

"We would like to have in our pocket a 'yes' from Arafat," said one U.S. official, describing that commitment as a principal objective of the trip that Ross begins today. Palestinians are tempted, the official said, using Netanyahu's Israeli nickname, "because they see Bibi making a big fuss about it, and they wonder if it's in their interest to say yes and watch us duke it out with the Israelis."

Ross plans a side trip to Egypt to recruit President Hosni Mubarak to press Arafat. Clinton asked for Mubarak's support in a telephone call late last month, but the Egyptian leader has thus far not acted. Jordan's King Hussein told Clinton last week that he will work to persuade Arafat.

In Miami yesterday, where he stopped en route to the Middle East, Ross told Israeli Defense Minister Yitzhak Mordechai that Clinton will make his final decision on the package after returning from Africa on April 2. Mordechai, who is Clinton's strongest ally in the Netanyahu cabinet, told Ross that "there is not any chance" that Israel will accept the American package as now formulated, according to an Israeli with firsthand knowledge of the exchange. "We are trying to convey to the American decision-making process the information that confrontation will not help," the Israeli said. "There are limits that Israel will not cross, whatever will be the decision in Washington."

American Jewish leaders, meanwhile, have warned Clinton and Gore of repercussions in the event of a public breach with Israel. Malcolm Hoenlein, executive vice chairman of the Conference of Presidents of Major American Jewish Organizations, said in an interview that the Clinton administration was on the verge of unveiling its package earlier this month "and I think we've staved it off."

But David Bar Illan, a top political adviser to Netanyahu, said by telephone yesterday that "obviously they still have an intention to come out with something."

"Since for us it's a pure question of security, and since every administration since FORD has said over and over that matters of security are up to Israel and only Israel to decide, we feel this is a departure—let's say in diplomatic language—from a policy that has been honored until now," said Bar Illan.

Trade Minister Natan Sharansky, whom Netanyahu dispatched to meet Albright and Gore last week, said by telephone last night that the cabinet is united as on few other subjects against the American demands. "If there is external pressure, it can only strengthen the resistance," he said.

Among the premises of the administration's plan, however, is that Netanyahu has at least as much to lose from a public conflict as Clinton, whose share of the U.S. Jewish vote was high in 1992 and higher in 1996. Management of the crucial U.S. alliance is seen as a central test of Israeli premiers, and Clinton's approval ratings in Israel regularly exceed Netanyahu's.

"If you did a survey either of the American Jewish community or the Israeli people and asked who has been the president who in the last 50 years has done the most to enhance Israel's national security... the overwhelming result would be Bill Clinton," said Steven Grossman, national chairman of the Democratic National Committee and a former chairman of the American Israel Public Affairs Committee.

Both leaders have suffered, by their own and U.S. government accounts, from the 14-month stalemate in peacemaking. "Almost all our friends in the region are in a worse position," said a senior Middle East policymaker, citing also Morocco, Tunisia, Saudi Arabia and Persian Gulf emirates, including Oman. "They staked their positions on pursuit of peace, and it is eroding."

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, what is the current business?

The PRESIDING OFFICER. The Senate is in legislative session.

Mr. KERREY. Mr. President, do I need to ask unanimous consent to speak as in morning business?

The PRESIDING OFFICER. The Senator should seek consent to speak in morning business.

Mr. LAUTENBERG. How much time does the Senator need?

Mr. KERREY. About 10 minutes.

Mr. LAUTENBERG. I yield 10 minutes to the Senator from our side.

The PRESIDING OFFICER. Without objection, the Senator from Nebraska is recognized for 10 minutes.

IRS REFORM

Mr. KERREY. Mr. President, the Senate Finance Committee, since last fall, has been holding hearings on the Internal Revenue Service. We now expect to mark a bill up sometime next week, though we have not yet seen the bill.

I appreciate very much the leadership of the chairman of the Finance Committee. However, Mr. President, I must say that I believe we are doing what is commonly referred to as "making the perfect the enemy of the good." In other words, we are taking a good piece of legislation that passed the House last November in a 426-4 vote, which would give taxpayers substantial new powers. Over 100,000 collection notices are sent out every single day. There are over 238,000 incoming phone calls to the IRS every single day and, by some estimates, over 40 percent of them are not answered, and a very high percentage of those calls that are answered are answered incorrectly. The collection notices go out with no concern about whether or not negligence has occurred. So fearful are the American people when they receive a collection notice that former Commissioner Richardson—when she came before the Finance Committee this year, she said that her first paycheck came with an IRS return address and it terrified her to open it. She was the Commissioner of the IRS, and she was practically too frightened to open a letter from the IRS.

About 114,000 collection notices go out every single day. The bill that passed the House would say that, if an error has been made, the taxpayer can recover the cost that they put into trying to defend themselves against the IRS. If the IRS is negligent, the taxpayer would be able to collect up to \$100,000 in punitive damages. For the first time, we change the environment in which the IRS sends out its collection notices.

In addition, the IRS would be required to publicly say: Here is the objective criteria for our audits. Today to get that information, you have to put

in a Freedom of Information Act request. Thus, in the hearings we have had, both in the Restructuring Committee as well as the Finance Committee, through this Freedom of Information Act request, we had an opportunity to see substantial differentials between the bases of audits in one State versus another State and examples where the IRS agents were actually given quotas and incentives to go out and get more, even though there was no basis for it. There are all sorts of examples of abuses that are corrected in the bill that passed the House.

The chairman of the Finance Committee is trying to improve that bill. I think that is terrific. He has a lot of terrific ideas that he has pulled from the hearings he has had. I think that is all well and good.

Mr. President, I hope the Republican leader will say to the chairman of the Finance Committee that we need a process that will meet the deadline that the American people have. The deadline they have is April 15. That is after we go out of session next Friday. But for 120 million taxpayers, they have to have their taxes paid by the 15th of April. I hope we can put together an expedited process that would have the chairman of the Finance Committee meeting with Ways and Means Committee Chairman ARCHER, the ranking members of both committees, with the administration, sometime early next week, because if we can pass a bill in the Finance Committee and on the floor of this Senate which could be conferenced quickly with the House and signed by the President, we could give the taxpayers of the United States of America a tremendous bonus on the 15th of April—more power, more certainty that, if the IRS sends a collection notice out, they are going to send a notice out to the taxpayer that actually owes additional money rather than one that doesn't.

In addition, this new legislation, again, was passed by the House with some good improvements that the chairman wants to put on this bill, which would give the commissioner authority to manage the agency. This is a terribly important issue, Mr. President. Currently, we have regions, districts and areas, and we organize the IRS geographically. What the Commissioner indicated he wants to do is restructure the IRS so that it is organized around the category of taxpayer—small business, large corporation, individual payers, as well as non-profit. That way the Commissioner is going to have an opportunity to not only run the IRS more efficiently, but to reduce the cost to the taxpayer to comply with the Tax Code. By organizing it by category of taxpayer, the Commissioner has indicated, and I think quite correctly, that he is going to be able to say to some taxpayers that it costs us more to collect the money than we get from you; thus, we are going to provide regulatory relief,

especially in the area of small business, in situations where the cost exceeds what we are able to collect, be able to manage the problems that large businesses have, that nonprofits and individuals have, in a much different way than we currently see.

Next, with that authority, and especially with an oversight board that is independent from the executive branch, and hopefully a restructured congressional oversight—and, remarkably, some have actually proposed that we strike the consolidation of the oversight in the Congress. We had hearings in the Restructuring Commission with Congressman PORTMAN, a Republican from Ohio, and I for over a year, and almost every witness said problem No. 1 is Congress. Remember, the IRS is not Sears & Roebuck. This is not a private-sector organization. They have 535 members of their board—the Congress. There are six committees that have oversight responsibility over the IRS, and what we were told repeatedly, both with anecdotes and with data, was that they need to consolidate the oversight so the Commissioner, with a new independent board, can meet and achieve consensus on what the vision and the purpose of the IRS is going to be. Why? For a variety of reasons, Mr. President. One is making certain that funding is going to be constant, but, more importantly, to make certain that the investment in technology is done right.

This whole effort started a couple of years ago. Senator SHELBY and I, in oversight hearings on the Appropriations Committee, noted with considerable concern that almost \$4 billion of taxpayer money had been wasted in a thing called “tax system modernization,” trying to get the computers to operate, to talk to one another so the stovepipes would not prevent the conversations back and forth.

Tax systems modernization, Mr. President, is very difficult to do, unless you have a shared consensus between the executive and legislative branches, with consolidated oversight on the congressional side and with an independent board that is able to act on behalf of the taxpayers. In that kind of environment, it is much more likely that technology investments will be made right.

Most importantly, I hope the majority leader will instruct the Finance Committee chairman, let's get a meeting next week with Mr. ARCHER, Mr. RANGEL, Senator MOYNIHAN, and Mr. Rubin, and whatever we pass in the Senate committee, let's do it in a fashion that enables us to meet this April 15 deadline.

Mr. President, there are important things in this legislation. I have behind me a chart which I call the IRS Reform Index. I will mention some of the things that are on that chart. The date the IRS reform legislation passed the House with 426 votes to 4 was November 5, 1997. The date by which the Senate Republican leadership promised to bring the IRS reform to the floor is

March 30, 1998. I think the majority leader understood why it needed to be done then—because we need to set a deadline of April 15 to complete our work, and I very much appreciate that that in fact is what is possible for us.

Still, if we expedite the process, rather than putting something out of committee that has no chance of being conferenced and perhaps won't be signed by the President as well—again, one of the worst mistakes here is making the perfect the enemy of the good. Since November 5 to March 30, over 17 million Americans have received a collection notice. That is a huge number of people who have received a collection notice without the power of the law that has passed the House, as well as some significant new powers the chairman wants to provide. That legislation would pass 100-0 if we brought it up quickly, 34 million Americans called the IRS since November 5, nearly 17 million did not get through and of those who did, over 1 million received wrong answers. We have 40 cosponsors in the Senate, and 14 of the Finance Committee's 20 members are cosponsors of the bill. All this is to say that, if we want to pass good, strong legislation and meet the April 15 deadline, there is absolutely no legislative reason for us not to.

I am hopeful that sometime early next week the majority leader will talk with the Finance Committee chair and say meet with Mr. RANGEL, meet with Mr. ARCHER, meet with Mr. MOYNIHAN and Mr. Rubin; let's have a joint meeting so whatever we pass out of the Finance Committee we can pass here on the floor of the Senate, conference it quickly with the House, get it on to the President for signature, meet the April 15 deadline that 120 million American taxpayers have imposed upon them under current law.

I thank my colleagues and I yield the floor.

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

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

UNANIMOUS CONSENT AGREEMENT—SENATE CONCURRENT RESOLUTION 86

Mr. DOMENICI. Mr. President, I ask unanimous consent that when we complete our business today there be 44 hours remaining for debate on the budget resolution.

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

Mr. DOMENICI. Mr. President, I further ask that when the Senate completes its business on Monday, March 30, there be 34 hours remaining on the budget resolution.

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

CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEARS 1999, 2000, 2001, 2002, AND 2003

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar Order No. 330, the fiscal year 1999 concurrent resolution on the budget.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A concurrent resolution (S. Con. Res. 86) setting forth the Congress budget for the U.S. Government for fiscal years 1999, 2000, 2001, 2002, 2003 and revising the concurrent resolution on the budget for fiscal year 1998.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the presence and use of small electronic calculators be permitted on the floor of the Senate during consideration of the 1999 concurrent resolution on the budget.

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

Mr. DOMENICI. Mr. President, I ask unanimous consent that staff of the Senate Budget Committee, including congressional fellows and detailees named on the list that I send to the desk, be permitted to remain on the Senate floor during consideration of S. Con. Res. 86 and that the list be printed in the RECORD. Mr. President, the list is for both majority and minority.

I send the list to the desk at this time.

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

The list follows:

MAJORITY STAFF

Victor Block, Amy Call, Jim Capretta, Lisa Cieplak, Allen R. Cutler, Kay Davies, Larry Dye, Beth Felder, Alice Grant, Jim Hearn, Bill Hoagland, Carole McGuire, Anne Miller, Mieko Nakabayashi, Maureen O'Neill, Brian Riley, Mike Ruffner, Amy Smith, Austin Smythe, Bob Stevenson, Donald Marc Sumerlin, Winslow Wheeler, Sandra Wiseman, Gary K. Ziehe.

MINORITY STAFF

Amy Peck Abraham, Phil Karsting, Daniel Katz, Bruce King, Jim Klumpner, Lisa Konwinski, Diana (Javits) Meredith, Martin S. Morris, Sue Nelson, Jon Rosenwasser, Paul Seltman, Scott Slesinger, Barry Strumpf, Mitchell S. Warren.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the full floor access and privileges of the floor be granted to Austin Smythe and Anne Miller on S. Con. Res. 86.

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

Mr. DOMENICI. Mr. President, fellow Senators—Senator LAUTENBERG is