

late into the evening, that we could revisit this for a short time tomorrow, because the Internet Gaming Prohibition Act by Senator KYL goes in and amends section 1084 of the Federal Wire Act to include lotteries. It is excluded there today. Decisions have been rendered on behalf of Indians as it relates to this in Federal courts. We think this is the appropriate decision, and it exempts them currently. And they are regulated now.

This is not an unregulated activity that I advocate by this amendment. It is a fully regulated activity under Federal law, under the Indian gaming laws as controlled by the National Indian Gaming Commission. That is the appropriate intent of this amendment.

I retain the balance of my time.

Mr. ENZI addressed the Chair.

The PRESIDING OFFICER (Mr. KYL). The Senator from Wyoming.

Mr. ENZI. I yield from the time 1 minute.

I wish that I had 1 hour. This could be the most important thing we debate in this session of Congress. Yes, there is Indian gambling. Yes, there is some limited gambling on the Internet. The wording in this amendment can change the national flow. This can provide for a national lottery by an Internet monopoly—an Internet monopoly. This could eliminate the grocery store sales in each person's State that allows a lottery at the present time, because it would be much easier to pick it up on the Internet.

There is a good reason why gambling is limited to on premises for the most part. That is so you can enforce the age requirements. That is so you can check on the different kinds of gaming that there are, so you can check on the dollar limits that there are, so you can audit the process. The Internet is not something you can audit. This will not be a protection for any of the States.

Some of our States have had a referendum on whether we want any kind of local gambling, whether we want any kind of State gambling. And it has lost 2 to 1. We do not want gambling in Wyoming. But there is no protection against gambling in Wyoming. There is no protection on age in Wyoming. So kids can take parents' credit cards, get into this national lottery and violate State law.

I yield the remainder of my time.

Mr. BRYAN. Mr. President, I ask unanimous consent for 2 minutes.

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

Mr. BRYAN. Mr. President, I want to make very clear what is at issue here. If you oppose kids gambling on the Internet, then you are with Senator KYL and the Senator from Nevada. We think that is a disastrous policy for American families. Your 10-year-old child can dial up a site on the web and gamble without you knowing it and without any ability to control it. So the Kyl-Bryan amendment opposes Internet gambling in America for everyone.

Now, if that policy makes sense to you, and I think it makes sense for American families, then you have to oppose the amendment offered by the Senator from Idaho who says, in effect, Internet gambling should be prohibited for everyone except Indian tribes.

Now, what logic is that that a child in Utah, which is prohibited from all forms of gaming, would be able to surf the web, access the Indian gaming site in Idaho, and be able to participate over the Internet. That makes no sense at all. I think most families, if they were tuned into the debate tonight, would say KYL and BRYAN are correct, we don't want our kids on the Internet, and we believe it ought to be prohibited.

Senator CRAIG's amendment would emasculate that by saying the Indian tribes have an exception. No compact in America, none entered into by any Governor, any State or Indian tribe, authorizes Internet gambling. None. And no court in America, State or Federal, has ever held that Indian tribes are entitled to gamble on the Internet at such web sites.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, a few moments ago you talked about this destroying lottery systems. The national Indian lottery is up and operating today, and State lotteries are not falling by the wayside. In fact, they are stronger than ever in their level of participation. They are as tightly regulated as is this national lottery. That is the reality with which we talk about this, tightly regulated control.

Do I advocate 10-year-olds using this? I do not, and they cannot. There is a screening process. They would be in violation of it. They would have to go through all of the procedures of an adult. Yes, I guess if they stole their parent's credit card in the first instance it might work; in the second, it would not. Any winnings would be repealed and they might be in violation of the law.

So you can talk about scare tactics, if you will. The reality is we have a national Indian lottery today that is deemed legal on the Internet. The amendment by Senator KYL attempts to make it illegal. That is the reality with which we are dealing. I suggest that any effort to talk about great fears and scare tactics just doesn't fit because it is tightly, tightly controlled.

What the Senator from Arizona talks about, about offshore, I agree with an unlimited approach in an unregulated way. That is what is important. That is what my amendment does. We should allow Indian gaming to be regulated under Federal law as it currently is.

The PRESIDING OFFICER. The Senator from Arizona has 2 minutes.

Mr. KYL. Mr. President, let me respond, then, to my friend from Idaho. First, let me begin by saying that the Presiding Officer, when he spoke a few

minutes ago, I think hit the nail right on the head. The Presiding Officer, the Senator from Wyoming, pointed out that it didn't really matter who conducts the activity on the Internet. Whether it is an Indian tribe or an offshore virtual casino, the result is the same for the people of the State which has established the public policy of protecting its people from such activity. You can't do it. You can't protect your citizens.

The State of Wyoming has made that decision, and yet if the Indians were allowed an exemption under this bill, they would be permitted to run Internet gambling operations, they could reach every citizen in every State and every young person in every State, as the Presiding Officer pointed out.

No one is allowed to do that today. No one would be allowed to do that under the legislation, but under the Craig amendment, a special exception would be made for the Indians. The Senator from Idaho argues that it is legal for the tribes to do that. In this he is simply wrong.

Again, let me quote from a letter from all 50 attorneys general, including the attorney general of Idaho, on this exact point. They are writing to the National Indian Gaming Commission.

We are writing to you to express our strong opposition to and legal analysis regarding the use of the Internet for the purpose of engaging in gaming activity allegedly under the Indian Gaming Regulatory Act of 1998. The undersigned have concluded that such gaming is not authorized by IGRA. [One of the reasons, I might say, contained in the next sentence] As you know, under IGRA, gaming activity is allowed only on Indian lands.

This goes beyond that. It goes to any State, into any home, to be used by any child who might log on to the Internet. All the people I quoted before who testified before the Judiciary Committee said this is a pernicious activity for young people who get into the Internet and begin gambling. It could become the most addictive way for children and, later, adults to become addicted to gambling.

As a result, it is an activity that needs to be stopped before it is allowed to spread. What we should not do is create an exception just for the Indian tribes, because, in effect, that is an exception that precludes us from protecting our children. I urge, tomorrow, that we defeat the Craig amendment.

The PRESIDING OFFICER. All time has expired.

MORNING BUSINESS

Mr. GREGG. Mr. President, I ask unanimous consent there now be a period for the transaction of routine morning business with Senators permitted to speak up to 10 minutes each.

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

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday,

July 21, 1998, the federal debt stood at \$5,535,209,449,941.52 (Five trillion, five hundred thirty-five billion, two hundred nine million, four hundred forty-nine thousand, nine hundred forty-one dollars and fifty-two cents).

One year ago, July 21, 1997, the federal debt stood at \$5,363,683,000,000 (Five trillion, three hundred sixty-three billion, six hundred eighty-three million).

Five years ago, July 21, 1993, the federal debt stood at \$4,336,609,000,000 (Four trillion, three hundred thirty-six billion, six hundred nine million).

Ten years ago, July 21, 1988, the federal debt stood at \$2,552,565,000,000 (Two trillion, five hundred fifty-two billion, five hundred sixty-five million).

Fifteen years ago, July 21, 1983, the federal debt stood at \$1,329,511,000,000 (One trillion, three hundred twenty-nine billion, five hundred eleven million) which reflects a debt increase of more than \$4 trillion—\$4,205,698,449,941.52 (Four trillion, two hundred five billion, six hundred ninety-eight million, four hundred forty-nine thousand, nine hundred forty-one dollars and fifty-two cents) during the past 15 years.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING JULY 17TH

Mr. HELMS. Mr. President, the American Petroleum Institute has reported that for the week ending July 17 that the U.S. imported 8,750,000 barrels of oil each day, 605,000 barrels a day more than the 8,145,000 imported during the same week a year ago.

Americans relied on foreign oil for 58.1 percent of their needs last week. There are no signs that the upward spiral will abate. Before the Persian Gulf War, the United States imported about 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970s, foreign oil accounted for only 35 percent of America's oil supply.

All Americans should ponder the economic calamity certain to occur in the U.S. if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the U.S.: now 8,750,000 barrels a day at a cost of approximately \$98,875,000 a day.

LOBBING ONE MORE GRENADE AT MICROSOFT

Mr. GORTON. Mr. President, tomorrow the Senate Judiciary Committee will hold yet another hearing designed solely to lob one more grenade at Microsoft. It is entitled "Competition and Innovation in the Digital Age: Beyond the Browser Wars."

Just as I have said of the Justice Department's case against Microsoft, the Judiciary Committee's efforts to paint Microsoft in a negative light seems to be merely an attempt to give software companies that cannot compete against Microsoft on their own merits an opportunity to catch up. It is this

practice, the practice of using the United States Senate and the Department of Justice as a means to help less successful companies compete against Microsoft, that is unfair—not Microsoft's business practices.

As all of my colleagues will remember, the Committee held a similar hearing only a few months ago. At that hearing in March, Microsoft's CEO, Bill Gates, patiently answered questions from committee members and witnesses representing his competitors for four hours. The questioning focused primarily on whether Microsoft has the right to integrate new and innovative products into its Windows operating system—specifically, Microsoft's Internet Explorer.

This is precisely that issue that a gaggle of lawyers over at the Justice Department's Antitrust Division and a dozen state attorneys general are currently litigating. The DOJ and state attorneys general allege that Microsoft, in including its browser software in Windows 98, is in violation of U.S. antitrust laws.

Only a few weeks after this case was filed, Microsoft won a major court victory in a related battle. On June 23, a three judge United States Circuit Court of Appeals panel overturned the preliminary injunction issued against Microsoft last December by U.S. District Court Judge Thomas Penfield Jackson. In my opinion, this ruling is so significant as to make the Department of Justice's current case against Microsoft even more questionable than it was at the time of filing.

The question before the panel was whether Microsoft violated antitrust law and a 1995 consent decree by integrating its web browser into Windows 95. The panel ruled that Microsoft's actions did not violate the consent decree and that Microsoft should indeed be allowed to integrate new and improved features into Windows. Such integration, the judges ruled, benefits consumers.

The judges went on to warn that the government is ill-suited to make technological determinations and that the dangers of doing so far outweigh the potential benefits that "antitrust scholars have long recognized the undesirability of having courts oversee product design, and any dampening of technological innovation would be at cross-purpose with antitrust law."

The Judiciary Committee's hearing will apparently focus on issues other than the integration of browser software into Windows 98. The witnesses will instead give testimony, among other subjects, alleging that Microsoft competes unfairly in the server operating system market—a market in which Microsoft is one of many competitors and in which no one company is dominant. No monopoly here—what's the beef?

The network server market includes competitors such as IBM, Sun Microsystems, Novell, Microsoft and several others. Many of these companies have

chosen strategic business models in which they sell their customers not only the software that runs network servers, but sometimes the servers themselves, the applications that run on the servers, and even the workstations that sit on employees' desks. In such models, every piece of hardware and software is designed to work together, and as long as customers use only that one company's products, everything works fine.

Sales volumes in the network server market are fairly low but profit margins are high. Once a customer decides to buy a one-company network, he tends to stick with that system because the cost of switching to something else is quite high. Thus, this business model is a good one that can make, and has made, some companies very successful.

Microsoft has chosen a different business model for the network server market. It's model is not unfair, illegal, or anti-competitive. It is merely a different way of doing business. Microsoft doesn't make hardware or enterprise applications that run on servers. It does not make the workstation computers that sit on employees' desks. Microsoft makes network operating system called Windows NT. For a customer to use Windows NT on its server, it does not need to buy anything else from Microsoft. NT is designed to work with *any* manufacturer's hardware and support *any* company's software. It is a high volume, low profit margin model.

It is certainly not difficult to understand why companies like Novell, Sun, and IBM might be concerned about competition in the server market. After all, they have been in this market for a long time and have done very well in it. Because the margins on their sales are high, lost sales are more damaging to them than they are to their competitors whose margins on each sale are much lower. But if Sun, IBM, and Novell continue to respond to the needs of their customers, they will continue to do well in the server market.

Just as the appeals panel ruled last month on the browser issue, the decision on whether the business model chosen by Sun, IBM, and Novell or that chosen by Microsoft is a decision best made by the free market and the free market alone. The Department of Justice and the Senate Judiciary Committee have no legitimate role to play in this determination.

Let me make it clear, Mr. President, that throughout this attack, Microsoft has gone out of its way to cooperate both with the Committee and with the Justice Department. Even while its reputation is being tarnished by these two organizations, Microsoft has provided them both with everything it has been asked to provide and more.

So, I admonish my friend and colleague Senator HATCH to reciprocate. Given the list of witnesses scheduled to testify, however, I am afraid that the deck is already stacked against Microsoft. That is precisely why I advised