Mr. President, everything I have said during the course of the last 30 minutes is absolutely proven and true. I hope America is listening. We have a nation to save from this President.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Utah is recognized.

Mr. HATCH. Mr. President, I ask unanimous consent that I be permitted to speak for 15 minutes and that immediately following my remarks Senator HOLLINGS be recognized.

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

The Senator is recognized.

Mr. HATCH. I thank the Chair.

COMPETITION IN THE DIGITAL AGE: UNITED STATES VERSUS MICROSOFT

Mr. HATCH. Mr. President, today I rise to speak for a few moments on the Justice Department's ongoing case against Microsoft, and to discuss the Judiciary Committee's upcoming agenda in examining competition in the digital markets.

As my colleagues know, the Department of Justice and 19 states have sued Microsoft for violating federal antitrust laws. In the case brought by the Department of Justice, the Government has completed its case in chief, and Microsoft rested its case on Friday, February 26.

While the trial is proceeding in the courts, I have not held hearings on Microsoft's apparent monopolistic activities and their impact on competition within the software and related technology markets. However, as I noted last November, the Judiciary Committee will continue to examine the important role proper and timely enforcement of federal antitrust laws can have on fostering both competition and innovation for emerging technologies, while minimizing the need for government regulation of the Internet.

I believe an important area of inquiry is evaluating the significant public policy concerns posed by the question of what remedies should be imposed in cases where, notwithstanding the generally dynamic and competitive nature of Internet-related industries, high technology companies have been found to have violated the antitrust laws.

As I have maintained in the past, these dynamic high-technology industries are different from other traditional industries of the past, and antitrust remedies must take these differences and the special characteristics of the respective high-tech industries into account.

Mr. President, if, at the close of the trial, Microsoft is found to have violated the law, the remedies that the court would apply will implicate many policy concerns with respect to how business in the high-technology industry is transacted. Any resolution of the matter—including any settlement, I believe, should aim to restore competition and ensure that neither Microsoft, nor any other monopolist similarly situated, is allowed to continue to benefit from the market advantages it gained unfairly.

Promoting real and vigorous competition, which respects intellectual property rights, will not only ensure better prices for the consumers, but will also ensure that innovation is not hampered due to the market stranglehold of a monopolist. Ensuring that true competition exists in the market is also the best way to keep the government out of the business of regulating the Internet.

Government should not exert unwarranted control over the Internet—even if Vice President GORE still thinks he created it. Nor should any one company. Indeed, I share Senator GORTON's interest in knowing where the Vice President stands with respect to the Microsoft case. After all, doesn't the father of the Internet have a view on who should be able to control his creation?

In the trial, we saw the government put forth a powerful case against Microsoft. And, we saw Microsoft put forth a not so stellar defense. Many experts, even those who were skeptical at first, now believe that the government may well prevail.

I ask unanimous consent that several illustrative articles related to this case be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 11, 1999]

U.S. HAMMERS AT MICROSOFT'S BROWSER DEALS

(By Joel Brinkley)

A senior Microsoft official acknowledged in Federal court today that the company's contracts had prohibited Internet service providers from offering its browser on the same Web page as its main competition because Microsoft executives ''thought we would lose in a side-by-side choice.''

The admission clearly pleased David Boies, the Government lawyer who elicited it from the witness, Cameron Myhrvold, a vice president in the Microsoft Corporation's Internet Customer Unit division—so much so that Mr. Boies asked the same question four different ways and got the same answer each time.

''Was it true you were trying to prevent Internet service providers from presenting Netscape and Internet Explorer side by side so users could choose?'' he asked at one point. Internet Explorer is the name of Microsoft's browser; the Netscape Communications Corporation's Navigator is its principal rival.

''We thought we would lose in a side-by-side choice, ''Mr. Myhrvold answered, because Netscape was already so firmly established in the market.

In all, it was another bad day in court for Microsoft in its antitrust battle with the Justice Department, which charges that the software giant used a monopoly in personal computer operating systems to achieve a dominant position in Internet software. Hour after hour, Mr. Boies chiseled away at Mr. Myhrvold's testimony, forcing him to acknowledge incorrect assertions, misleading omissions and deceptive statements.

Mr. Myhrvold repeatedly acknowledged that he made misstatements in E-mail memos. He also testified that he disagreed with Microsoft employees whose memos contradicted his own assertions.

As he completed his testimony this evening it was clear the Mr. Myhrvold's appearance had not helped Microsoft's case. In fact, as Microsoft's defense reached its midpoint this evening, none of its first five witnesses had proved particularly effective advocates of the company's position.

Mr. Myhrvold, a brother of Nathan Myhrvold, Microsoft's chief technology officer, is in charge of the Microsoft division that negotiates agreements with Internet service providers, the companies that give computer users access to the Internet. The Government charges that Microsoft's restrictive contracts with these companies are anticompetitive and illegal. Mr. Myhrvold tried to make the case that the contracts were largely ineffective or benign.

Many of these companies have agreements to be listed in the Internet Referral Service in Microsoft's Windows operating system, which enables users to subscribe to an Internet service posted there. On Tuesday, Mr. Myhrvold insisted that the Government's assertion that these companies had to favor Explorer over Navigator to be included in the service was ''absolutely wrong.''

But under further cross-examination by Mr. Boies today, Mr. Myhrvold admitted that in most cases the companies had been required to ship Explorer to at least 75 percent of their customers. Mr. Myhrvold added that they were free to stop shipping the Microsoft product if they wanted, in which case they could be dropped from the Windows referral service.

''It's a fairly subtle point,'' Mr. Myhrvold acknowledged.

Similarly, in his written direct testimony, Mr. Myhrvold pointedly noted that several Internet service providers in the referral service were not shipping Explorer as required, and yet the company had decided not to enforce the contracts.

For example, he wrote, ''of the copies of Web browsing software shipped by Concentric,'' a reference to Concentric Networks, a small Internet service provider, ''only 17 percent were Internet Explorer.''

But those figures were for 1997, Mr. Boies entered into evidence a Microsoft document showing that by the first quarter of 1998, 100 percent of Concentric's browser shipments were Internet Explorer.

Mr. Myhrvold repeatedly noted that Netcom, a Internet service unit of ICG Communications Inc. that has a contract with Microsoft, made no real effort to switch customers to Internet Explorer, testifying that one point in 1997—when 10 percent of Netcom's customers were getting the Microsoft product—was ''the high-water mark.''

But Mr. Boies then displayed a Microsoft document showing that in early 1998 the percentage had risen to 40 percent. Then Mr. Boies offered another Microsoft document showing that Netcom was actually able to control the browser choice of only a small percentage of the people who signed up for its service; most customers were handed to Netcom by computer makers, or by Netscape. That same document showed that Microsoft won an agreement with Netcom that 90 percent of the customers Netcom did control would switch to Internet Explorer.

To that, Mr. Myhrvold said only that the author of the Microsoft document ''was a pretty good salesman.''

Later, the response to a question from a Microsoft lawyer, Mr. Myhrvold denied a Government assertion that his staff had offered a British division of Uunet, an Internet service owned by MCI Worldcom, $500,000 to swtich to Internet Explorer. He said he told his staff that ''it would not be appropriate to

tie payments to shipments of Internet Explorer.''

Moments later, Mr. Boies displayed still another E-mail that Mr. Mhyrvold had written to a subordinate in Britain in which he said, ''I think tying the payment to their shipping of IE is a great idea, though I would not do this formally.'' Mr. Myhrvold explained that the message had not meant what it said, and he had called the subordinate later to tell him not to tie the two. There was no record of that call, he conceded.

On Thursday, Brad Chase, another Microsoft executive, takes the stand. In his written direct testimony, which was made public today, he defends Microsoft's contract requiring America Online to switch its customers to Internet Explorer.

Mr. Chase writes that ''nothing in the license requires AOL's subscribers to choose Internet Explorer.'' But a Mircosoft memo introduced today suggests the cross-examination Mr. Chase is likely to face.

In it, a Microsoft executive writes that ''the typical AOL user is a novice.'' And as a result, AOL uses ''the force-feed approach. They force feed the upgrade at log off,'' meaning that Ameica Online automatically downloaded Internet Explorer to users when they logged off the service.

An America Online executive testified earlier in the trial that very few users bothered to swtich from Internet Explorer to Navigator, even though they were allowed to, because finding and installing the Netsccape browser was too difficult.

[From the New York Times, Feb. 5, 1999]

MICROSOFT SHOWS NEW TAPE, AND OPENS A NEW CAN OF WORMS

(By Joel Brinkley)

WASHINGTON, FEB. 4.—Trying to stop the damage from a disastrous week in court, the Microsoft Corporation played a new, videotaped demonstration at its antitrust trial Thursday.

The 70-minute video showed James E. Allchin, a senior company executive, performing live tests and then looking into the camera and saying that he had proved his point—that a prototype Government program intended to separate Microsoft's Web browser from the Windows operating system had really done no such thing.

The program just hid the browser, he showed. Further, he demonstrated, running the program disabled some other features in Windows and caused additional problems.

In Federal Court on Monday, Microsoft had played a long videotape intended to demonstrate the advantages of integrating a Web browser with Windows and debunk the Government program, written by a Princeton University professor and two of his students.

But in the last two days, David Boies, the Government's lead lawyer in the antitrust lawsuit against Microsoft, gradually pulled the tape apart, pointing out numerous technical questions and errors, until finally Judge Thomas Penfield Jackson declared Wednesday afternoon that he no longer viewed the tape as reliable evidence.

''It's very troubling,'' he said.

After that, Microsoft gave up and asked for an opportunity to make a new tape. As soon as court adjourned Wednesday, a Microsoft spokesman drove to a shopping mall in suburban Landover, Md,, and bought six I.B.M. Thinkpad laptop computers at CompUSA, for use in the new effort.

A film crew was hired on short notice, and the computers were delivered to a conference room at Sullivan & Cromwell, the law firm that is representing Microsoft.

To assure that the new tape woud be viewed as credible, a Government lawyer and the Princeton professor, Dr. Edward W. Felten, along with his two students, were invited to come by at 8:30 p.m. to witness the taping. But they were not permitted into the room for two hours, while the Microsoft team unpacked the boxes and set up the computers—leading to angry concerns that something nefarious was under way. The taping was not completed until after midnight.

Asked in court Thursday why the Government representatives were not let in, Allchin—normally a low-key unflappable man—bristled and said: ''Sir, I was not involved with that, and it would have been okay with me.''

Allchin sat in the witness stand and watched silently as his tape was played. On the tape, Allchin, who is a senior vice president for Microsoft in charge of the Windows division, navigated his way into a new computer he did not know and ran up against the same software problems and glitches every computer user encounters.

''Okay, I've got to figure this out, and I don't have my glasses with me,'' he said matter of factly when his screen suddenly went blank. Later, when a Microsoft promotional program popped onto the screen unbidden, complete with a loud gong from Big Ben followed by upbeat jazz, Allchin looked a bit annoyed and said, ''Very nice music, but not tonight.''

As he tried to connect to the Internet while the camera watched, the connections often failed, and when one did succeed, it seemed to be agonizing slow—nothing like the zippy Internet downloads shown in Microsoft's demonstration tape that was played in court on Monday.

''The performance problem you see here has nothing to do with Dr. Felten's program,'' Allchin acknowledged at one point.

Judge Jackson, who is hearing the case without a jury, watched the tape silently, often with a bemused expression on his face.

When it was over, Allchin demonstrated that, after running the Government program, he was able to re-enable Internet Explorer through a complex series of changes in the Windows registry file that no normal user would be able to carry out without precise instructions.

Before doing that, he demonstrated that several programs did not work properly on what he called ''a Felten-ized machine.''

All of the problems he showed related to features of the programs that interacted with the Internet. And when Boies got a chance to question Allchin again, he immediately asked: Isn't it logical to expect, after disabling the browser, ''that anything that depended on the browser wouldn't work right?''

Allchin conceded that. And as for the other problems and glitches Allchin demonstrated, Boies said: ''What Dr. Felten prepared was not a commercial product. It was a concept program. Wouldn't you expect it to have problems? Doesn't Microsoft find bugs in its programs during the normal course of software development?'' To that last question, Allchin said yes.

Before Allchin played his tape, another Microsoft witness, Michael Devlin, an independent software developer, completed his testimony in about 90 minutes. In his direct, written testimony, he said his company appreciated Microsoft's decision to include a Web browser with Windows.

Boies, the lead Government attorney, barely referred to that testimony in his brief, 27-minute cross-examination. Instead he tried to throw Devlin's motivations for testifying into question by demonstrating that his company was dependent on Microsoft for more than half of its business and was at risk of serious financial damage from Microsoft if the company were to decide to make a competing product.

Devlin acknowledged that, but Boies never asked him directly if those concerns had played into his decision to agree to Microsoft's request to testify.

Microsoft also made public the written testimony of the next witness, William Poole, senior director of business development for Microsoft, who will take the stand on Monday.

In it, Poole defends the restrictive contracts Microsoft won from other companies doing business on the Internet, requiring them to promote Internet Explorer in exchange for advertising space in Windows.

The Government charges that these contracts are anticompetitive and illegal, but Poole calls them ''routine cross-licensing agreements, common across many industries.''

Poole also argues that, in the end, the contracts did not significantly impede the Netscape Communications Corporation, the chief competitor to Internet Explorer. And he adds, the ''channel bar,'' the space in Windows where the ads appeared, ''turned out to be a commercial disappointment'' in any case.

[From the Seattle Times, Feb. 23, 1999]

MICROSOFT TRIAL—EXECUTIVE ADMITS OFFERING NETSCAPE INDUCEMENTS

(By James V. Grimaldi)

WASHINGTON.—A Microsoft executive acknowledged offering Netscape Communications executives ''several inducements'' in mid-1995 to get the browser maker to adopt certain Microsoft Internet technologies.

* * * * *

Today, U.S. District Judge Thomas Penfield Jackson indicated just how far Microsoft had to go to repair the damage. As Rosen resumed the stand for direct questioning by Microsoft attorney Michael Lacovara, Jackson reminded Rosen that he was still under oath. Then, the judge turned to the attorney's podium and said, ''Mr. Lacovara, it is always inspiring to watch young people embark on heroic endeavors.''

Testifying that archrival Netscape posed no significant threat to Microsoft in 1995, Rosen yesterday attempted to refute allegations that the Redmond corporation attempted to divide the market for Internet browsers with Netscape during a June 21, 1995, meeting.

* * * * *

By saying that he didn't consider Netscape a significant competitor before the meeting, Rosen was trying to build a foundation for his defense: If Netscape was not perceived as a competitor, then Microsoft couldn't possibly have been trying to divide the market for browsers with the Silicon Valley company's executives.

Rosen strongly denied the market-division allegation in written testimony. In particular, he was called to dispute the testimony of Netscape Chief Executive Jim Barksdale, the government's first witness, and other Netscape officials who were questioned before the trial.

Today he said Netscape officials first suggested the idea that a ''line'' be drawn between the underlying operating-system technology and what would run on top of that technology, such as an Internet browser.

But when Boies began his second round of questioning, Rosen had more difficulties. He testified that he had not received a copy of the Netscape browser software before the 1995 meeting. Shown a copy of an e-mail with Rosen asking another Microsoft executive for it, Rosen said that it turned out to be an early copy that did not install well.

Boies blew up: ''You don't remember that, do you, sir? You're just making that up right now.''

Rosen replied: ''No, sir. I remember it.''

Boies showed Rosen another e-mail. Rosen read it and replied, ''I stand corrected.''

* * * * *

''I remember thinking that Bill was probably wrong because Jim Barksdale was telling me that Netscape didn't intend to compete in this way,'' Rosen said. ''I probably had a better perspective than Mr. Gates did on Netscape's true intentions.''

Rosen testified that it was his understanding that Netscape did not want leadership for its Navigator browser on the Windows 95 platform, though he had written in a May 1995 memo that Microsoft should try to control Netscape.

Rosen worked hard to repudiate his own memo, which indicates he considered Netscape a threat. He said he had just joined Microsoft and the memo was a draft that contained errors.

On Page 3 of the five-page memo, Rosen wrote, ''Microsoft currently controls the base and the evolution of the desktop platform. The threat of another company—Netscape has been mentioned by many—to use their Internet WWW browser as an evolution based could threaten a considerable portion of Microsoft's future revenue.''

Boies asked: ''Did you believe that when you wrote it?''

Rosen said ''No, sir.'' He added, ''I don't know why this is surprising. I wrote this down to discuss this with others to find out what my ideas looked like compared to others. This was a draft document.''

Boies and Rosen continued to tangle over the memo, which Rosen acknowledged he wrote but repeatedly said he never sent.

''If you want me to comment on a draft memo that was never set,'' he said, ''I don't know how fair it is.''

Replied Boies: ''You might understand how someone reading this might believe you meant what you wrote.''

Said Rosen: ''Yes.''

After a lunch break, the government showed Rosen a document from Preston, Gates & Ellis showing that the memo was produced from the files of Microsoft executive Ben Slivka. Rosen acknowledged he must have sent it ''at the very least'' to Slivka.

* * * * *

[From the New York Times, February 27, 1999]

MICROSOFT RESTS ITS CASE, ENDING ON A MISSTEP

(By Joel Brinkley)

After more than five months of testimony, the Microsoft Corporation rested its case today in the Government's landmark antitrust suit, but not before the presiding judge had shouted angrily at the company's final witness and ordered him to stop talking.

* * * * *

John Warden, Microsoft's lead trial lawyer, acknowledged that others believed that the Government had ''succeeded in undermining our witnesses.'' But he called this a desperation tactic. ''When you don't have the laws or the facts, you try credibility, and that's what I think has driven them to this strategy.''

David Boies, the Government's lead trial lawyer, who has tripped up and embarrassed most of Microsoft's witnesses, said he believed that casting doubt on witnesses' credibility was not all that had been achieved.

''They've admitted monopoly power,'' he said. ''They've admitted the absence of competitive constraints. They've admitted raising prices to hurt consumers. They've admitted depriving consumers of choice.''

In the witness box today, Robert Muglia, a Microsoft senior vice president, tried to put the best face on his company's relationship with Sun Microsystems, the creator and owner of the Java programming language. The Government charges that Microsoft tried to sabotage Sun because it saw Java as a competitive threat.

Mr. Muglia, who said Microsoft's relationship with Sun was his responsibility, repeatedly asserted that Microsoft was interested in cooperating with Sun. But Mr. Boies presented numerous E-mail messages and memos from senior Microsoft executives, saying in one manner or another that they wanted to defeat Sun.

The combined effect of the memos was to leave the impression that if Mr. Muglia was to be believed, he was either out of touch or naive. And his continued defense of his position, even in the face of a contradictory E-mail from William H. Gates, the company's chairman, set off the judge.

In May 1997, Mr. Gates wrote: ''I am hardcore about NOT supporting'' the latest version of Java. Messages in the same string of E-mail from other senior executives made the same statement, but with exclamation points and expletives.

Yet Mr. Muglia tried to make the case that Mr. Gates had not really meant what he wrote, adding, ''I don't exactly know what Bill meant by support.''

At that, Judge Thomas Penfield Jackson, who is hearing the case without a jury, shook his head and interrupted with an irritated tone, saying: ''There's no question he says he does not like the idea of supporting it. Let's not argue about it.''

* * * * *

Earlier, Mr. Boies had showed him a Microsoft memo setting out the company's strategy on Java. The first line was ''Kill cross-platform Java by growing the polluted Java market.'' Sun and the Government accuse Microsoft of creating its own ''polluted'' version of Java to undermine Sun's version. Microsoft argues that its version is better.

* * * * *

This morning Microsoft's lawyer was questioning the preceding witness, Joachim Kempin, a Microsoft vice president, prompting him to list the modifications Microsoft was not allowing computer manufacturers to make to its Windows operating system. A year ago, the company forbade most or all such changes, which contributed to Federal antitrust charges.

Judge Jackson interrupted the questions to ask in an even tone: ''Are all these rights manufacturers now possess a matter of sufferance and grace on the part of Microsoft, or are they expressly written into the contracts?''

Mr. Kempin said some were granted in personal letters to the companies, others in phone conversations—not in contracts.

''So you have chosen to waive or give up certain rights you have in your contract?'' the judge said.

That's right, Mr. Kempin said. The judge's questions appeared to mirror the Government's assertions that Microsoft's new generosity to manufacturers could be temporary—lasting only as long as Microsoft's previous behavior is the subject of antitrust charges.

* * * * *

Mr. HATCH. Mr. President, I urge my colleagues to read them if they have not already done so. These articles set forth but a few examples of Microsoft's unfortunate actions that have manifested in what has been several months of missteps and embarrassments for the company.

The trial is not over. The case is just suspended until the week of April 12, when the court will reconvene for probably several weeks of testimony from rebuttal witnesses. But Microsoft and its defenders have again begun their public relations efforts here in the Senate.

Just last Friday, my friend, the distinguished senior Senator from Washington, Senator GORTON, took the floor to again defend Microsoft, and attack the Antitrust enforcers and me for questioning Microsoft's actions. I have said before and will say it again: Microsoft is not above the law. The facts and the law should and will prevail regardless of Microsoft's public relations campaign, its ill-advised lobbying efforts, and its muddled defenses.

I had been surprised to read several weeks ago that Senator GORTON, in a February 9 press conference, ''vowed to use his influence as a member of the Appropriations Committee to cut funding for the Justice Department's antitrust division.'' I and several concerned Senators wrote to Senators GREGG and HOLLINGS and argued that a move to cut the Division's funding without justification could be perceived by many as interfering with an ongoing litigation.

I was pleased to hear that my colleague has apparently conceded that trying to cut DOJ's funding would be unwise. However, he has now properly downsized his ambition and is now advocating not increasing the Antitrust Division's budget by the amount the Administration has requested.

I am not yet convinced that the Antitrust Division has fully justified its request for a substantial budget increase. In fact, I believe the Congress should work with the Administration to examine whether we should adjust the Hart-Scott-Rodino value thresholds in order to ensure that the Department's merger reviews take into account inflation and the true economic impact of mergers in today's economy. Attorney General Reno has pledged to work with me on this, and I look forward to working with any of my colleagues who may have an interest in this issue. In this age of precious resources, we will be looking closely at the Antitrust Division's budget and operations, and making sure that any reasonable budget increase is justified.

A final point. My friend and Senator from Microsoft's home state has publicly stated that a number of companies across the nation, including some in my state of Utah, work with Microsoft and would be hurt by the current antitrust litigation against Microsoft. I don't know if they will be hurt, but what I do know is that there are many high technology companies and millions of consumers in the States of Washington, Utah and across the nation that would be harmed by any anticompetitive act of Microsoft.

In fact, we heard testimony before the Judiciary Committee from one Seattle, Washington-based company, Real

Networks, describing how Microsoft's anticompetitive conduct crippled their technology and hurt the company, although I have to say Real Networks has been doing very well ever since because of their fascinating innovations and the tremendous abilities that they have in this field. However, if violations of the antitrust laws are not pursued against powerful companies like the Microsofts of the world, as the Senator from Washington suggests, many of the technology companies, not to mention the consumers, in the states of Washington, Utah and all across the nation, will suffer. Mr. President, the survival of these companies means jobs, it means innovation, it means competition in the digital market, and it means the availability of consumer choice.

I just hope that Microsoft can learn from its mistakes in court and its earlier mistakes here in Congress. Frankly, some of their efforts here have reminded me of those who would tie themselves to railroad tracks and wait for a train to come just to make a point. Microsoft's misguided legal and legislative advice has not helped its case to date, and I would hope, for Microsoft's case, that they would not initiate a foolish political protest which could leave them even more damaged than they are now. Frankly, I don't think this train is going to stop.

Mr. President, I yield back the remainder of my time and turn the floor over for my dear friend from South Carolina.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from South Carolina is recognized.

Mr. HOLLINGS. I thank the distinguished Chair and my distinguished colleague for setting aside this particular time.

(The remarks of Mr. HOLLINGS pertaining to the introduction of S. 605 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER (Mr. KYL). The distinguished Senator from Idaho is recognized.

PRIVILEGE OF THE FLOOR

Mr. CRAIG. Mr. President, I ask unanimous consent that Kristine Svinichi, a congressional fellow in my office, be granted the privilege of the floor for the duration of the discussion on the Nuclear Waste Policy Act of 1999.

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

Mr. CRAIG. Mr. President, I ask unanimous consent to proceed in morning business for up to 10 minutes.

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

(The remarks of Mr. CRAIG pertaining to the introduction of S. 607 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

(The remarks of Mr. CRAIG, Mr. MURKOWSKI and Mr. GRAMS pertaining to the introduction S. 608 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. MURKOWSKI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

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

(The remarks of Mr. MURKOWSKI pertaining to the introduction of S. 609 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

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

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

SOCIAL SECURITY FOR THE 21ST CENTURY

Mr. BUNNING. Mr. President, I rise today to make my maiden speech on the floor of the Senate. It is about a subject near and dear to me, protecting and strengthening Social Security for this generation and the next.

In the other body, I served on the Social Security Subcommittee for 8 years. Over the last 4 years, I had the privilege of being the chairman. It was the most satisfying task I have had since coming to the Congress. In the subcommittee, we held numerous hearings over the past several years on Social Security reform and how to tackle the looming problem that will be facing us in the next century.

I have already introduced my own personal Social Security reform bill. It is called The Social Security for the 21st Century Act. Basically, Social Security reform is a two-sided coin. The first side of the coin is that we must guarantee the benefits that have been promised our older workers, workers who have paid into the program for years. We must assure them that their investment is safe and their benefits will always be there when they are needed.

The second side of the coin is that we have to find a way to give younger workers a reason to believe in the program, a reason to believe that they will get a reasonable rate of return on the money they invest in Social Security taxes throughout their working careers.

My bill focuses primarily on the second side of the coin. It gives taxpayers a one-time, voluntary option to set aside a small portion of their income that they have to pay into FICA taxes, and to invest this money in their own retirement security account.

The Social Security for the 21st Century Act enables them to begin by investing just 2.5 percent of their FICA taxes each year, and slowly increasing this amount by 2.5 percent annually over 20 years until eventually taxpayers can invest one-half of all of their FICA taxes in their own personal retirement security account. In return for choosing to set up a retirement security account, a taxpayer would agree to a 50-percent reduction in Social Security benefits.

The most important point about my bill is that it is voluntary, not mandatory. It gives people a choice, and it does not force them to do anything they do not want to do. If they are satisfied with what they have now, they can keep their benefits simply by doing nothing. But, if taxpayer-investors elect to set up a retirement security account, they would be able to manage their investment just like the Government workers do today in the successful Federal employee Thrift Savings Plan. Investors would have the additional choice to stop investing, but they could not do it again later on. They couldn't choose to come back.

They would have at least five options for investing their money. They could elect to put their money into a number of investments: stocks, fixed income, Government securities—whatever best meets their needs. There would be an annual open season so they could adjust their portfolios. In short, this would give Americans more control over their futures, and enable them to harness the power of markets and the miracle of compound interest.

Now, I know that many Americans, especially older taxpayers, might not want to make any changes at all to Social Security. We should respect that. They have been promised their benefits for years and they have relied on that in good faith. That is the second side of the coin. To protect these folks, and our most vulnerable citizens, my legislation guarantees the Social Security safety net. It does not raise the retirement age, it does not cut benefits, and it does not cut COLAs.

But I think that many workers, if given a choice, would opt to set aside some of their money and invest it in a retirement security account. Based on our experience with the Thrift Savings Plan, I think it would be a significant step towards stronger financial security for all Americans.

The TSP has been a great success for Federal workers. Over the past 10 years, the three investment choices available to workers in the TSP have average annual rates of return of 17.5 percent, 8.5 percent, and 7.6 percent.

That means the worst performing of these three funds, the G fund, which invests strictly in Government securities, has returned over 7 percent annually to investors. That compares very, very well to the 2 to 3 percent annual return that most Americans get for