The new farm program pulls the rug out from under our family farmers. They are told to go to the marketplace to get their price. When they go there, the big millers are there and the big grocery manufacturers are there, and the big grain traders are there. They all want lower prices, so they drive prices down so when family farmers go to the marketplace, they find pathetically low prices, well below their costs of production for grain.

The fact is they lose money year after year because farm prices are consistently below the full economic costs of production. Then they suffer through crop disease on top of it all, and find out the crop insurance program doesn't work. When they turn to the safety net, they find that, no, that has been pulled away. When they ask what is the loan rate on a bushel of wheat, they find it is the lowest it has been in decades.

So the question is: Is somebody here going to start to care about whether we have family farmers or not? Or is the priority here that you can waltz through these doors and offer a couple hundred million dollars for star wars, and get plenty of money for things like that; but when it comes to family farmers we don't have enough money for a decent support price to help them stay on the farm?

Mr. President, I and others will be talking about this in the coming days. I hope, as we search for some solutions, this Congress will decide family farmers are worth finding solutions for, and that we will develop a better farm program, one that really works to provide protection for family farmers.

I yield the floor.

WE THE PEOPLE . . . THE CITIZEN AND THE CONSTITUTION

Ms. COLLINS. Mr. President, on May 2–4, 1998, more than 1,200 students from across the nation were in Washington, D.C. to compete in the national finals of the We the People . . . The Citizen and the Constitution program. I am proud to announce that a class from Old Orchard Beach High School represented the State of Maine. These outstanding young scholars worked diligently to reach the national finals by winning local competitions in Maine.

The distinguished members of the class representing Maine are: Lauren Asperschlager, Lucy Coulthard, Chad Daley, Rose Gordon, Krista Knowles, Nathan LaChance, Sarah Lunn, Sandra Marshall, Katie McPherson, Cindy St. Onge, Sam Tarbox, and Sharon Wilson. I also want to recognize their teacher, Michael Angelosante, who deserves much of the credit for the success of the class. The district coordinator, John Drisko, and the state coordinator, Pam Beal, also contributed a significant amount of time and effort to help the class reach the national finals.

The We the People . . . The Citizen and the Constitution program is the most extensive educational program in the country developed specifically to educate young people about the Constitution and the Bill of Rights. The three-day national competition simulates a congressional hearing whereby the students are given the opportunity to demonstrate their knowledge while they evaluate, take, and defend positions on relevant historical and contemporary constitutional issues. The simulated congressional hearing consists of oral presentations by the students before panels of adult judges.

Administered by the Center for Civic Education, The We the People . . . program has provided curricular materials at upper elementary, middle, and high school levels for more than 75,000 teachers and 24 million students nationwide. Members of Congress and their staffs enhance the program by discussing current constitutional issues with students and teachers.

The We the People . . . program is designed to help students achieve a reasoned commitment to the fundamental values and principles that bind Americans together as a people. The program also fosters civic involvement as well as character traits conducive to effective and responsible participation in politics and government.

I commend these student constitutional experts from Maine and throughout the nation who have participated in the We the People . . . national finals for their achievement in reaching this level of the competition.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 2676, which the clerk will report.

The bill clerk read as follows:

A bill (H.R. 2676) to amend the Internal Revenue Code of 1986 to restructure and reform the Internal Revenue Service, and for other purposes.

The PRESIDING OFFICER. The time until 12:30 p.m. shall be for debate only, unless the managers' amendment is offered.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I urge my colleagues to come down to debate this important piece of legislation. A number of individuals have indicated they want the opportunity to discuss this legislation, the restructuring of IRS. We do have an hour and a half available for any Senators who want to come down and give their comments with respect to this legislation. This is their opportunity, and I urge that they do so immediately.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. BROWNBACK). Without objection, it is so ordered.

Mr. KERREY. Mr. President, the Internal Revenue Service Reform and Restructuring Act of 1998 will touch the lives of hundreds of millions of Americans.

More Americans pay taxes than vote. The perception of how our government treats us—its citizens—is rooted more in our contact with the IRS than with any other U.S. agency or entity.

How we are treated by the IRS—and our tax laws—effects our perception of whether or not we believe we have a fair shot at the American Dream and whether or not we are a government of, by and for the people.

During our deliberations this week, we must be mindful of Congress's complicity in allowing the IRS to become what it has become. The IRS is not Sears & Roebuck—we are its Board of Directors. We write the tax laws, we are responsible for the oversight and it was on our watch that the IRS became the mess we now try to clean up.

Mr. President, I remind my colleagues that Congress has changed the tax code 63 times since 1986, and these changes have created a tax code that costs the American taxpayers $75 billion a year to comply. We do so without considering the cost for the IRS to administer it, and without considering the cost for taxpayers to comply. If you doubt that we have made things difficult I challenge you to take a look at this year's Schedule D on capital gains and losses. A few years back Dave Barry noted that we were making progress in our mission to ''develop a tax form so scary that merely reading it will cause the ordinary taxpayer's brain to explode.'' He cited Schedule J, Form 118 ''Separate Limitation Loss Allocations and Other Adjustments Necessary to Determine Numerators of Limitation Fractions, Year-End Recharacterization Balances and Overall Foreign Loss Account Balances.'' If that is not complicated enough, I'd suggest he go back and take a look at this year's Schedule D.

The American public knows that Congress plays a leading role in all of this. In a recent poll, 72 percent of Americans blamed Congress for the ills of the IRS, and not the IRS itself.

According to a special Harris Poll conducted on April 15th, ''[t]ax evasion is believed by most people to be more widespread than harassment by the IRS.'' The poll also found that by a margin of 50 to 33 percent, Americans believe more people ''get away with not paying all the taxes they should'' than pay ''all their taxes and are unfairly harassed by the IRS.'' Willful noncompliance with our tax laws cost

those of us who do comply an estimated $100 billion annually. IRS Commissioner Rossotti testified last week that taxpayer noncompliance costs the individual American taxpayer $1,600 annually.

Today 85 percent of Americans comply with our tax laws willfully, without incident. If we do not adequately address the issue of noncompliance, we will be sending the wrong message.

It is our responsibility to not only change the culture at the IRS so that those who do comply are treated fairly and with respect, but we must also change the law to allow Commissioner Rossotti the authority to make the changes he needs to and to provide the IRS with the proper resources to catch those who choose to break the law.

I urge my colleagues to consider the overall importance of the bill before us this week. What we do will have a profound impact on the IRS, how Congress writes tax law and how Americans perceive this body and our government.

Let us move forward, swiftly and in a cooperative manner, and give the IRS the overhaul it needs, provide the congressional oversight that is required, the IRS Commissioner the statutory authority he lacks, and the taxpayers the relief they deserve.

Mr. President, I know from the hearings in the Finance Committee held by the distinguished chairman, Senator ROTH, last September, and over the last several weeks—very, very needed and very, very worthwhile oversight hearings—that among other things which were focused on in those hearings were the actions taken by the Criminal Investigation Division. I know that there were an awful lot of citizens—in fact, every single member of the Finance Committee—who were outraged listening to some of the stories told about how the strong arm of the law was used to go after not necessarily innocent but certainly taxpayers that were not a threat to the life and limb of their neighbors. There was a substantial amount of force used in all of the cases. I don't pass judgment as to whether or not the IRS was right in the claim itself. But there is no question that there are times when the IRS uses more force than is necessary to carry out its function under the Criminal Investigative Division.

We hope that the changes in our law and instructions to Commissioner Rossotti will enable us to reduce and eliminate that kind of excessive use of force. Mr. Rossotti himself has indicated that he is going to ask former FBI Director William Webster to evaluate the Criminal Investigation Division and come up with a set of protocols that will enable them to eliminate the times when they use unnecessary force to enforce the law.

Let me caution Members who are outraged to be careful when they come and propose amendments to that particular section of this law. The caution needs to be based upon our desire, I hope, to keep the streets safe for Americans. It is my judgment that mission No. 1 for a government is to protect its citizens. We don't have public safety if we do not have citizens feeling safe when they are walking the streets, or when they are engaging in commercial transactions. If that doesn't occur, we have anarchy, and citizens not only are going to be quite concerned but they are apt to throw all of us out of office.

All of us know that a combination of events has reduced crime across the Nation. Americans like that. They want to feel safe. They don't want to feel they are at risk, having people preying on them for a variety of reasons.

The IRS is an important part of our effort to get that done. All Members who are concerned about the Criminal Investigation Division and who may have some changes they want to make in that division, I am likely to support those if it will reduce the incidents of force being used against citizens who pose no threat but will oppose those that I fear will make it easier for drug dealers, money launderers, and other sorts of criminals who are preying on the American people. If Members come to the floor and want to weaken the capacity of the Criminal Investigation Division to keep Americans safe, I will introduce into the RECORD, as I did in the hearings, 14 examples, and more if necessary, to show this body what the Criminal Investigation Division is doing to keep Americans safe. If there is somebody out in America who is a drug dealer or a money launderer, they don't have on their forehead ''drug dealer'' or ''money launderer.'' They are apt to look normal. One of the things we very often fail to do is get both sides of the story when we hear stories of abuse.

I could bring every single person who is in Nebraska's prison system in front of any committee here in Washington, DC, and every single one of them will tell you the government abused their rights. There is nobody who is guilty in our prisons. They are all innocent. They are all abused by the government in some way, shape or form.

So let's be careful as we evaluate the Criminal Investigation Division. We have Mr. Webster who has been assigned by Mr. Rossotti to examine their procedure and protocol, but let's be careful that we don't change the law to make it easier for people to prey on Americans to get their job done.

All of us understand there is an amendment to the Constitution, the fourth amendment, that provides us protections against unreasonable searches and seizures. I am encouraged that many who have been silent on this protection that is guaranteed to all citizens are now starting to understand that it can be a substantial problem to infringe upon that fourth amendment right. But if a law enforcement entity has probable cause and gets an arrest warrant as a consequence of having probable cause that somebody is violating the law—a drug dealer, money launderer, and so forth—again, walk down the street. These people don't stand out for you and say, well, there's somebody who is a threat to our society. If they have probable cause, if they believe it is necessary to get a search warrant, they don't call that person up and say, hey, Jim, next Wednesday I am going to be over to get the evidence, because they know that unless they have the element of surprise, the evidence is going to be destroyed.

I believe the legislation before the body today, the variety of things that are being done, will substantially improve the operation of the IRS and will give the American people better service, will shift more power to the taxpayer. In title I, there is a section I may end up reading on this floor. I am a cosponsor of the bill. It was originally introduced by JOHN BREAUX.

The Taxpayer Advocate will be much more independent, have much more power, and I guarantee you that the taxpayers will know the independence that the Taxpayer Advocate has; that he will be required annually to come to us and say, here are provisions of the Tax Code that are causing the IRS special problems. These are problems and difficulties that we are facing as a result of the laws that you all pass and make recommendations for changing those laws. So that, again, the goal ought to be to write the law so that the IRS presumes all Americans are law-abiding citizens willing to voluntarily comply. They just want to know the size of their tax bill so they can pay it but reserve the authority and power of the IRS to go after individuals who either intentionally do not want to comply or, worse, are criminals who are preying on innocent Americans in a variety of different ways.

I hope during the deliberations we will have a constructive debate. I know we are waiting for the caucuses to find out what Members are going to do with both nongermane amendments as well as germane amendments that could kill the bill. I say, again, the importance of this cannot be overstated. The citizens' confidence in Government of, by, and for the people is at stake. We now have a declining number of Americans who believe the IRS is getting the job done. It is one of the least popular agencies at the Federal level. We have a significant role in creating that unpopularity because we wrote the law to begin with. The law that governs the IRS has not been rewritten since 1952. It is long since passed the time it was necessary to rewrite those laws.

I thank Senators ROTH, MOYNIHAN, GRASSLEY, Congressman PORTMAN, Congressman CARDIN, and many others who have been involved in this from the very beginning. It started way back in 1995 when Senator SHELBY, the distinguished manager, and I were managing an appropriations bill. We had attempted to fence an appropriation dealing with tax systems modernization in 1994. It failed. We got it fenced

in 1995. We didn't believe it was enough. We saw the taxpayer money being wasted. We created in the appropriations bill the National Commission for Restructuring the IRS. That Commission deliberated with Congressman PORTMAN and 16 other people for well over a year. Senator ROTH, last year, picked the ball up and had wonderful oversight hearings, and did so again this year.

It is time to get the bill passed. The House bill passed 426 to 4 last September. The bill that is before us today is a substantial improvement over that bill in what the House has done. I say on behalf of 200 million Americans who pay their taxes every single year, let's get this thing done as quickly as possible so they can have these new powers that they will have under the law and so the IRS Commissioner has the power and authority he needs to manage this agency.

Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. HUTCHINSON). Without objection, it is so ordered.

Mr. BREAUX. Are we on the bill or are we in morning business, Mr. President?

The PRESIDING OFFICER. We are on H.R. 2676, the IRS reform bill.

Mr. BREAUX. I thank the Chair.

I rise in support of the legislation and say to all of my colleagues, and to the American public as well, it is very good news that we are now at the point of not talking about it as much as we are actually trying to do something to fix the problem. The problem I speak of is the information that Congress and the Senate have received over the past several weeks regarding what I will argue are fundamental abuses within the Internal Revenue Service and how they treat many American citizens.

The hearings the Finance Committee held really brought out some very disturbing facts and information about the interaction of the Internal Revenue Service with average Americans. We have a tax system in this country with which most people completely and totally comply. We have one of the highest rates of compliance of any free nation anywhere in the world. It is something of which we can be very proud.

Also, it is interesting to note—and maybe people don't realize—that less than 2 percent of American taxpayers are audited each year, substantially less than 2 percent as a matter of fact, which means most Americans file their tax returns, pay what they owe during the year, and at the end of the year that is it in terms of their dealings with the Internal Revenue Service. But still, in all, it seems there is a very disturbing feeling by most Americans that the Internal Revenue Service, an agency of our own Government, is not only on their side but actually is against their basic interests in how they deal with their own Government. I know that for a fact. I even feel somewhat intimidated by calling the agency myself on behalf of a constituent. The response seems to come back: How dare you call us. We are the IRS and you have no business making an inquiry.

The other story that goes around is people have pointed out one of the greatest lies ever told is: I'm from the Government and I'm here to help you.

It is like someone who gets a letter from the Internal Revenue Service; generally it evokes a tremendous amount of fear from the average citizens in this country when they get such a letter. It is always the butt of so many evening television shows, jokes about people actually having a fear of their own Government and an actual fear of the agents of our own Government, who are Federal employees, who actually work for the citizens of this country.

I think the hearings show this is a feeling among far too many people in this country. What we are doing is bringing legislation to the floor to try to correct some of those abuses and make it work more on behalf of American citizens instead of against American citizens.

A couple of weeks ago, I was back in Louisiana and someone from my State said, ''What do you have coming up this week?'' I said, ''We are going to have more hearings on the Internal Revenue Service.'' And my constituent said in response, ''My God, you have had enough hearings. When are you going to do something about fixing the problem? We know there is a problem; when are you going to fix it? Are you going to spend the whole year talking about it? We got the message; there is a problem. The question is, What is Congress going to do to attempt to fix the problem?''

I am pleased to report that is why we are on the floor of the U.S. Senate today with legislation that has been reported out in a bipartisan fashion. Under the leadership of the distinguished chairman, Senator ROTH, and the ranking Democrat, Senator MOYNIHAN, we have brought this piece of legislation to the floor. I want to particularly commend Senator KERREY from Nebraska, who has been on the floor this morning and yesterday outlining this legislation. He chaired a commission which really did a great deal of work prior to the Congress bringing up this legislative proposal. His work as commission chairman really was the genesis for bringing about this real effort to reform the Internal Revenue Service.

Some would say, ''Just throw it out, scratch it, do away with it.'' That is all fine and good. I can give a great speech anywhere in the country talking about abolishing the IRS. But also, it is important to find out, what are you replacing it with? What type of agency do you have to collect the revenues to run the Government?

I think people legitimately are concerned. They want the services of Government. They want the highway trust fund to work. They want the highway program to work. They want Medicare and they want the Medicaid programs to work. They want education to work. They want the services of Government, but in order to have that, you have to have some mechanism to collect taxes in a fair manner. We should do everything we can to make the system more fair and make it more simple than it is, but eventually we are going to have to have some agency that is going to participate in helping collect those taxes under a fair system.

I think what we do today is to try to improve that system. We say we are going to make it work better, we are going to attempt to eliminate the abuses in the system and abuses by people who work for the Internal Revenue Service.

I would like to concentrate just on one feature of the bill that is now before the Senate, and that is something that I have worked on hard—in fact, introduced a separate bill on, to create a National Taxpayer Advocate to help taxpayers when they have problems with the Internal Revenue Service.

Back in 1996, in the Taxpayers' Bill of Rights, we established this Taxpayer Advocate. The concept was not very complicated. It was, when people have a problem with the Internal Revenue Service, they generally are at the mercy of the system. The Government has literally thousands of attorneys and tax attorneys and prosecutors to go after individuals, but the individual citizens don't have anyone to represent their interests in dealing with the Internal Revenue Service. The National Taxpayer Advocate concept was to have someone who was on the side of the taxpayers, to help the taxpayers put together what they need to show what they have done was entirely honest and appropriate.

The National Taxpayer Advocate did establish this position of a Taxpayer Advocate Office, and the function was to assist the taxpayers in resolving their problems and to identify areas in which taxpayers have problems in dealings with IRS, and also propose any administrative changes that would help make the system more fair, and identify any legislative recommendations that we in Congress could institute to make it more fair and easier for the average taxpayer.

The problem with the old law in 1996 was that the Taxpayer Advocate designated authority, under these assistance programs, to the local and regional resolution officers who worked for the Internal Revenue Service. This really undermined the independence of the Taxpayer Advocate. It is very important, if you are going to have people who help the taxpayer, that they should not be totally dictated to by the

Internal Revenue Service itself. It was something that, while it had the right intention, did not work as it should.

This legislation contains several very important changes. I am very pleased to report to our other colleagues that this legislation corrects some of the problems with the original Taxpayer Advocate Office. We are going to make it more independent, which it has to be in order to work. We are going to make it more accountable to the taxpayers of this country, who are the people they are there to serve, and make it easier for them to resolve disputes between the taxpayer and the Internal Revenue Service.

The bill, in doing that, replaces the present law's problem resolution system with a system of local taxpayer advocates who report directly to the National Taxpayer Advocate Office and who will be employees of the Taxpayer Advocate Office, independent from the Internal Revenue Service's examination, collection, and appeals function. In other words, they will be working directly for the Taxpayer Advocate Office and will be independent of the IRS examination and collection offices and appeals office.

The National Taxpayer Advocate has a responsibility to evaluate and take personnel actions with respect to any local taxpayer advocate or any employee in the Office of the National Taxpayer Advocate. And to further ensure their independence, the National Taxpayer Advocate may not have been an officer or employee of the Internal Revenue Service during the 2-year period ending with their appointment and will not be able to accept employment with the IRS for at least 5 years after ceasing to be the National Taxpayer Advocate. That means the people who are going to be running this office cannot just have come out of the Internal Revenue Service, where their loyalties would be legitimately questioned. And they have to agree they will not go to work for the Internal Revenue Service for at least 5 years after they leave this position.

So what we are creating, I think, is a truly independent National Taxpayer Advocate Office, to be on the side of the taxpayer for a change instead of being on the side of the Government, saying they are going to represent the interests of the taxpayer. There is a conflict there. If you are going to have adequate representation for the individual taxpayer, the person cannot be an IRS employee; they have a different obligation of what they are trying to do.

So this Taxpayer Advocate Office will not be able to be a previous IRS employee and not be able to go to work right after giving up the job as a National Taxpayer Advocate. I think that feature is very, very important, because if you were still an employee of the IRS directly under their responsibility, it simply would not work. If you just came out of the IRS, it would not work. And if you knew you were going to go to work for the IRS as soon as you finished the job as a National Taxpayer Advocate, then you would be looking over your shoulder to make sure you didn't make them mad or unhappy in what you did in representing America's taxpayers.

That conflict has been eliminated by what we have in the legislation which is now before the Senate. The whole concept is to have a truly independent National Taxpayer Advocate whose one focus will be making sure that taxpayers have good representation, are fairly treated, and have someone, for a change, who is really on their side when they have a conflict with the Internal Revenue Service.

It is interesting to note that we go further in this legislation and say that at the initial meeting with any taxpayers seeking assistance with the Office of Taxpayer Advocate, that the local taxpayer advocate is required to notify that taxpayer that they operate independently of the IRS office and that they report directly to Congress through the National Taxpayer Advocate. At the discretion of the local taxpayer advocate, he shall not disclose to any IRS employee any contact with or any information that they provide to the taxpayer.

We are really trying to build some walls between the IRS and the Taxpayer Advocate and their work with the taxpayers, the American citizens of this country, to make sure that they, the taxpayers, know the person they are dealing with is independent, has their interests at heart, and doesn't have to go report to the Internal Revenue Service district director about what he or she has discussed or talked about with the taxpayer who is seeking assistance.

In addition, each local office of the Taxpayer Advocate is to maintain separate phones, separate faxes, and other electronic communications access, and a separate post office address. We are really trying to make it as separate and independent as we possibly can, so that when the average person gets that letter talking about an audit or a question that they have, they know there will be someplace they can go without having to incur the expense of hiring outside CPAs or outside attorneys and pay them sometimes very high fees just to have someone help them with their problem. There will be someplace they can go, which will be independent of the IRS, which will have as their first, second, third, and last mission to help that taxpayer. They can be comfortable there will not be communication or sharing of information of their discussions with the Taxpayer Advocate with the Internal Revenue Service.

I think this is a very important part of the bill that is before the Senate today. Other features in the bill are equally as important, certainly, and I think in the end will go a very long way to assuring the American taxpayers that they have a system that is not out to get them, that is not out to intimidate them, that is not out to embarrass them; that if they are honest taxpayers, they will be treated honestly and will be treated fairly and, if they have a problem, there will be someplace they can go to get honest information and help and assistance that is not directed by the Internal Revenue Service but is being directed by the Office of the Taxpayer Advocate. That is now part of this bill, and I think it is a very important part of it as well.

With that, Mr. President, I yield the floor, as I see other Members who are waiting to speak.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I compliment the Senator from Louisiana. I have done it a couple of times previously. I was pleased to be able to cosponsor his legislation having to do with strengthening the Taxpayer Advocate in this bill. If we can keep the nongermane amendments off and stick to the business of changing the law to give the taxpayers this new authority and power with this one provision, the Taxpayer Advocate, it will be noticed immediately.

This Taxpayer Advocate will be truly independent, with separate phone numbers, separate faxes, a separate operation, with the capacity to organize taxpayer advocates in each of the 50 States, to operate independently, not only settling problems that taxpayers have but bringing to Congress' attention repetitive problems that they identify that they think need to be solved by us either changing the law or changing some other procedures.

We have had the Taxpayer Advocate created before under the Taxpayer Bill of Rights II, when it was created. The change from Taxpayer Advocate to National Taxpayer Advocate is not by accident. I hope colleagues have a chance to look at this particular section of the bill as they consider how we are going to proceed this week. Look at the language in this particular section and ask yourself the question: Do I want to give the taxpayers in my State this kind of Taxpayer Advocate, this kind of power, this kind of representation? Do I think that they will appreciate the changes they will see in the way IRS operates and the kind of service they get from that IRS? I think Senators will look at that and say, ''My gosh, I don't want to slow this bill down. We need to get this thing done. We have waited long enough. We need to get this bill done so these new powers can be felt by the taxpayers in my State.''

Again, I appreciate very much what the Senator from Louisiana has done. This is one of the most important sections of this bill. It is not in the House bill. Senator ROTH, the chairman of our committee, talked many times about the need to make certain we took the House bill and made it as strong as we could. I was constantly pressing that

we move in an expeditious fashion. This is one of several examples where the House bill has been substantially improved.

I hope colleagues, as they look at this bill, will remember we are trying to give the taxpayers in all the States in this Nation new power, new authority, and an IRS that will much better serve their needs in a much more courteous and expeditious fashion.

I yield the floor.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I appreciate the fact that the leader is bringing to the floor this week the Internal Revenue Service reform bill and giving the Senate the opportunity to act expeditiously on this matter. It is my hope that as soon as we act, there will be a prompt conference committee with the House, which has already passed analogous although not as comprehensive legislation, so that soon the American people will have the benefit of the reforms that are contained in this legislation.

We did not get to this point easily. I compliment particularly Senators Bob KERREY and Charles GRASSLEY, who served on the commission that reviewed the IRS from which many of the ideas contained in this legislation have emanated. I congratulate Senators ROTH and MOYNIHAN of the Finance Committee for having led us to this point. And I congratulate new Commissioner Rossotti of the IRS, who has brought a fire, an energy, to reform the agency from the inside that has facilitated the consideration of these structural changes that will be contained in this legislation.

PRIVILEGE OF THE FLOOR

Mr. GRAHAM. Mr. President, before I proceed further, I ask unanimous consent that Kate Mahar, Ed Moore, and Maribel Garcia-Romero of my staff be allowed the privilege of the floor for the pendency of the debate on the IRS reform bill.

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

Mr. GRAHAM. Thank you, Mr. President.

Mr. President, first, I will comment on some provisions which will be in the Senate bill that I have had a particular interest in and then to alert the Senate to an amendment I will be offering, possibly with others, when we reach the consideration of this bill.

This bill follows many months of investigations and hearings by the Finance Committee, both in Washington and throughout the Nation. It follows a process in which the committee has first tried to do a careful diagnosis of what was the problem and then consider the options, the prescriptions that might deal with that problem, and then incorporate into this legislation that prescription which was considered to be the most appropriate.

I compliment the people who have participated in this process. Specifically, I held a hearing in January in Orlando, FL, where a number of Floridians had the opportunity to participate in this thoughtful process of diagnosis and prescription. I know that Senator NICKLES held a similar hearing in Oklahoma. Other Senators communicated with their constituents through various forums. So this is, in a real sense, a product of the people of America.

Let me review some of the diagnoses and the pathologies in the IRS that surfaced. One of those was the need to help taxpayers resolve their debts. What was discovered was that many taxpayers want to resolve their IRS debts but the Code imposes so many penalties that once a liability is established, it is very difficult to satisfy that debt.

As an example, a Floridian, Carl Junstrom of Tampa, over 10 years ago, because of misinterpreted advice of an IRS agent, ended up being responsible for $25,000 in taxes. He entered into an agreement with the IRS under which he paid $181 a month towards that debt owed. After having faithfully met that monthly obligation for almost a decade, and having paid $28,000 towards an original $25,000 indebtedness, Mr. Junstrom was informed that he still owed $26,000.

How is that possible? The answer is, because the penalty clock kept running during the pendency of this agreement and, therefore, although he thought he was paying off his indebtedness and, in fact, paid $3,000 more than he originally owed, because of accumulated penalties during that same 10-year period, he ended up owing more than he had at the beginning of the process.

What is the remedy? This bill includes a provision that encourages the IRS and the taxpayers to engage in installment agreements by, one, assuring the availability of payment plans for taxpayers with liabilities of $10,000 or less and, two, eliminating the failure-to-pay penalty for periods where the taxpayer is making payments pursuant to an installment agreement.

In the case of Mr. Junstrom, the penalty clock would have stopped as long as he was making his $181-a-month payments.

Another remedy is to adopt proposals to eliminate the differential between the interest rate the IRS charges individuals and the rate that the IRS pays taxpayers. Previously, there had been a higher interest charged to the taxpayers on a deficit than the interest which the taxpayer would receive if it was found that they were owed a refund. That differential is eliminated in this legislation.

A second problem identified was protecting the innocent taxpayer. What is the problem? One example of the problem is that many individuals filing joint returns find out subsequent to filing those joint returns that their spouse has understated income or overstated deductions. Although the individual may have had little or no income and little or no knowledge of this, the IRS holds that person responsible for 100 percent of the taxes attributable to the individual spouse's action. This typically surfaces after there has been a divorce and one spouse, often the husband, has left town. The wife, who usually has custodial responsibility for the children, is still there and is accessible, so she becomes the target for the IRS collection activity. About 50,000 women a year are in that category which is generically referred to as the ''innocent spouse.'' An example is Karen Andreasen, a Floridian. Her signature was forged on a joint return, but she ended up being held liable for her ex-husband's debts.

The remedy? The remedy incorporates legislation which Senator D'AMATO and others, including myself, have introduced as discrete legislation. This generally would adopt an approach recommended by the American Bar Association which essentially says that each spouse is to pay his or her share of the tax liability in proportion to what he or she contributed to the original tax return. If, for example, the return represented income that was 80 percent the husband's earning and 20 percent wife's earning, in a subsequent dispute the wife would be limited to a responsibility of 20 percent of any deficiency. That is a very important provision in this legislation, which will have an immediate benefit, because this legislation applies this new standard retroactively to existing open cases for many tens of thousands of spouses caught in this vice.

Another issue that surfaced was assisting taxpayers in their negotiations with the IRS. What is the problem? The problem is that many taxpayers, especially small businesses and moderate-income families, find themselves unable to negotiate with an agency which has the power to seize, levy and garnish wages. An example, Betty Bryant of Miami, Florida started a small business to supplement her income as a State employee. She actually overpaid her taxes but filled out the form incorrectly and ended up with wages being garnished while this matter was in controversy. Another example, Thomas Jones, submitted an offer-in-compromise to the IRS. The offer was rejected even though the IRS admitted they couldn't find his file. They rejected his offer even though they didn't have the information upon which to make an intelligent judgment as to whether the offer was appropriate or not. He also was not apprised of his right to appeal the rejection of his offer.

What is the remedy? The Finance Committee includes proposals to require a review of any IRS decision to reject an offer-in-compromise by collection. This will assure that there will be some independent party reviewing the offer in compromise. Moreover, the bill requires that the taxpayer be notified of this right.

In addition, the bill requires the IRS to suspend collection efforts if the taxpayer appeals the rejection of an offer-in-compromise.

The committee also approved proposals to expand the IRS Alternative Dispute Resolution Program. In many jurisdictions, the development of alternative dispute resolution procedures has provided a significant and frequently much more efficient alternative to traditional litigation. This proposal would build upon a pilot program initiated by the IRS pursuant to the Alternative Dispute Resolution Act of 1996. It would allow third-party mediation of cases of tax disputes. It would also establish a pilot program for the use of arbitration in tax disputes.

The legislation also provides a proposal to require acceptance of an offer-in-compromise if the IRS has lost the taxpayer's file.

Another area where Senators found deficiencies in the IRS is customer service. What is the problem? Many taxpayers feel they are treated as criminals rather than as customers. The IRS is often unreachable and difficult to pin down on advice they give to taxpayers on how to properly fill out a return. Jim Stamps of Jacksonville provided testimony that it had taken him 4 years to get a letter stating that he had paid off all the taxes that he owed. Without that letter, many opportunities that were available to him personally and in business were frustrated.

Mr. Junstrom, who I mentioned earlier, the man who had the $25,000 bill, paid $28,000 but still owed $26,000, and had requested the IRS to sit down with him to explain what he owed. He never was afforded that opportunity and continued to receive confusing and conflicting notices.

What is the remedy? The bill reported out of the committee includes a requirement that the IRS evaluate employees on their customer service as well as on their collection ability. The Finance Committee heard testimony indicating that in the past not only was there almost a total focus of evaluation based on how much money an agent collected, but that those standards became numeric, and if you didn't meet the standard of collections, then you received a downgrade on your evaluation.

This legislation repeats and expands upon a directive that Senator GRASSLEY wrote into the Taxpayer Bill of Rights that made it illegal to evaluate an IRS employee based on a numerical standard of how much was collected. But this legislation goes beyond that and says that employee evaluation will give emphasis to their customer service as well as their other responsibilities.

The IRS reform bill will also increase accessibility by a very simple thing—pick up the telephone book today and look under U.S. Government in virtually any community in America and then look under IRS. One thing you will see is an 800 number as to where to call to get service. There are two things that you typically do not see. First, you may not find a local telephone number that you can call in the event that the 800 number is busy, which happens frequently, particularly during periods just before April the 15th. Second, what you don't see is an address so that the taxpayer who wants to go down and actually meet face to face with a human being to review their problem will know where to call and where to go. This legislation will require the IRS publish both its local telephone number and its local address.

The legislation requires the IRS to issue annual statements to taxpayers who have entered into installment agreements, like Mr. Junstrom. The statement would include amounts paid, remaining balance, and projected payoff time so that the taxpayer will be in regular knowledge of where he or she stands with the IRS.

None of us purports that this legislation will solve all of the problems and all the taxpayer complaints with the IRS. And we should resist the temptation to oversell this legislation. The IRS will have to take many administrative actions to implement these laws and undertake other reforms to achieve that goal. Fortunately, I believe the IRS is moving expeditiously to become a more user-friendly agency. It is dealing with a culture which in the past has focused inside the agency, what was to the convenience of the agency, like not publishing the address so that taxpayers wouldn't come down to the IRS office and ask a lot of questions, to an agency that is moving to a culture of being consumer friendly and saying: Here is where we are, come down and we seriously want to render service to the taxpayer.

Commissioner Rossotti has implemented a broad range of reforms and has undertaken investigations to get to the bottom of other allegations that have been made about the agency's activities. The IRS has extended its hours, implemented problem resolution days, and has stopped evaluating collection agents based on the numerical amount of taxes they collect. This legislation will continue that effort. Mr. President, all of what I have just said is in the bill that we will soon be considering, and I recommend that bill and these provisions to my colleagues.

Let me now turn to a provision that is not currently in the bill. It is my intention to offer an amendment to ensure that the new IRS Oversight Board will have at least one member with expertise on small business issues.

One of the recurring themes of the hearings that we have had is the concentration of problems between taxpayers and the IRS, especially when that taxpayer was a small businessman or woman—an individual who frequently is relatively new to business, learning what the difference was between an expense deductible item and an item that had to be amortized over time, a person who frequently did not have access to or could not afford expert professional advice, but a person who was trying to comply with their legal responsibilities.

These are not evaders of taxation, they are people who need help, and up-to-date information, in order to meet their responsibilities.

We are creating in this legislation an oversight board. That oversight board is intended to provide a new window of enlightenment, in both directions, from the public to the IRS, and from the IRS back to the public. Under legislation crafted in the Finance Committee, the current board would be composed of 9 individuals. Those 9 individuals will include the Secretary of the Treasury, the IRS Commissioner, and a representative of the IRS employees. In addition to those 3 named individuals, there will be 6 Presidential appointees. Each of these 6 must possess expertise in at least one of the following areas: Management of large service organizations, customer service, Federal tax laws, information technology, organization development, and the needs and concerns of taxpayers.

Missing from this list is any specific requirement for expertise in small business issues—an omission that I consider to be glaring given the fact that small businesses are the backbone of the American economy and such a large target of concern for IRS activities.

I believe that at least one of the members of the IRS oversight board should have practical experience in small business issues.

Let me outline the reasons why I feel so strongly about this, and why I will be introducing an amendment to make this part of the IRS reform legislation.

Small businesses have more difficulty dealing with the complex Internal Revenue Code. Small businesses have relatively less time, money, and expertise than large corporations. They need an IRS that is sensitive to these limitations.

Let me explain how I came to this conclusion with a specific example that relates to this bill.

In January of this year, I hosted a Retirement Security Summit at the University of South Florida in Tampa. One session of that Retirement Security Summit specifically focused on the issue of small businesses and their pension plans.

Delegates, small business owners and their representatives discussed their frustrations and their experiences with the IRS. They told me that many small businesses do not offer retirement plans for their employees because they fear the draconian penalties that the IRS can impose for inadvertent violations of complex pension laws.

Mr. President, this is a very serious issue of security for tens of millions of Americans who work for small businesses, the fastest-growing sector of

our economy, but whose employers do not provide pension and retirement programs.

We identified that one of the reasons for that unwillingness to provide these programs is the concern of the consequences of subsequent IRS enforcement if the small business finds itself in some technical violation.

Several of my Senate colleagues and I began to consider whether congressional action would help solve this problem. We drafted legislation to provide that companies that correct errors prior to audit would not be subject to sanction. But before we offered the proposal as an amendment to the IRS Reform bill, we wrote to the IRS commissioner, Mr. Rossotti, and asked him if the IRS proposed to change the imposition of penalties for inadvertent errors.

Commissioner Rossotti responded immediately, in a matter of days, and committed to expanding existing self-correction programs and allow taxpayers to rely on those self-correction programs. We were pleased with the quick action of the commissioner in issuing Revenue Procedure 98–22, which many small businesses have characterized as a common sense, reasonable solution to their problem.

That process made me realize how difficult it is for many small businesses to comply not only with the complexities of tax laws as they relate to pension plans, but the whole array of rules that the Internal Revenue Code has spawned. It made me further realize that the IRS needs to be sensitive to small businesses when it issues regulations and enforces the tax laws.

Small business owners often have fewer resources, but must still comply with the same complicated Tax Code as large businesses. Small businesses cannot afford to hire full-time lawyers and accountants to monitor the Tax Code for changes that may apply to them. And small businesses should not have to wait for Congress to be able to change the law where solutions can be found by administrative action.

The myriad of challenges that small businesses face have been reflected in the hearings the Finance Committee has held this year on IRS reform. Many of the taxpayers who have testified so persuasively about mistreatment at the hands of IRS agents have been small business owners.

In my opinion, by adding a small business person to the IRS oversight board, we will be able to provide for a more prompt, more sensitive understanding of the needs of small businesses and the ability of IRS to respond internally.

Even the IRS has acknowledged the unique needs of small businesses. In testimony before the Senate Finance Committee on January 28 of this year, Commissioner Rossotti proposed reorganizing the IRS into 4 units—each charged with end-to-end responsibility for serving a particular group of taxpayers. He proposed dedicating one of those four working units to small businesses.

Mr. President, it is for those reasons that it is my intention, with other Members of the Senate, to offer an amendment to this bill, when it is before the Senate, to include a representative of small business as one of the 6 presidential appointees to the IRS oversight board. I believe this would be of substantial benefit to the enforcement of our tax laws as they relate to the special needs of small businesses.

Mr. President, before I conclude, I want to acknowledge the efforts of Senator KIT BOND, who chairs the Small Business Committee. He has included a similar provision in legislation that he will be introducing.

Should the requirement that the oversight board have small business expertise not be incorporated in the bill through Senator BOND's amendment, I will urge adoption of this targeted amendment that I will intend to offer.

The amendment is simple, fair, and essential if we are to bolster our Nation's small businesses. Mr. President, I urge my colleagues to support legislation to include small business on the IRS oversight board. I ask the managers to let us know when it would be appropriate to introduce this amendment.

Mr. President, I appreciate this opportunity to discuss the process by which the items in the IRS reform bill have been developed. It has been thoughtful and it has received the strong, steady support of our chairman, Senator ROTH, and has led to a set of reforms that I believe the Senate will be very much carrying out the wishes of the American people in adopting.

With respect to small business, Commissioner Rossotti stated:

> Another very important group of taxpayers are small businesses, including sole proprietors and small business corporations. There are about 25 million filers in this category. Compared to other individual taxpayers, this group has much more frequent and complex filing requirements and pays much more directly to the IRS, including tax deposits, quarterly employment returns, and many other types of income tax returns and schedules. Providing good service to this group of taxpayers is more difficult than wage and investment filers, and compliance and collection problems are also much greater. Small start-up businesses in particular need special help. By dedicating a fully responsible unit to providing all IRS services for the self-employed and small business, this unit will be able to work closely with industry associations, small business groups and preparers to solve problems for the benefit of all.

Commissioner Rossotti is right. The IRS needs to focus resources on helping small businesses, and that focus needs to be reflected on the Oversight Board.

The amendment that I propose to offer is also needed because small businesses play such a central role in our nation s economic strength. The numbers tell the story:

Small Business Administration figures indicate that of the 5,369,068 employer firms in 1995, 78.8% had fewer than 10 employees, and 99.7% had fewer than 500 employees.

Employers with fewer than 500 employees increased from 4,941,821 in 1988 to 5,261,967 in 1994, a 6.5% increase.

The number of small business owners (as measured by business tax returns) in the United States increased by 57% since 1982.

According to the Small Business Administration, America's small businesses created 11,827,000 jobs from 1992 to 1996. This number represents the vast majority of all new jobs created during that period.

Small microbusinesses with 1–4 employees generated about 50% of all the net new jobs from 1992–1996, while firms with 5–19 employees created another 27% of new employment opportunities.

The fastest growing of small-business-dominated industries during the past several years include restaurants, outpatient care facilities, offices of physicians, special trade construction contractors, computer and data processing services, and credit reporting and collection.

Ninety-four percent of high technology firms have less than 500 employees; 73% have fewer than 20 employees.

In my home state of Florida, the productivity of small business is astounding.

In 1996, Florida had 348,000 businesses with employees. 99% of all businesses with employees had less than 500 workers.

The state also had 412,000 self-employed persons in 1996, for an estimated total of 760,000 businesses.

In Florida, small businesses created 1,081,000 or the 1,194,000 net new jobs from 1992 to 1996. Very small businesses (less than 20 employees) created 71.7% of the small business growth with 775,000 new jobs. These numbers reflect the importance of small businesses as job creators.

Recent IRS statistics reflect the rapid growth of small businesses. They indicate that net income reported by sole proprietors has doubled in the last decade.

It is because of these reasons and trends that I urge my colleagues to support this effort to give small businesses a voice on the IRS Oversight Board.

Mr. President, I want to acknowledge the efforts of Senator KIT BOND, Chairman of the Small Business Committee, in this area. He included a similar provision in his IRS Reform bill.

Should the requirement that the Oversight Board have small business expertise not be adopted via a broader amendment, I will urge the adoption of this targeted amendment.

The amendment I propose is simple, fair, and essential if we are to bolster our nation's small businesses. I urge my colleagues to support it—and ask the managers to let us know when it is appropriate to introduce the amendment. The amendment that I propose to offer will extend its benefits in a very significant way to the most important part of the American economy, the small business community of this Nation.

Thank you, Mr. President.

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

The PRESIDING OFFICER (Mr. SESSIONS). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. ABRAHAM. Mr. President, I ask unanimous consent that I be permitted to speak as in morning business for the purpose of introducing a piece of legislation in conjunction with Senator ALLARD, who will be soon joining me to speak.

The PRESIDING OFFICER. Does the Senator have a time limit on that?

Mr. ABRAHAM. I would like to speak for up to 10 minutes, to be followed by Senator ALLARD for up to 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ABRAHAM. Mr. President, I also seek unanimous consent that at the conclusion of Senator ALLARD's remarks the Senate stand in recess for purposes of conducting the weekly policy luncheons.

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

The Senator from Michigan is recognized.

Mr. ABRAHAM. I thank the Chair.

(The remarks of Mr. ABRAHAM and Mr. ALLARD pertaining to the introduction of S. 2033 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

RECESS UNTIL 2:15

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:49 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. THOMAS].

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998

The Senate continued with the consideration of the bill.

UNANIMOUS CONSENT AGREEMENT

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate resume consideration of H.R. 2676 for debate only until 3 p.m.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, I ask unanimous consent that I may talk about an amendment I plan on offering after the debate time has expired. I would like to explain a little about the amendment, if I may have the time.

Mr. ROTH. Mr. President, I didn't hear the distinguished Senator's request.

Mr. GRAMS. I was asking unanimous consent to speak about an amendment. I am going to offer an amendment this afternoon following the time set aside for the debate.

Mr. ROTH. It is the hope of the manager that upon the passage of 3 p.m., we will move ahead with the managers' amendment.

The PRESIDING OFFICER. The Senator has a right to discuss his amendment at this time.

Mr. GRAMS. Mr. President, I just wanted to inform the Senate of my intentions today—later on, after this time for debate—to offer an amendment that would permanently exempt interest payments owed by disaster victims to the Internal Revenue Service.

This is a very simple and straightforward amendment. The amendment is actually derived from the ''Disaster Victim Tax Extension Act,'' legislation I introduced on April 29, 1998 with Senators COVERDELL, FRIST, MCCAIN, HUTCHINSON, SMITH of Oregon, GRAHAM of Florida, and D'AMATO.

As I stated in a Dear Colleague letter circulated on April 22, this amendment permanently exempts interest payments for disaster victims who reside in presidentially declared disaster areas and have been granted an extension for their tax filing.

The reason for this amendment is very clear:

Each year, our country is hit by natural disasters of all kinds—such as hurricanes, tornadoes, earthquakes, floods, and ice storms—causing extreme hardship for hundreds of thousands of Americans.

This year, 15 states have already been hit by deadly disasters:

Starting March 7, severe storms and flooding struck the state of Alabama, damaging nearly 1,200 homes, and the city of Elba in Coffee County was evacuated as a result of a levee failure. Three deaths were attributed to the floods and one person was reported missing.

On February 9, twenty-seven California counties were wracked by severe storms.

During the period of January 28 through February 6, a series of severe winter storms hit communities in Sussex County in Delaware.

Also in February, three southern Florida counties were victimized by tornadoes and other violent weather.

In February, six counties in Georgia were struck by tornadoes. On March 20, amid flood recovery efforts, tornadoes and windstorms tore through northeast Georgia, adding to the overall devastation. Tornadoes again touched down in west Georgia, metro Atlanta, and southeast Georgia on April 9.

In February, Atlantic and Cape May counties in southern New Jersey were hit by the coastal storm that lashed the area.

On April 16, six Tennessee counties were ravaged by deadly tornadoes and other violent weather.

And, Mr. President, on March 29, seven counties in my own state of Minnesota were hit by deadly tornadoes, damaging thousands of homes and businesses along an 86-mile path carved through the communities of St. Peter, Comfrey, and Le Center.

Just days after the March storm, I traveled to the disaster site in south-central Minnesota to witness the destruction and meet with the Minnesotans—families, farmers, and other business owners—forced to cope with this tragedy. Mr. President, I've never witnessed devastation on such a scale. I have heard of tornado-damaged areas being compared to ''war zones,'' but had no idea how close that was to the truth. This was indeed a war zone, and the Minnesotans I met with that Friday and Saturday were very much its innocent victims.

Two of those victims tragically lost their lives.

The property damage was widespread. Grain storage bins were leveled, the fronts of homes were sheared off, farm fields were choked with debris, making it impossible to plant, rows of telephone poles snapped, brick houses leveled, countless trees were downed at Gustavus Adolphus College, and the spire of its church was torn off, vehicles were scattered by the winds, some landing in farm fields, the historic Bell Tower of the courthouse in downtown Saint Peter was destroyed.

I am told the March tornadoes were some of the largest and longest in Minnesota's history. It's hard to imagine, but the Comfrey and Saint Peter tornadoes were a mile and a quarter wide—2,200 yards. That is nearly twice as wide as any previous tornado to hit my state, and far larger than the average tornado, which is only 100 yards wide. The tornado that destroyed Comfrey created a damage zone of 77 square miles. Just how large is that? Larger than the entire city of San Francisco, which is contained within 75.2 square miles.

The estimated total dollar value of insured losses caused by the south-central Minnesota tornadoes has reached $175 million, exceeding insured losses incurred in my state during the floods one year ago. Minnesotans have come together to clean up and begin the rebuilding, as we always do when our neighbors need help, and I'm impressed with their spirit in facing this disaster. Still, it's going to take many months, perhaps years, before life returns to normal in those towns caught in the tornadoes' paths.

Minnesota's experience is, unfortunately, not unique. Deadly natural disasters occur every year. Lives are lost, homes are demolished, property is destroyed, businesses are ruined, and