

anxiously awaiting their safe return home.

I yield the floor.

DISCRIMINATION ON THE INTERNET

Mr. WYDEN. Mr. President, several weeks ago I came to the Senate to announce I will do everything in my power to block this Senate from considering the major overhaul of the telecommunications legislation until that legislation includes specific provisions to ensure that there is no discrimination on the Internet. A discrimination-free Internet essentially is what the net neutrality debate is all about.

Certainly colleagues have been hearing a great deal about this subject as those who oppose net neutrality have spent millions and millions of dollars trying to convince the American people and the Congress that somehow discrimination on the net is a good thing. They have made a big point of trying to say that net neutrality is a very complicated issue, it is one involving technical issues of communications law, and it ought to be something left to lawyers and lobbyists to sort out in Washington, DC.

That is not good enough for me and I don't think it is good enough for the American people. In fact, more than 500 organizations with views all across the political spectrum have come together to support net neutrality and a discrimination-free Internet.

This is the fourth time I have come to the Senate to outline examples of what will happen if discrimination is allowed on the Internet and also to respond to some of the most directly asked questions about what net neutrality is all about.

Today I begin my discussion with a new development just reported by the Reuters News Service. Reuters News Service reported this week that the profits of the AT&T company were up by 35 percent, bolstered "by strong growth in wireless and high speed Internet services."

I am of the view this is excellent news. I want to see American companies be profitable. I believe in markets. I believe in wealth creation. When our companies do well, of course, they pay taxes. They pay taxes to the American Government and that can be used for health care, education, and other services our citizens have such a great interest in. It is free enterprise that makes markets work.

When Reuters reports that AT&T has made a 35-percent profit primarily due to wireless and high-speed Internet services, the digital part of the economy, that is good news.

However, there are other implications with respect to the news this week about AT&T profits. It seems to me what the news highlights this week is that AT&T can make money with an Internet that is discrimination free. They have been arguing, as part of the discussion involving telecommuni-

cations, that somehow it will not be possible for them to make the profits that are necessary for broadband and sophisticated communication services to get to all the people of this country.

The news this week shows that AT&T and other companies can be profitable with an Internet that is discrimination free. They do not need to throw net neutrality into the trash can in order to do well. The events of this past week have proved that AT&T does not need to discriminate in order to make money.

To continue with the discussion I have begun over the last few weeks, I also want to go to the question of "won't consumers just get their broadband from companies that do not discriminate on the net if somehow we don't have net neutrality." This is an excellent question. The answer is simple. If there were a competitive market for high-speed Internet services, the market would guarantee net neutrality. Consumers would insist that the Internet remain free of discrimination and they could take their business elsewhere if they didn't happen to approve of discrimination.

Unfortunately, there is not a competitive market today for high-speed Internet. Until there is, strong net neutrality protections are needed. What is the market for high-speed Internet? According to the Government Accountability Office, in 2005, about 30 million Americans had broadband service. However, most of these Americans have a choice of perhaps only two broadband providers, the local phone company and the local cable company.

Some may have only one provider. Others may have no options at all. No choice, limited choice, certainly is not my view of a competitive market. A choice between two is only one step beyond a monopoly. Most experts say at least four providers are needed in a market for it to be truly competitive. Today's market is still a long way away from the kind of competitive model we need to best serve our citizens with the communications services they deserve.

Many of my colleagues have stressed the possibilities of satellite, broadband over power line, or wireless as competitors to what is called DSL and cable. These offerings are not real competitors. Satellite high-speed Internet is too expensive for the consumer to be a real competitor with today's services. Both wireless and broadband over power line are new technologies, and we all hope that someday they are going to develop into competitive options to the phone and cable company offerings. They ought to be encouraged. However, they are still new, and until they become widespread and priced at a competitive level with cable, for example, the market for high-speed Internet will remain limited or will remain a duopoly.

A second question I am often asked is: As a small business, what does all this Net neutrality stuff mean to me?

Last week, I came to the Senate floor and explained what it means for consumers. Small businesses, of course, are just one type of consumer in the market. And no Net neutrality is going to mean the same thing for the millions of small businesses that it means for consumers: a double-barreled discrimination with less choice and a higher price. Small businesses also have a second concern: They use the Net not just as a consumer but also as a market for their business. They have Web sites. Small businesses across the country use the Net to market their products. Through Web sites such as NexTag and Yahoo Shopping, small retail shops are able to reach millions and millions of homes that they could not otherwise access. A bed and breakfast, say, in central Oregon, in Bend, OR, is able to market itself on the Net and compete with a Holiday Inn. For the small businesses, the prospect of a two-tiered discriminatory Internet, where they will have to pay priority access fees to network operators, is daunting.

For a small business, the fees that the large Bells and cable companies would charge could have a chilling effect on their ability to do business online. While large businesses can afford to take on these additional costs with only a small hit to their overall profitability, many small businesses are not going to be able to pay these extra fees. This would mean they would either get stuck on the Internet slow lane or have to mark up their prices more than big businesses. Either way, without an Internet free of discrimination, these small businesses are going to be at a competitive disadvantage.

In my previous discussions on the floor, in addition to trying to respond to some of the major questions people are asking about Net neutrality, I have tried to bring out several specific examples of the kind of discrimination that would be allowed under the bill that was passed by the Senate Commerce Committee recently. So today I want to outline two additional examples of what could happen to our small businesses if legislation allowing discrimination on the Net were allowed to move forward.

Let's say, for the purpose of the first example, we have a family known as the Taylors. The Taylors own an inn on the Oregon coastline. Occupancy has been lower lately because a large new national chain hotel opened up down the road. George Taylor's son Mike comes up with an idea to save the inn by reaching out to new customers: They ought to start a Web site to market their inn and take reservations online.

In a world with Net neutrality, the Taylor family, with that small inn, would pay to access the Net, create a Web page, and they would be off to the races, up and running, marketing their business. Under the Commerce Committee bill, in order to launch their Web page in the fast lane so they could

get priority access to customers across the country and around the world, that small business would have to pay an additional fee to hundreds, if not thousands, of Internet access providers around the country. The priority access fees are a drop in the bucket to that big national chain of hotels that is hurting their business, but if the Taylor family cannot pay the extra fees, they are not going to be able to compete.

A second example of how the absence of Net neutrality would hurt small business—this one involves a business owner who I am calling Jessica Myers. Ms. Myers owns a small legal placement firm with eight employees. In a world with Net neutrality, she saves money on her phone bills as a Vonage customer. She buys all her office supplies on line from another small business she found at Shopzilla, and saved thousands of dollars on new computer equipment from Buy.com. Her employees are able to navigate law firm Web pages, learning of open jobs and potential clients to market these openings to.

Under the Commerce Committee bill, Jessica's business is going to see a huge increase in her costs. Vonage no longer works properly, causing her to pay extra for phone service from the local phone company. The office supply store is no longer on line because they could not afford to pay for priority access and cannot compete without it. Her computer equipment at Buy.com is now more expensive, maybe 10 percent more, because Buy.com is passing on the costs they pay the network operators for priority access. Her employees are much less effective because they now spend hours every day waiting for law firm Web sites to load that are stuck in the Internet's slow lane. Her costs go up. Her productivity and her profits go down.

In each of these two new examples I have outlined of the consequences for our small businesses, the large businesses that own the Internet pipes are going to be extending their reach to the detriment of small business. According to the business plans of the big phone and cable companies, and what they have told Wall Street, what has been outlined in the Wall Street Journal newspaper, that is the direction they are heading. Without Net neutrality, neither of the small businesses in the examples I have cited is going to be able to use the Net in the way they do now, and they are going to be disadvantaged at a time when they are a big part of America's future in competing in the global marketplace.

The big cable and phone companies have spent millions—more than \$40 million since January of this year—to try to make the American people think that Net neutrality is, to quote one Verizon lobbyist, a “lose-lose proposition.” The absence of Net neutrality will be the lose-lose for consumers. Discrimination will be seen in Internet content, and we will see higher prices

for consumers. That is why more than 500 groups of all political philosophies and persuasions have come together to draw a line in the sand and say: We are going to insist that the Internet remain discrimination free.

At the end of the day, this issue of Net neutrality, despite what the opponents and the lobbyists want the Senate to think, isn't that complicated. Today, the way the Net works is you go with your browser where you want, when you want, and everybody is treated equally. Those who oppose Net neutrality want to change all that. They want to make it possible for phone companies and cable companies to play favorites. They will be in a position to charge some people more and some people less. They are people who want to change the way the Net works today, which is that everybody gets a fair shake.

And that is, again, the point of my citing this afternoon AT&T's profits that come from wireless services. I repeat, I am glad to see AT&T do well. I believe in markets, and markets are what make our country's free enterprise system go. But AT&T is doing well with an Internet that is based on the principle of equality, Net neutrality, and no American facing discrimination on line.

I see the distinguished Senator from Tennessee here, and he remembers our discussion about taxation and on-line services and on-line businesses. The Senate worked together on a bipartisan basis, and we have kept the Internet free of discrimination as it relates to taxation. I think it makes no sense at all for the Senate to say we are going to let the Internet prosper as it relates to taxation—and taxation is a big factor, obviously, in business opportunities and business sales—it makes no sense to keep the Internet free of discrimination as it relates to taxation and then to throw Net neutrality in the trash can and allow discrimination as it relates to so many other aspects of on-line business and services that are important to the American people.

So this is the fourth time I have come to the floor to discuss this issue. I do not want to see consumers face the double barrel of discrimination and higher prices on line. It is my intent to keep my hold on that overhaul of the telecommunications legislation on until I see that bill has been changed, until I see it has been altered and revised to ensure the core principle of the Internet—that everybody gets a fair shake and that the Internet is free of discrimination. My hold stays until that bill is altered so we can preserve an Internet free of discrimination for all Americans in the years ahead.

Mr. President, I yield the floor.

HONEST LEADERSHIP AND ACCOUNTABILITY CONTRACTING ACT OF 2006

Mr. DORGAN. Mr. President, this is a piece of legislation which we offered

previously during this Congress, unsuccessfully, I might add, that I and others intend to offer once again.

I want to describe it and describe why we intend to offer it again as we find additional legislation on the floor of the Senate with which to offer it as an amendment. It deals with accountability in contracting. The legislation we have introduced is called Honest Leadership and Accountability in Contracting Act of 2006. I introduced it on March 2, S. 2361. The bill is sponsored by 30 of my colleagues here in the Senate. Senator REID joined me in announcing the legislation that day. The bill includes contributions from a number of Members of the Senate and the work they did on issues relating to this which we have put in the bill.

I want to describe the bill briefly. It is a bill that will punish war profiteers with substantial penalties for profiteering during wartime contracts. It is a bill that will crack down on defense contract cheaters by restoring a rule on suspension and debarment, to say we are not satisfied any longer when we see someone cheating on a contract and cheating the American taxpayer to say, Well, you get a slap on the wrist and a pat on the back and a new contract. This gets tough. It cracks down on contract cheaters. It will force real contract competition, and it will do so by prohibiting the awarding of large monopoly, sole-source, no-bid contracts.

The legislation has a number of other provisions as well, but it is important legislation. I want to describe why, and I want to describe some of the things I have been doing.

Let me start by saying this is not about Democrats or Republicans. It is not about conservatives or liberals. Waste is not part of it. Waste is just waste. Contract abuse is not partisan. It is just abuse of the American taxpayer. Let me describe a couple of things to begin this discussion.

This is April 30, 2006, in the New York Times. The United States pays for 150 Iraqi clinics and manages to build 20.

A \$243 million program led by the United States Army Corps of Engineers to build 150 health clinics in Iraq has in some cases produced little more than empty shells of crumbling concrete and shattered bricks cemented together in uneven walls.

What is that about? It is about a huge contract, a contract to produce 150 health care clinics in Iraq, and now we see the money is gone, but the health care clinics weren't built—not 150 of them. Only 20 of them were built. Yet the money is gone. Let me talk about these issues and go back to the beginning of what piqued my interest.

In February of 2004, I began hearing from some whistleblowers who said: We want to tell our story. So as chairman of the Democratic Policy Committee, we convened some hearings and listened to them. We held eight oversight hearings on the issue of contracting abuses in Iraq and heard from whistleblowers. I will describe them.