November 19, 1999

CONGRESSIONAL RECORD—SENATE 30851

give the Postal Service subpoena authority. Those are some of the things we have done.

Again, I thank the good Senator from Maine, Ms. Collins, her staff, my staff, Linda Gustitus and her good crew, who have made it possible for this bill to happen. Senator Edwards has been extremely helpful with his provision requiring a delisting of persons not wanting to receive sweepstakes mailings. Senator Cochran has been very much in the forefront of this effort. Again, the majority and minority staffs of the Permanent Subcommittee on Investigations have done an absolutely superb job of putting together these hearings and developing this legislation.

I am confident that with the Senate’s passage today, the President will sign the bill into law. It is a bill that will help end the abuses which too often occur in this area and which take advantage of people who are too often vulnerable to the power of suggestion.

PRIVILEGE OF THE FLOOR

Ms. Collins. Mr. President, I ask unanimous consent that Benjamin Brown, a legislative assistant in Senator Ted Stevens’ office, be granted floor privileges for the 19th and 20th of November.

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

INTERNET GAMBLING PROHIBITION ACT OF 1999

Ms. Collins. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 158, S. 692.

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

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 692) to prohibit Internet gambling, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

S. 692

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the “Internet Gambling Prohibition Act of 1999”.

SEC. 2. PROHIBITION ON INTERNET GAMBLING.

(a) In general.—Chapter 30 of title 18, United States Code, is amended by adding at the end the following:

“§1085. Internet gambling

“(a) Definitions.—In this section:

“(1) BETS OR WAGERS.—The term ‘bets or wagers’—

“(A) means the placing or risking by any person of something of value upon the outcome of a contest of others, a sporting event, or a game of chance, upon an agreement or understanding

that the person or another person will receive something of value upon the outcome of the contest of others, a sporting event, or a game of chance.

“(B) includes the purchase of a chance or opportunity to win a lottery or other prize (which opportunity to win is predominantly subject to chance);

“(C) includes any scheme of a type described in section 3702 of title 28; and

“(D) does not include—

“(i) a bona fide business transaction governed by the securities laws (as that term is defined in section 3(a)(47) of the Securities Exchange Act of 1934 (15 U.S.C. 78a(a)(47))) for the purchase or sale at a future date of securities (as that term is defined in section 3(a)(10) of the Securities Exchange Act of 1934 (15 U.S.C. 78a(a)(10)));

“(ii) a transaction on or subject to the rules of a contract market designated pursuant to section 5 of the Commodity Exchange Act (7 U.S.C. 7);

“(iii) a contract of indemnity or guarantee; or

“(iv) a contract for life, health, or accident insurance.

“(2) CLOSED-LOOP SUBSCRIBER-BASED SERVICE.—The term ‘closed-loop subscriber-based service’ means any information service or system that uses—

“(A) a device or combination of devices—

“(i) expressly authorized and operated in accordance with the laws of a State, exclusively for placing, receiving, or otherwise making a bet or wager described in subparagraph (A); and

“(ii) by which a person located within any State must subscribe and be registered with the provider of the wagering service by name, address, and appropriate billing information to be authorized to place, receive, or otherwise make a bet or wager, and must be physically located within that State in order to be authorized to do so;

“(B) an effective customer verification and age verification system, expressly authorized and operated in accordance with the laws of the State in which it is located, to ensure that all applicable Federal and State legal and regulatory requirements for lawful gambling are met; and

“(C) appropriate data security standards to prevent unauthorized access by any person who has not subscribed or who is a minor.

“(3) FOREIGN JURISDICTION.—The term ‘foreign jurisdiction’ means a jurisdiction of a foreign country or political subdivision thereof.

“(4) GAMBLING BUSINESS.—The term ‘gambling business’ means—

“(A) a business that is conducted at a gambling establishment, or that—

“(i) involves—

“(I) the placing, receiving, or otherwise making of bets or wagers; or

“(II) the offering to engage in the placing, receiving, or otherwise making of bets or wagers; or

“(B) any soliciting agent of a business described in subparagraph (A).

“(5) INFORMATION ASSISTING IN THE PLACING OF A BET OR WAGER.—The term ‘information assisting in the placing of a bet or wager’—

“(A) means information that is intended by the sender or recipient to be used by a person engaged in the business of betting or waging to place, receive, or otherwise make a bet or wager; and

“(B) does not include—

“(i) information concerning pari-mutuel pools that is exchanged exclusively between or among 1 or more racetracks or other pari-mutuel wagering facilities licensed by the State or approved by the foreign jurisdiction in which the facility is located, and 1 or more pari-mutuel wagering facilities licensed by the State or approved by the foreign jurisdiction in which the facility is located, if that information is used only to conduct a common pool pari-mutuel pooling under applicable law; and

“(ii) information exchanged exclusively between or among 1 or more racing facilities or other pari-mutuel wagering facilities licensed by the State or approved by the foreign jurisdiction in which the facility is located, and a support service located in another State or foreign jurisdiction, if the information is used only for processing bets or wagers made with that facility under applicable law; and

“(iii) information exchanged exclusively between or among 1 or more wagering facilities that are located within a single State and are licensed and regulated by that State, and any support service, wherever located, if the information is used only for the pooling or processing of bets or wagers made by or with the facility or facilities under applicable State law.

“(6) PRIVATE NETWORK.—The term ‘private network’ means an interactive computer service provider that operates in, or uses a channel or instrumentation of, interstate or foreign commerce to provide or enable access by multiple users to a computer server, including specifically a service or system that provides access to the Internet.

“(7) INTERACTIVE COMPUTER SERVICE PROVIDER.—The term ‘interactive computer service provider’ means any person that provides an interactive computer service, to the extent that such person offers or provides such service.

“(8) INTERNET.—The term ‘Internet’ means the international computer network of both Federal and non-Federal interoperable packet switched data networks.

“(9) PERSON.—The term ‘person’ means any individual, association, partnership, corporation (or any affiliate of a corporation), State or political subdivision thereof, department, agency, or instrumentality of a State or political subdivision thereof, any other government, organization, or entity (including any governmental entity (as defined in section 3701(2) of title 28)).

“(10) PRIVATE NETWORK.—The term ‘private network’ means a communications channel or channels, including voice or computer data transmission facilities, that use either—

“(A) private dedicated lines; or

“(B) the public communications infrastructure, if the infrastructure is secured by means of the appropriate private communications technologies to prevent unauthorized access.

“(11) STATE.—The term ‘State’ means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any political subdivision thereof.

“(12) SUBSCRIBER.—The term ‘subscriber’ means any person with a business relationship with the interactive computer service provider through which such person receives access to the system, service, or network of that provider, whether in a formal or informal relationship.

“(13) WAGER.—Each use of the term ‘wager’ includes all forms of betting, wagering, or gambling, as those terms are defined in section 1084(b) of this title.