

105TH CONGRESS
2D SESSION

S. 2107

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 21, 1998

Referred to the Committee on Government Reform and Oversight

AN ACT

To enhance electronic commerce by promoting the reliability and integrity of commercial transactions through establishing authentication standards for electronic communication, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Government Paper-
5 work Elimination Act”.

1 **SEC. 2. AUTHORITY OF OMB TO PROVIDE FOR ACQUISITION**
2 **AND USE OF ALTERNATIVE INFORMATION**
3 **TECHNOLOGIES BY EXECUTIVE AGENCIES.**

4 Section 3504(a)(1)(B)(vi) of title 44, United States
5 Code, is amended to read as follows:

6 “(vi) the acquisition and use of infor-
7 mation technology, including alternative in-
8 formation technologies that provide for
9 electronic submission, maintenance, or dis-
10 closure of information as a substitute for
11 paper and for the use and acceptance of
12 electronic signatures.”.

13 **SEC. 3. PROCEDURES FOR USE AND ACCEPTANCE OF ELEC-**
14 **TRONIC SIGNATURES BY EXECUTIVE AGEN-**
15 **CIES.**

16 (a) IN GENERAL.—In order to fulfill the responsibil-
17 ity to administer the functions assigned under chapter 35
18 of title 44, United States Code, the provisions of the
19 Clinger-Cohen Act of 1996 (divisions D and E of Public
20 Law 104–106) and the amendments made by that Act,
21 and the provisions of this Act, the Director of the Office
22 of Management and Budget shall, in consultation with the
23 National Telecommunications and Information Adminis-
24 tration and not later than 18 months after the date of
25 enactment of this Act, develop procedures for the use and
26 acceptance of electronic signatures by Executive agencies.

1 (b) REQUIREMENTS FOR PROCEDURES.—(1) The
2 procedures developed under subsection (a)—

3 (A) shall be compatible with standards and
4 technology for electronic signatures that are gen-
5 erally used in commerce and industry and by State
6 governments;

7 (B) may not inappropriately favor one industry
8 or technology;

9 (C) shall ensure that electronic signatures are
10 as reliable as is appropriate for the purpose in ques-
11 tion and keep intact the information submitted;

12 (D) shall provide for the electronic acknowledg-
13 ment of electronic forms that are successfully sub-
14 mitted; and

15 (E) shall, to the extent feasible and appro-
16 priate, require an Executive agency that anticipates
17 receipt by electronic means of 50,000 or more sub-
18 mittals of a particular form to take all steps nec-
19 essary to ensure that multiple methods of electronic
20 signatures are available for the submittal of such
21 form.

22 (2) The Director shall ensure the compatibility of the
23 procedures under paragraph (1)(A) in consultation with
24 appropriate private bodies and State government entities

1 that set standards for the use and acceptance of electronic
2 signatures.

3 **SEC. 4. DEADLINE FOR IMPLEMENTATION BY EXECUTIVE**
4 **AGENCIES OF PROCEDURES FOR USE AND**
5 **ACCEPTANCE OF ELECTRONIC SIGNATURES.**

6 In order to fulfill the responsibility to administer the
7 functions assigned under chapter 35 of title 44, United
8 States Code, the provisions of the Clinger-Cohen Act of
9 1996 (divisions D and E of Public Law 104–106) and the
10 amendments made by that Act, and the provisions of this
11 Act, the Director of the Office of Management and Budget
12 shall ensure that, commencing not later than five years
13 after the date of enactment of this Act, Executive agencies
14 provide—

15 (1) for the option of the electronic maintenance,
16 submission, or disclosure of information, when prac-
17 ticable as a substitute for paper; and

18 (2) for the use and acceptance of electronic sig-
19 natures, when practicable.

20 **SEC. 5. ELECTRONIC STORAGE AND FILING OF EMPLOY-**
21 **MENT FORMS.**

22 In order to fulfill the responsibility to administer the
23 functions assigned under chapter 35 of title 44, United
24 States Code, the provisions of the Clinger-Cohen Act of
25 1996 (divisions D and E of Public Law 104–106) and the

1 amendments made by that Act, and the provisions of this
2 Act, the Director of the Office of Management and Budget
3 shall, not later than 18 months after the date of enact-
4 ment of this Act, develop procedures to permit private em-
5 ployers to store and file electronically with Executive agen-
6 cies forms containing information pertaining to the em-
7 ployees of such employers.

8 **SEC. 6. STUDY ON USE OF ELECTRONIC SIGNATURES.**

9 (a) ONGOING STUDY REQUIRED.—In order to fulfill
10 the responsibility to administer the functions assigned
11 under chapter 35 of title 44, United States Code, the pro-
12 visions of the Clinger-Cohen Act of 1996 (divisions D and
13 E of Public Law 104–106) and the amendments made by
14 that Act, and the provisions of this Act, the Director of
15 the Office of Management and Budget shall, in coopera-
16 tion with the National Telecommunications and Informa-
17 tion Administration, conduct an ongoing study of the use
18 of electronic signatures under this title on—

- 19 (1) paperwork reduction and electronic com-
20 merce;
21 (2) individual privacy; and
22 (3) the security and authenticity of trans-
23 actions.

1 (b) REPORTS.—The Director shall submit to Con-
2 gress on a periodic basis a report describing the results
3 of the study carried out under subsection (a).

4 **SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELEC-**
5 **TRONIC RECORDS.**

6 Electronic records submitted or maintained in ac-
7 cordance with procedures developed under this Act, or
8 electronic signatures or other forms of electronic authen-
9 tication used in accordance with such procedures, shall not
10 be denied legal effect, validity, or enforceability because
11 such records are in electronic form.

12 **SEC. 8. DISCLOSURE OF INFORMATION.**

13 Except as provided by law, information collected in
14 the provision of electronic signature services for commu-
15 nications with an executive agency, as provided by this
16 Act, shall only be used or disclosed by persons who obtain,
17 collect, or maintain such information as a business or gov-
18 ernment practice, for the purpose of facilitating such com-
19 munications, or with the prior affirmative consent of the
20 person about whom the information pertains.

21 **SEC. 9. APPLICATION WITH INTERNAL REVENUE LAWS.**

22 No provision of this Act shall apply to the Depart-
23 ment of the Treasury or the Internal Revenue Service to
24 the extent that such provision—

1 (1) involves the administration of the internal
2 revenue laws; or

3 (2) conflicts with any provision of the Internal
4 Revenue Service Restructuring and Reform Act of
5 1998 or the Internal Revenue Code of 1986.

6 **SEC. 10. DEFINITIONS.**

7 For purposes of this Act:

8 (1) **ELECTRONIC SIGNATURE.**—The term “elec-
9 tronic signature” means a method of signing an
10 electronic message that—

11 (A) identifies and authenticates a particu-
12 lar person as the source of the electronic mes-
13 sage; and

14 (B) indicates such person’s approval of the
15 information contained in the electronic message.

16 (2) **EXECUTIVE AGENCY.**—The term “Executive
17 agency” has the meaning given that term in section
18 105 of title 5, United States Code.

Passed the Senate October 15 (legislative day, Octo-
ber 2), 1998.

Attest:

GARY SISCO,
Secretary.