. I think that 10 years from now it may be seen as one of the most significant parts of this legislation, and that is powerful incentives to move to the electronic world, electronic filing, and the removal of the some of the disincentives in place right now to electronic filing. I don't want to talk about the information super-highway, but the air rates for electronic filing is less than 1 percent; for the paper world it is 22 percent. The cost to the taxpayer to run the IRS, as well as the cost of the taxpayer to comply is substantially higher in a paper world than an electronic one.

Since the IRS deals with 100 million households on an annual basis, I also would forecast that if we can get the IRS into the electronic world so taxpayers will know with certainty what their bill is—for most families, it is one of the largest bills they have to pay. In Nebraska, for just the Federal obligation in taxes, the average individual contribution to Washington on an annual basis is \$4,600 a year. So for most families, their tax obligation is one of the largest obligations or bills that they have to pay, and uncertainty about that can make it difficult for them to do financial planning.

I forecast that the electronic filing section of this bill is going to be something that is going to benefit taxpayers in lots of ways, and I also believe that it is going to be the sort of thing we will have to do in lots of other areas of Government if we are going to get the unit cost of Government down and the efficiency of the operation of the people's Government up.

So I appreciate very much knowing now with certainty that this bill will be brought to the floor prior to the 30th of March and, more importantly, prior to the 15th of April, because I think the American taxpayers have waited for this all too long.

RONALD REAGAN WASHINGTON NATIONAL AIRPORT

The PRESIDING OFFICER. The clerk will report S. 1575.

The legislative clerk read as follows:

A bill (S. 1575) to rename the Washington National Airport located in the District of Columbia and Virginia as the "Ronald Reagan Washington National Airport."

The Senate proceeded to consider the bill.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, first let me say to both the majority leader and the minority leader that the author and the cosponsors of S. 1575 are pleased that we were able to come to terms on the process by which we manage the legislation that would name Washington National Airport the Ronald Reagan Washington National Airport in memory of a great President of the United States. We hopefully are still on a timeframe by which this could be done in time for his birthday, which is this Friday. He will celebrate his 87th birthday.

The agreement is consistent with the argument that we have made all along that this is a memorial. The amendment process should be related to the context of the memorial, and extraneous issues should not have been a part of the amendment process. There is an integrity in this unanimous consent. All of these amendments are relevant, and all of them relate to the concept of whether this ought to be done or not.

We just heard from the Senator from Nebraska about his agreement or concurrence with the agreement that we would bring up IRS reform by April 15th. I, too, echo his agreement that that be done. But I did not believe it ought to be a part of this memorial. It diminished the nature of this for it to become a legislative vehicle for extraneous matters. No matter how important they are, they should not have been dealt with in the context of the memorial to former President Reagan.

I see the Senator from Nevada is present. I ask, if I might, is he here on behalf of the amendment under the agreement that we have just agreed to?

Mr. REID. What amendment is that?

Mr. COVERDELL. It has here "an amendment to be offered by Senator REID regarding the FBI building."

Mr. REID. I say to my friend from Georgia that is the reason I am here.

Mr. COVERDELL. I yield the floor in deference to the Senator from Nevada.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I will shortly send an amendment to the desk to delete the name J. Edgar Hoover from the FBI building.

Let me preface my remarks by saying how much I respect and admire President Reagan. When I served in the House of Representatives, I, on a number of occasions, sided with the President on a number of issues that I felt were important to the country and to the State of Nevada. President Reagan was a good friend of the State of Nevada. His No. 1 adviser and counselor was the Senator from Nevada, Paul Laxalt, for whom I also have great respect. I wouldn't do anything to withhold this measure from passing in time for his 87th birthday. This is not something I am going to talk a long time about. It is just something that I have