

real dollars, this translates into \$200 billion in Net-based commerce by 2000, and \$1 trillion by 2003.

We can't begin today fully to understand the scope of freedom for people that this information revolution will bring. And all the while Microsoft and its competitors continue to bring better products at lower prices to all consumers.

While this case has been in the court, we have heard almost no discussion about whether the dramatic changes of the last year have rendered this case moot. I believe they do, and here's why.

In the presence of a company exerting real monopoly power, competitors would be stifled, prices would rise, choices would be curtailed, consumers would be harmed. In fact, in the last twelve months the real world for consumers has improved by all of these measures. Competition in the technology industry is alive and well and nipping at the heels of Microsoft—all great news for consumers. Prices are down, choices are up, innovation is rampant.

The U.S. software industry is growing at a rate more than double that of the rest of the economy. The number of U.S. software companies has grown from 24,000 in 1990 to an estimated 57,000 in 1999. The number of U.S. software industry employees has grown from 290,000 in 1990 to an estimated 860,000 in 1999, with an average rate of growth of 80,000 per year from 1996 to 1999. Do these growth figures sound like they come from an industry that is dominated by a Monopoly player?

Mr. President, the bottom line is that the industry is thriving. It shows that we do not need the government picking winners and losers. While the nature of the government's case has been forced to change in the last year, the administration seems determined to punish this successful company and to use the power of the government to reward Microsoft's competitors. These are the very competitors whose alliances have radically changed the competitive landscape of the Information Technology industry in just the last few months.

When the case began, AOL and Netscape were two large successful companies. Today they're gigantic, teamed with Sun and ready to compete in the next frontier of the Information Technology industry—the Internet.

When the case began, MCI Communications and WorldCom were two separate companies, as were Excite and @Home. Yahoo hadn't yet bought GeoCities and Broadcast.com.

When the case began AT&T was a long distance company. Today, AT&T could influence more than 60% of cable systems in the United States.

Microsoft has continued to excel, in spite of simultaneously fighting off the government and its competitors. But, far from being stifled, Microsoft's competitors and potential competitors also have increased their market value by dizzying percentages over the last year:

AOL—up 555 percent;
Amazon—up 838 percent;
Sun Microsystems—up 209 percent;
IBM—up 91 percent; and
Yahoo—up 455 percent.
Microsoft is up 83 percent.

To me that's good news, and I hope it happens again this year. But that success leads me to wonder: if these competitors are so injured by Microsoft, why is the Dow Jones Industrial Average up 20% and the more technologically driven NASDAQ up a more startling 40% since the trial began?

A May 7 article in the Washington Post outlines the previously undisclosed lobbying activity on the part of a multi-billion dollar coalition of Microsoft competitors, consisting of Netscape and AOL, as well as ProComp, Sun and Oracle, who collectively have outspent the Redmond-based software firm by almost \$4 million. The Post story made clear that Microsoft has been scrambling just to catch-up.

Economist Milton Friedman recently warned about the possible impacts of the suit on the high-technology industry as a whole. He pointed out the obvious flaw in the competitors' strategy, which is involving government regulators. Mr. Friedman states, "Silicon Valley is suicidal in calling government in to mediate in disputes among some of the big companies in the area and Microsoft . . . once you get the government involved, it's difficult to get it out." I couldn't agree more.

Mr. President, with the Sherman antitrust action by the government against Microsoft entering its second year, the only question that remains is why this lawsuit continues. I urge my colleagues to join me in seeking an answer to that question.

CONCLUSION OF MORNING BUSINESS

Mr. LOTT. Mr. President, I believe the morning hour has expired. I move for the regular order.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2000

The PRESIDING OFFICER (Mr. BROWNBACK). Under the previous order, the Senate will resume consideration of S. 1059, which the clerk will report.

The legislative assistant read as follows:

A bill (S. 1059) to authorize appropriations for fiscal year 2000 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

McCain/Levin amendment No. 393, to provide authority to carry out base closure round commencing in 2001.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I see no other Senator here at this moment. I believe there is another Senator who will be here at about 10:30 to offer another amendment, but I would like to submit an amendment for consideration at this point.

AMENDMENT NO. 394

(Purpose: To improve the monitoring of the export of advanced satellite technology, to require annual reports with respect to Taiwan, and to improve the provisions relating to safeguards, security, and counterintelligence at Department of Energy facilities)

Mr. LOTT. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 394.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. LOTT. Mr. President, I am pleased to offer this amendment on behalf of myself, and Senators WARNER, SHELBY, MURKOWSKI, DOMENICI, SPECTER, THOMAS, KYL, and HUTCHINSON.

This package is the product of the serious investigative and oversight work performed by the relevant committees and other Senators who have devoted considerable attention to the issues of satellite exports, Chinese espionage, lax security at DOE facilities, foreign counterintelligence wiretaps, and more. I commend my cosponsors and others for their helpful efforts in this regard.

I have stated that the damage to U.S. national security as a result of China's nuclear espionage is probably the greatest I have seen in my entire career. And, unfortunately, the administration's inattention to—or even hostility towards—counterintelligence and security has magnified this breach.

It is simply incredible that China has acquired sensitive, classified information about every nuclear warhead in the U.S. arsenal. But this apparently is precisely what happened.

It is simply incredible that American companies illegally provided information to the Chinese that will allow them to improve their long-range missiles aimed at American cities. But this apparently is exactly what happened.

It is simply incredible that American exports were delivered to certain Chinese facilities that will assist their weapons of mass destruction program. But this apparently is exactly what happened.

It is simply incredible that it took this administration 2 years from the date the National Security Adviser was