

to this new EBT card. However, one significant issue is causing problems in the program for retailers, states, and recipients. That issue is the inability of recipients to use their state-issued cards across state lines. This is especially true in communities that are near a state border.

Under the old paper system, recipients could use the coupons in any state in the country. Under the new electronic system, that is the case. Customers go into a food store expecting to use their federal benefits to purchase food. When they cannot use their EBT cards, they become frustrated and dissatisfied with the food stamp program.

For example, under the old system, a food stamp recipient living in Palmyra, Missouri could use his food stamp coupons in his favorite grocery store in Quincy, Illinois, just over the border. Similarly, a recipient living in Illinois could visit family in Tennessee and still purchase food for his children. Food stamp beneficiaries are not unlike the average shopper. Cross-border shopping occurs for a variety of reasons. One reason is convenience; another equally important reason is the cost of groceries. The supermarket industry is very competitive. Customers paying with every type of tender except EBT have the ability to shop around for the best prices. Shouldn't recipients of our nation's federal food assistance benefits be able to stretch their dollars without regard to state borders?

Another reason for cross-border shopping is convenience. While one of my constituents may live in the metro east area of Illinois, he or she may work in St. Louis. Under the current situation, if the only grocery store between work and home is in Missouri, the recipient cannot purchase food without traveling miles out of the way.

The legislation would once again provide for the portability of food assistance benefits and allow food stamp recipients the flexibility of shopping at locations that they choose.

Interoperability works well today with ATM/Debit cards, the type of cards that EBT was modeled after. Consumers and merchants are confident that when a MAC card issued by a bank in Pittsburgh is presented, authorization and settlement of that transaction will work the same as when a Star card, issued by Bank of America in California is presented. This occurs regardless of where the merchant is located.

Unfortunately, this is currently not the case with EBT cards. If every state operated their EBT program under a standard set of operating rules, as this legislation requires, companies operating in multiple states could be more efficient, resolve any discrepancies in customer accounts more quickly, and ultimately hold down the price of groceries for all consumers.

This legislation is more about good government than it is about food

stamps. Since 1996, the transition from paper coupons to electronic benefit transfers has saved the federal government a significant amount of money. For example, while the food stamp caseload decreased 24 percent from fiscal year 1995 to 1998, food stamp production and redemption costs dropped by an impressive 39 percent. While it is estimated that the bill's implementation will cost the federal government no more than \$500,000 annually, it will save at least \$20 million per year when paper coupons are a thing of the past.

This legislation is sound public policy that enjoys strong bipartisan support. I thank my colleagues, Senators LEAHY, LUGAR, HARKIN, CRAIG, COCHRAN, CRAPO, KOHL, and KERREY for joining me as co-sponsors of this bill. This legislation is vitally important to every food stamp recipient, every state food stamp program administrator, and every grocery store in the country.

I thank the presiding officer, and I yield the floor.

Ms. COLLINS. Mr. President, I ask unanimous consent that the amendment be agreed to, the bill be read a third time and passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The amendment (No. 2785) was agreed to.

The bill (S. 1733), as amended, was read the third time and passed, as follows:

[The bill was not available for printing. It will appear in a future edition of the RECORD.]

MAKING TECHNICAL CORRECTIONS TO THE ENROLLMENT OF H.R. 3194

Ms. COLLINS. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Senate Concurrent Resolution 77 now at the desk introduced earlier by Senators LOTT and DASCHLE, and that the resolution be considered read a third time and passed, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 77) making technical corrections to the enrollment of H.R. 3194.

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. Without objection, the concurrent resolution is agreed to.

The concurrent resolution (S. Con. Res. 77) was agreed to.

The concurrent resolution (S. Con. Res. 77) is as follows:

S. CON. RES. 77

Resolved by the Senate (the House of Representatives concurring), That the Clerk of the House of Representatives, in the enrollment of the bill (H.R. 3194), making appropriations

for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes, shall make the following correction:

At the appropriate place of the bill insert the following:

COMMODITY CREDIT CORPORATION

PRODUCER-OWNED MARKETING ASSOCIATIONS
FORGIVENESS

SEC. 1. The Secretary of Agriculture shall reduce the amount of any principal due on a loan made to marketing association incorporated in the State of North Carolina for the 1999 crop of an agricultural commodity by at least 75 percent if the marketing association suffered losses of the agricultural commodity in a county with respect to which—(1) a natural disaster was declared by the Secretary for losses due to Hurricane Dennis, Floyd, or Irene; or (2) a major disaster or emergency was declared by the President for losses due to Hurricane Dennis, Floyd, or Irene under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)

If the Secretary assigns a grade quality for the 1999 crop of an agricultural commodity marketed by an association described in this section that is below the base quality of the agricultural commodity, the Secretary shall compensate the association for losses incurred by the association as a result of the reduction in grade quality.

Up to \$81,000,000 of the resources of the Commodity Credit Corporation shall be used for the cost of this section: *Provided*. That the entire amount necessary to carry out this section shall be available only to the extent that an official budget request for the entire amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*. That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) and Section 252(e) of such Act.

SEC. 2. In administering \$50,000,000 in emergency supplemental funding for the Emergency Conservation Program, the Secretary shall give priority to the repair of structures essential to the operation of the farm.

EXEMPTIONS PURSUANT TO THE FEDERAL REPORTS ELIMINATION AND SUNSET ACT OF 1995

Ms. COLLINS. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be discharged from further consideration of H.R. 3111, and that the Senate proceed to its immediate consideration.

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 (H.R. 3111) to exempt certain reports from automatic elimination and sunset pursuant to the Federal Reports Elimination and Sunset Act.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 2786

(Purpose: To provide continued reporting of intercepted wire, oral, and electronic communications)

Ms. COLLINS. Mr. President, Senator LEAHY has an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine (Ms. COLLINS), for Mr. LEAHY, proposes an amendment numbered 2786.

Add at the end the following:

SEC. 2. (a) SHORT TITLE.—This Act may be cited as the “Continued Reporting of Intercepted Wire, Oral, and Electronic Communications Act”.

(b) FINDINGS.—Congress makes the following findings:

(1) Section 2519(3) of title 18, United States Code, requires the Director of the Administrative Office of the United States Courts to transmit to Congress a full and complete annual report concerning the number of applications for orders authorizing or approving the interception of wire, oral, or electronic communications. This report is required to include information specified in section 2519(3).

(2) The Federal Reports Elimination and Sunset Act of 1995 provides for the termination of certain laws requiring submittal to Congress of annual, semiannual, and regular periodic reports as of December 21, 1999, 4 years from the effective date of that Act.

(3) Due to the Federal Reports Elimination Act and Sunset Act of 1995, the Administrative Office of United States Courts is not required to submit that annual report described in section 219(3) of title 18, United States Code, as of December 21, 1999.

(c) CONTINUED REPORTING REQUIREMENTS.—

(1) CONTINUED REPORTING REQUIREMENTS.—Section 2519 of title 18, United States Code, is amended by adding at the end the following:

“(4) The reports required to be filed by subsection (3) are exempted from the termination provisions of section 3003(a) of the Federal Reports Elimination and Sunset Act of 1995 (Public Law 104-66).”.

(2) EXEMPTION.—Section 3003(d) of the Federal Reports Elimination and Sunset Act of 1995 (Public Law 104-66) is amended—

(a) in paragraph (31), by striking “or” at the end;

(b) in paragraph (32), by striking the period and inserting “; or”; and

(c) by adding at the end the following:

“(33) section 2519(3) of title 18, United States Code.”.

(d) ENCRYPTION REPORTING REQUIREMENTS.—

(1) Section 2519(2)(b) of title 18, United States Code, is amended by striking “and (iv)” and inserting “(iv) the number of orders in which encryption was encountered and whether such encryption prevented law enforcement from obtaining the plain text of communications intercepted pursuant to such order, and (v)”.

(2) The encryption reporting requirement in subsection (a) shall be effective for the report transmitted by the Director of the Administrative Office of the Courts for calendar year 2000 and in subsequent reports.

(e) REPORTS CONCERNING PEN REGISTERS AND TRAP AND TRACE DEVICES.—Section 3126 of title 18, United States Code, is amended by striking the period and inserting “, which report shall include information concerning—

“(1) the period of interceptions authorized by the order, and the number and duration of any extensions of the order;

“(2) the offense specified in the order or application, or extension of an order;

“(3) the number of investigations involved;

“(4) the number and nature of the facilities affected; and

“(5) the identity, including district, of the applying investigative or law enforcement agency making the application and the person authorizing the order.”.

Mr. LEAHY. Mr. President, I am pleased that the Senate is today considering for final passage S. 1769, as amended by the House. I introduced S. 1769 with Chairman HATCH on October 22, 1999 and it passed the Senate on November 5, 1999. This bill will continue and enhance the current reporting requirements for the Administrative Office of the Courts and the Attorney General on the eavesdropping and surveillance activities of our federal and state law enforcement agencies. The House amendment is the text of H.R. 3111, a bill to exempt from automatic elimination and sunset certain reports submitted to Congress that are useful and helpful in informing the Congress and the public about the activities of federal agencies in the enforcement of federal law. I am also glad to support this amendment.

For many years, the Administrative Office (AO) of the Courts has complied with the statutory requirement, in 18 U.S.C. § 2519(3), to report to Congress annually the number and nature of federal and state applications for orders authorizing or approving the interception of wire, oral or electronic communications. By letter dated September 3, 1999, the AO advised that it would no longer submit this report because “as of December 21, 1999, the report will no longer be required pursuant to the Federal Reports Elimination and Sunset Act of 1995.” I commend the AO for alerting Congress that their responsibility for the wiretap reports would lapse at the end of this year, and for doing so in time for Congress to take action.

The AO has done an excellent job of preparing the wiretap reports. We need to continue the AO’s objective work in a consistent manner. If another agency took over this important task at this juncture and the numbers came out in a different format, it would immediately generate questions and concerns over the legitimacy and accuracy of the contents of that report.

In addition, it would create difficulties in comparing statistics from prior years going back to 1969 and complicate the job of congressional oversight. Furthermore, transferring this reporting duty to another agency might create delays in issuance of the report since no other agency has the methodology in place. Finally, federal, state and local agencies are well accustomed to the reporting methodology developed by the AO. Notifying all these agencies that the reporting standards and agency have changed would inevitably create more confusion and more expense as law enforcement agencies across the country are forced to learn a new system and develop a liaison with a new agency.

The system in place now has worked well and we should avoid any disruptions. We know how quickly law enforcement may be subjected to criticism over their use of these surreptitious surveillance tools and we should avoid aggravating these sen-

sities by changing the reporting agency and methodology on little to no notice. I appreciate, however, the AO’s interest in transferring the wiretap reporting requirement to another entity. Any such transfer must be accomplished with a minimum of disruption to the collection and reporting of information and with complete assurances that any new entity is able to fulfill this important job as capably as the AO has done.

S. 1769 would update the reporting requirements currently in place with one additional reporting requirement. Specifically, the bill would require the wiretap reports prepared beginning in calendar year 2000 to include information on the number of orders in which encryption was encountered and whether such encryption prevented law enforcement from obtaining the plain text of communications intercepted pursuant to such order.

Encryption technology is critical to protect sensitive computer and online information. Yet, the same technology poses challenges to law enforcement when it is exploited by criminals to hide evidence or the fruits of criminal activities. A report by the U.S. Working Group on Organized Crime titled, “Encryption and Evolving Technologies: Tools of Organized Crime and Terrorism,” released in 1997, collected anecdotal case studies on the use of encryption in furtherance of criminal activities in order to estimate the future impact of encryption on law enforcement. The report noted the need for “an ongoing study of the effect of encryption and other information technologies on investigations, prosecutions, and intelligence operations”. As part of this study, “a database of case information from federal and local law enforcement and intelligence agencies should be established and maintained.” Adding a requirement that reports be furnished on the number of occasions when encryption is encountered by law enforcement is a far more reliable basis than anecdotal evidence on which to assess law enforcement needs and make sensible policy in this area.

The final section of S. 1769 would codify the information that the Attorney General already provides on pen register and trap and trace device orders, and would require further information on where such orders are issued and the types of facilities—telephone, computer, pager or other device—to which the order relates. Under the Electronic Communications Privacy Act (“ECPA”) of 1986, P.L. 99-508, codified at 18 U.S.C. § 3126, the Attorney General of the United States is required to report annually to the Congress on the number of pen register orders and orders for trap and trace devices applied for by law enforcement agencies of the Department of Justice. As the original sponsor of ECPA, I believed that adequate oversight of the surveillance activities of federal law enforcement could only be accomplished with reporting requirements such as the one included in this law.

The reports furnished by the Attorney General on an annual basis compile information from five components of the Department of Justice: the Federal Bureau of Investigation, the Drug Enforcement Administration, the Immigration and Naturalization Service, the United States Marshals Service and the Office of the Inspector General. The report contains information on the number of original and extension orders made to the courts for authorization to use both pen register and trap and trace devices, information concerning the number of investigations involved, the offenses on which the applications were predicted and the number of people whose telephone facilities were affected.

These specific categories of information are useful, and S. 1769 would direct the Attorney General to continue providing these specific categories of information. In addition, the bill would direct the Attorney General to include information on the identity, including the district, of the agency making the application and the person authorizing the order. In this way, the Congress and the public will be informed of those jurisdictions using this surveillance technique—information which is currently not included in the Attorney General's annual reports.

The requirement for preparation of the wiretap reports will soon lapse so I am delighted to see the Congress take prompt action on this legislation to continue the requirement for submission of the wiretap reports and to update the reporting requirements for both the wiretap reports submitted by the AO and the pen register and trap and trace reports submitted by the Attorney General.

Mr. President, I am also pleased that the Senate is today considering H.R. 3111 to exempt from automatic elimination and sunset certain reports submitted to Congress that are useful and helpful in informing the Congress and the public about the activities of federal agencies in the enforcement of federal law. Senator HATCH and I offer as an amendment to H.R. 3111 the text of a bill S. 1769, which I introduced with Chairman Hatch on October 22, 1999 and which passed the Senate on November 5, 1999. This amendment will continue and enhance the current reporting requirements for the Administrative Office of the Courts and the Attorney General on the eavesdropping and surveillance activities of our federal and state law enforcement agencies.

For many years, the Administrative Office (AO) of the Courts has complied with the statutory requirement, in 18 U.S.C. § 2519(3), to report to Congress annually the number and nature of federal and state applications for orders authorizing or approving the interception of wire, oral or electronic communications. By letter dated September 3, 1999, the AO advised that it would no longer submit this report because "as of December 21, 1999, the report will no longer be required pursuant to the Fed-

eral Reports Elimination and Sunset Act of 1995." I commend the AO for alerting Congress that their responsibility for the wiretap reports would lapse at the end of this year, and for doing so in time for Congress to take action.

The AO has done an excellent job of preparing the wiretap reports. We need to continue the AO's objective work in a consistent manner. If another agency took over this important task at this juncture and the numbers came out in a different format, it would immediately generate questions and concerns over the legitimacy and accuracy of the contents of that report.

In addition, it would create difficulties in comparing statistics from prior years going back to 1969 and complicate the job of congressional oversight. Furthermore, transferring this reporting duty to another agency might create delays in issuance of the report since no other agency has the methodology in place. Finally, federal, state and local agencies are well accustomed to the reporting methodology developed by the AO. Notifying all these agencies that the reporting standards and agency have changed would inevitably create more confusion and more expense as law enforcement agencies across the country are forced to learn a new system and develop a liaison with a new agency.

The system in place now has worked well and should be continued. We know how quickly law enforcement may be subjected to criticism over their use of these surreptitious surveillance tools and we should avoid aggravating these sensitivities by changing the reporting agency.

The amendment would update the reporting requirements currently in place with one additional reporting requirement. Specifically, the amendment would require the wiretap reports prepared beginning in calendar year 2000 to include information on the number of orders in which encryption was encountered and whether such encryption prevented law enforcement from obtaining the plain text of communications intercepted pursuant to such order.

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information from federal and local law enforcement and intelligence agencies should be established and maintained." Adding a requirement that reports be furnished on the number of occasions when encryption is encountered by law enforcement is a far more reliable basis than anecdotal evidence on which to assess law enforcement needs and make sensible policy in this area.

The final section of this amendment would codify the information that the Attorney General already provides on pen register and trap and trace device orders, and require further information on where such orders are issued and the types of facilities—telephone, computer, pager or other device—to which the order relates. Under the Electronic Communications Privacy Act, 'ECPA' of 1986, P.L. 99-508, codified at 18 U.S.C. § 3126, the Attorney General of the United States is required to report annually to the Congress on the number of pen register orders and orders for trap and trace devices applied for by law enforcement agencies of the Department of Justice. As the original sponsor of ECPA, I believed that adequate oversight of the surveillance activities of federal law enforcement could only be accomplished with reporting requirements such as the one included in this law.

The reports furnished by the Attorney General on an annual basis compile information from five components of the Department of Justice: the Federal Bureau of Investigation, the Drug Enforcement Administration, the Immigration and Naturalization Service, the United States Marshals Office and the Office of the Inspector General. The report contains information on the number of original and extension orders made to the courts for authorization to use both pen register and trap and trace devices, information concerning the number of investigations involved, the offenses on which the applications were predicted and the number of people whose telephone facilities were affected.

These specific categories of information are useful, and the amendment would direct the Attorney General to continue providing these specific categories of information. In addition, the amendment would direct the Attorney General to include information on the identity, including the district, of the agency making the application and the person authorizing the order. In this way, the Congress and the public will be informed of those jurisdictions using this surveillance technique—information which is currently not included in the Attorney General's annual reports.

The requirement for preparation of the wiretap reports will soon lapse so I am delighted to see the Senate take prompt action on this legislation to continue the requirement for submission of the wiretap reports and to update the reporting requirements for both the wiretap reports submitted by the AO and the pen register and trap and trace reports submitted by the Attorney General.

Ms. COLLINS. Mr. President, I ask unanimous consent that the amendment be agreed to, the bill, as amended, be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The amendment (No. 2786) was agreed to.

The bill (H. R. 3111), as amended, was read the third time and passed.

THIRD MILLENNIUM ELECTRONIC COMMERCE ACT

Ms. COLLINS. Mr. President, I now ask unanimous consent that the Senate proceed to the consideration of Calendar No. 243, S. 761.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 761) to regulate interstate commerce by electronic means by permitting and encouraging the continued expansion of electronic commerce through the operation of free market forces, and other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Third Millennium Digital Commerce Act".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The growth of electronic commerce and electronic government transactions represent a powerful force for economic growth, consumer choice, improved civic participation and wealth creation.

(2) The promotion of growth in private sector electronic commerce through Federal legislation is in the national interest because that market is globally important to the United States.

(3) A consistent legal foundation, across multiple jurisdictions, for electronic commerce will promote the growth of such transactions, and that such a foundation should be based upon a simple, technology neutral, non-regulatory, and market-based approach.

(4) The Nation and the world stand at the beginning of a large scale transition to an information society which will require innovative legal and policy approaches, and therefore, States can serve the national interest by continuing their proven role as laboratories of innovation for quickly evolving areas of public policy, provided that States also adopt a consistent, reasonable national baseline to eliminate obsolete barriers to electronic commerce such as undue paper and pen requirements, and further, that any such innovation should not unduly burden inter-jurisdictional commerce.

(5) To the extent State laws or regulations do not provide a consistent, reasonable national baseline or in fact create an undue burden to interstate commerce in the important burgeoning area of electronic commerce, the national interest is best served by Federal preemption to the extent necessary to provide such consistent, reasonable national baseline eliminate said burden, but that absent such lack of consistent, reasonable national baseline or such undue burdens, the best legal system for electronic commerce will result from continuing experimentation by individual jurisdictions.

(6) With due regard to the fundamental need for a consistent national baseline, each jurisdic-

tion that enacts such laws should have the right to determine the need for any exceptions to protect consumers and maintain consistency with existing related bodies of law within a particular jurisdiction.

(7) Industry has developed several electronic signature technologies for use in electronic transactions, and the public policies of the United States should serve to promote a dynamic marketplace within which these technologies can compete. Consistent with this Act, States should permit the use and development of any authentication technologies that are appropriate as practicable as between private parties and in use with State agencies.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to permit and encourage the continued expansion of electronic commerce through the operation of free market forces rather than prescriptive governmental mandates and regulations;

(2) to promote public confidence in the validity, integrity and reliability of electronic commerce and online government under Federal law;

(3) to facilitate and promote electronic commerce by clarifying the legal status of electronic records and electronic signatures in the context of writing and signing requirements imposed by law;

(4) to facilitate the ability of private parties engaged in interstate transactions to agree among themselves on the terms and conditions on which they use and accept electronic signatures and electronic records; and

(5) to promote the development of a consistent national legal infrastructure necessary to support of electronic commerce at the Federal and State levels within existing areas of jurisdiction.

SEC. 4. DEFINITIONS.

In this Act:

(1) ELECTRONIC.—The term "electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electro-magnetic, or similar capabilities.

(2) ELECTRONIC AGENT.—The term "electronic agent" means a computer program or an electronic or other automated means used to initiate an action or respond to electronic records or performances in whole or in part without review by an individual at the time of the action or response.

(3) ELECTRONIC RECORD.—The term "electronic record" means a record created, generated, sent, communicated, received, or stored by electronic means.

(4) ELECTRONIC SIGNATURE.—The term "electronic signature" means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record.

(5) GOVERNMENTAL AGENCY.—The term "governmental agency" means an executive, legislative, or judicial agency, department, board, commission, authority, institution, or instrumentality of the Federal Government or of a State or of any county, municipality, or other political subdivision of a State.

(6) RECORD.—The term "record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(7) TRANSACTION.—The term "transaction" means an action or set of actions relating to the conduct of commerce between 2 or more persons, neither of which is the United States Government, a State, or an agency, department, board, commission, authority, institution, or instrumentality of the United States Government or of a State.

(8) UNIFORM ELECTRONIC TRANSACTIONS ACT.—The term "Uniform Electronic Transactions Act" means the Uniform Electronic Transactions Act as reported to State legislatures by the National Conference of Commissioners on

Uniform State Law in the form or any variation thereof that is authorized or provided for in such report.

SEC. 5. PRINCIPLES GOVERNING THE USE OF ELECTRONIC SIGNATURES IN INTERNATIONAL TRANSACTIONS.

To the extent practicable, the Federal Government shall observe the following principles in an international context to enable commercial electronic transaction:

(1) Remove paper-based obstacles to electronic transactions by adopting relevant principles from the Model Law on Electronic Commerce adopted in 1996 by the United Nations Commission on International Trade Law (UNCITRAL).

(2) Permit parties to a transaction to determine the appropriate authentication technologies and implementation models for their transactions, with assurance that those technologies and implementation models will be recognized and enforced.

(3) Permit parties to a transaction to have the opportunity to prove in court or other proceedings that their authentication approaches and their transactions are valid.

(4) Take a non-discriminatory approach to electronic signatures and authentication methods from other jurisdictions.

SEC. 6. INTERSTATE CONTRACT CERTAINTY.

(a) IN GENERAL.—The following rules apply to any commercial transaction affecting interstate commerce:

(1) A record or signature may not be denied legal effect or enforceability solely because it is in electronic form.

(2) A contract may not be denied legal effect or enforceability solely because an electronic record was used in its formation.

(3) If a law requires a record to be in writing, or provides consequences if it is not, an electronic record satisfies the law.

(4) If a law requires a signature, or provides consequences in the absence of a signature, the law is satisfied with respect to an electronic record if the electronic record includes an electronic signature.

(b) METHODS.—The parties to a contract may agree on the terms and conditions on which they will use and accept electronic signatures and electronic records, including the methods therefor, in commercial transactions affecting interstate commerce. Nothing in this subsection requires that any party enter into such a contract.

(c) INTENT.—The following rules apply to any commercial transaction affecting interstate commerce:

(1) An electronic record or electronic signature is attributable to a person if it was the act of the person. The act of the person may be established in any manner, including a showing of the efficacy of any security procedures applied to determine the person to which the electronic record or electronic signature was attributable.

(2) The effect of an electronic record or electronic signature attributed to a person under paragraph (1) is determined from the context and surrounding circumstances at the time of its creation, execution, or adoption, including the parties' agreement, if any, and otherwise as provided by law.

(d) FORMATION OF CONTRACT.—A contract relating to a commercial transaction affecting interstate commerce may not be denied legal effect solely because its formation involved—

(1) the interaction of electronic agents of the parties; or

(2) the interaction of an electronic agent of a party and an individual who acts on that individual's own behalf or for another person.

(e) APPLICATION IN UETA STATES.—This section does not apply in any State in which the Uniform Electronic Transactions Act is in effect.

SEC. 7. STUDY OF LEGAL AND REGULATORY BARRIERS TO ELECTRONIC COMMERCE.

(a) BARRIERS.—Each Federal agency shall, not later than 6 months after the date of enactment of this Act, provide a report to the Director