But knowing what I know, I believe the legislation also needs to take a bottom-up, common sense approach. Simple things will make big differences.

For example, letters from the IRS should have a contact person and phone number that will be answered by that one-and-the-same person. I don't mean a 1–800 number that is totally automated. You have heard about it. It is the number that is always busy, but if you persist for about an hour you can get through. Then it puts you on hold for another hour, and finally provides the following helpful choices:

Press one for more instructions that you can't understand;

Press 2 for more information that will frighten you;

Press 3 for information that will confuse you further ;

Press 4 for information that contradicts what we told you when you pressed one, two or three;

Press 5 for information that contradicts what we told your accountant yesterday.

I wish I were kidding.

Part of the problem is the IRS. But part of the problem is the Congress, because we passed the tax laws that made the code too complicated. And for that we should all stand up, if we voted for those tax measures, and take our share of the blame.

The IRS simplest return, the EZ form 1040 has 33 pages of instructions. That is the easy form. The Form 1040 has 76 pages. The Earned Income Tax credit instructions are 23 pages and the worksheet is as ambiguous as it is long.

The National Federation of Independent Businesses estimates that America's businesses will spend 3.4 billion hours, and individuals will spend 1.7 billion hours, simply trying to comply with the tax code. That's equivalent to 3 million people working full time, year around, just on taxes.

Another problem with IRS compliance is that there are too many steps. I was recently contacted by constituents trying to get their Earned Income check. The IRS is 6 months behind in New Mexico in reviewing the tax forms filed for Earned Income credits. The IRS is looking into about 1,600 claims and requesting additional information from the taxpayers. I don't fault the IRS for making sure that the claims are legitimate, but I do find fault with their process.

The first letter from the IRS merely informs you that you are not going to get your EIC check until you contact IRS.

The next step is to contact them and wait. In 6 weeks they will get back to you with information on what information they want from you to verify your claim.

In northern New Mexico, many people speak Spanish. It is difficult for them to understand English and certainly difficult for them to understand the complexities that I have just described. It would be helpful if instructions were in Spanish as well as English. The Grassley-Kerry bill calls for the creation of taxpayer assistance centers where people can go for face-to-face assistance. I would suggest that some of these places these people be bilingual for those who have difficulty speaking English and filling out complicated forms.

The current code is so complicated that unintended consequences are unavoidable.

We recently passed a middle class tax cut—but what the Congress intended, the alternative minimum tax takes away. New information from the Joint Committee on Taxation estimate that individuals paying the alternative minimum tax will increase from 605,000 in 1997 to 8.4 million families by 2007 unless something is changed. Part of this increase is caused by the new $500 child credit and college tuition credits. The perversity of the alternative minimum tax is that the more credits a family is entitled to, the more likely it is that the family will have to pay the alternative minimum tax. But we just built these new credits into the code, taking much credit with middle-income Americans. Yet, the alternative minimum tax on individuals remains in effect. Put another way, the alternative minimum tax is hostile to families claiming the $500 child credit and the college tuition tax credit. Middle class families will find that their middle class tax cut is partially taken away because of the alternative minimum tax.

The alternative minimum tax is complicated but it is also punitive. Families who thought they were in the 15 percent tax bracket find themselves in a 26 percent alternative minimum tax bracket. An 11 percent jump sounds bad but it is even worse when you remember that the alternative minimum tax base is broader than the regular income tax base. In other words, you apply the new rate, the higher rate, against a broader income than what you would have applied under the ordinary return.

As I wrote Secretary Rubin last Friday: ''The alternative minimum tax is a trap for a growing number of American families. Most people don't know that it exists and those who do, view it as a tax on the rich, and not something to bother with. But that is not the case.''

''The passage of the Taxpayer Relief Act is going to turn more and more middle class taxpayers into alternative minimum tax payers, and at the same time deny them a signficant portion of the middle class tax cut[s we have given them].''

We have to fix this unintended consequence, and do it quickly.

Restructuring the IRS to be kinder and gentler will make taxpayers less frustrated, but an equally serious problem is the destructive impact that the current code has on the economy.

The current code adds about one-third to the cost of capital, makes us less competitive because it is not border adjustable, and it penalizes savings and investment—two activities that are of tremendous value to our economy.

I have given dozens of speeches on the Senate floor about why this is so. I am not going to do that today.

My message today is first, to encourage every member of the Congress to sign the NFIB petition calling for a sunset to the IRS code, second, for Congress to work quickly to solve the alternative minimum tax problem which threatens to undermine the middle class tax cut that everyone worked so hard for, and, third, to move toward a new Tax Code that will foster economic growth.

Mr. President, I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER [Mr. BROWNBACK]. The Senator from Vermont is recognized.

Mr. LEAHY. I thank the Chair.

FCC REGULATIONS AFFECTING RURAL TELEPHONE RATES

Mr. LEAHY. Mr. President, I would like to express my dismay, actually my increasing dismay, at the direction the Federal Communications Commission is taking, the misguided deregulation of local telephone markets.

When the Telecommunications Act was debated, and then when it was signed into law, many supporters hailed the legislation first and foremost as a boon to consumers.

We were told that because of the magical hand of competition, telephone rates for consumers would decrease; the free market system would take over.

Now, competition, if it is correctly injected into the telephone market, can lead to lower prices for consumers. But the FCC's ham-handed attempts to implement poor legislation—and it was poor legislation, which is why I voted against it—has made the problem even worse.

During the debate of the telecommunications bill, I took the Senate floor and expressed real strong concerns that skyrocketing telephone rates for rural areas, like my own State of Vermont, seemed likely. I wish I had been wrong, but unfortunately my concerns seem justified.

Even a bad telecommunications bill—and this was—could have been partially mitigated by careful and proper implementation. But the FCC seems bent on wanting to take what was a poorly done bill and make it worse. They want to exacerbate the conditions I expressed concern about during debate on the bill.

Here is what has happened.

Instead of increasing telephone service competition, there are three alarming FCC decisions that will in fact reduce telephone competition in rural areas and will likely result in much larger monthly telephone bills in States such as Vermont.

The result may be that many rural customers will not be able to afford a

telephone at home. The dream of linking America together on the information superhighway, a dream of linking all parts of America, urban and rural, together will remain just that, a dream, not a reality, because rural America will be cut off.

The Telecommunications Act directed the FCC to ensure that rates for phone service in rural areas remain reasonably comparable to rates in urban areas. Now, I understand there are details being worked out, but many of the decisions already rendered by the FCC do not bode well for rural States like Vermont.

For instance, the FCC decided the Federal universal service support would be raised only from the interstate revenues of interstate carriers. So what does that do? The FCC places off limits more than half of the retail revenue available from the telephone industry.

Second, the FCC has ruled they would support only 25 percent of the need even in a high-cost rural State like Vermont. This leaves 75 percent of the need to be raised by the States themselves, presumably from the intrastate revenues generated in those States, in other words, to raise the largest amount from the small rural States.

And third, they seem to repeal the high-cost support as we know it.

Let me show you on this chart, Mr. President. This shows a likely result of the FCC's three decisions.

This assumes the States are going to have to make up the support that the FCC now says it will not provide. Let us see what this means. The blue vertical bars show the anticipated State surcharges on intrastate revenues; that is, if they want to make up the difference. The red bars show an alternative approach, which the FCC did not adopt, where all needed support would come from a uniform Federal surcharge on all telephone revenues.

Let me tell you what this means. If they had done what they should have done, almost all States would have paid about a 2-percent surcharge to make up the difference. That is the red line on the chart. Whether you are in the District of Columbia or North Dakota, whether you are in New Jersey or Wyoming, you will be paying roughly the same.

However, instead of doing that, what the FCC has said, to heck with rural States. Instead of keeping a surcharge about the same for everybody, they tell North Dakota they will have to come up with about 33 percent, South Dakota about the same, Wyoming, just under 30 percent, Montana similar to that, New Mexico and Kansas up over about 12 percent. If you are a small rural State, what they are saying is forget about being part of the telecommunication revolution. If you are a small rural State, forget about being told the U.S. Congress has given you a good deal in the Telecommunications Act. You have just got a disconnect signal. In fact, you probably have to pay for that.

Of the top 15 States, almost all rural States, they can buy with only a rate surcharge of 9 percent. That is money out of pocket. The act requires States to have reasonably comparable rates. Boy, this sounds great. You are from a rural State or from an urban State, roughly comparable rates. Who could disagree? Except what happens, if you are paying a 1- or 2-percent surcharge in one State and in another State a 30- or 35-percent surcharge, you are not roughly comparable, and there is no way these States can compete.

Would it not have made more sense to say every State pays about 2.6, 2.5 percent surcharge? Then everybody would be on an even playing field, whether you are a company in North Dakota or in Vermont, or you are a company in Michigan or Pennsylvania, at least basic costs would remain the same. If you were a homeowner, if you were a renter, if you were in those States, your costs would be roughly comparable.

Under the FCC's proposal, which make no sense at all, many experts predict an increase in the 100 percent to 200 percent range for phone rates in these very rural States. Now, I am one Vermonter who would not stand for that, and I cannot imagine any other Vermonter standing for that.

I think the time will prove these unfortunate predictions correct, as rural phone companies go out of business, the bigger competitors cherry pick the best customers, and the rural areas, you might as well go back to smoke signals, Pony Express, or shouting across the valleys because you will not be able to do it by picking up the phone.

I think the FCC is letting a golden opportunity slip by. I think, Mr. President, we may have given them the opportunity by casting rural areas over the side in that Telecommunications Act. Even tossing them over side, you would have thought the FCC would have put out a net or a helping hand. Instead, it looks like they tied the anchor around their neck as they went by and dropped them into the ocean.

LANDMINE BAN TREATY

Mr. LEAHY. Mr. President, last week, President Clinton announced that the United States would not join nearly 100 nations, including most of our NATO allies, in a treaty to ban antipersonnel landmines.

I want to take a few minutes to respond to the President's decision. First, let me say that President Clinton and I have spoken many times about the landmine issue. I am convinced he wants to see these weapons banned from the face of the Earth. He and I have discussed the horrendous toll of innocent lives that landmines cause, and in speeches at the United Nations he has twice called for a worldwide ban.

President Clinton said, ''The United States will lead a global effort to eliminate these terrible weapons and stop the enormous loss of human life.'' Those were inspiring words. However, as convinced as I am of the President's desire for a ban, I am as convinced that a tremendous opportunity was lost last week. An opportunity that rarely comes in history.

As a USA Today editorial put it, ''having blown the best chance ever to negotiate an acceptable international ban on landmines, the Clinton administration now finds itself churning in the wake of world affairs. The United States has joined a few nations, including rogue states like Iran and Iraq, on the outside of a remarkable process.''

There are many losers in the administration's last-minute failed attempt to negotiate in Oslo. Unfortunately, the most notable losers were the innocent victims of landmines who the treaty aims to protect. Mr. President, the victims of landmines are almost invariably children and innocent civilians.

Because while the treaty is immensely important for establishing a new norm of conduct, until the United States signs it, there will never be a worldwide ban. There is simply no substitute for the credibility and influence of the United States to bring reluctant nations on board and make sure that violators of the treaty are caught and punished. There is no way to fully stigmatize these weapons and curtail the use, as has been done with poison gas, without U.S. leadership far stronger than we have seen today.

And the tragedy of our country's decision is that it was avoidable. Although the President said his administration had gone the extra mile to find an acceptable compromise in Oslo, I must respectfully and honestly disagree.

Two weeks ago I went to Oslo where I met with representatives of governments, including the United States, and nongovernmental organizations that were participating in the treaty negotiations.

The treaty they adopted was nothing short of a miracle. In less than a year, nations as diverse as our closest European allies who have been major producers of landmines, to Mozambique whose people have been killed and maimed by landmines, joined together in finalizing a treaty that does nothing less than ban the use, production, stockpiling, and transfer of a category of weapons that Civil War General William Tecumseh Sherman called ''a violation of civilized warfare'' over a century ago.

I call the Ottawa Treaty a miracle because it was only 11 months ago that Canadian Foreign Minister Lloyd Axworthy launched what is now called the ''Ottawa process.'' At the time, no one knew how many nations would take part or where it would lead, not even Minister Axworthy. It was a bold and courageous leap of faith, and the