

105TH CONGRESS
1ST SESSION

H. R. 2991

To enhance electronic commerce by requiring agencies to use digital signatures, which are compatible with standards for such technology used in commerce and industry, to enable persons to submit Federal forms electronically, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 9, 1997

Ms. ESHOO (for herself and Mr. TAUZIN) introduced the following bill; which was referred to the Committee on Government Reform and Oversight, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To enhance electronic commerce by requiring agencies to use digital signatures, which are compatible with standards for such technology used in commerce and industry, to enable persons to submit Federal forms electronically, 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 “Electronic Commerce
5 Enhancement Act of 1997”.

1 **SEC. 2. STUDIES ON USE OF DIGITAL SIGNATURES TO EN-**
2 **HANCE ELECTRONIC COMMERCE.**

3 The Assistant Secretary shall conduct an ongoing
4 study of the enhancement of electronic commerce due to
5 the use of digital signatures pursuant to this Act, and
6 shall report findings to the Commerce Committee of the
7 House and to the Commerce, Science, and Transportation
8 Committee of the Senate not later than—

9 (1) 12 months; and

10 (2) 60 months;

11 after the date of enactment of this Act.

12 **SEC. 3. ELECTRONIC AVAILABILITY OF FORMS.**

13 The Director, in accordance with technical standards
14 provided by the Assistant Secretary under section 6, shall
15 not later than 12 months after the date of enactment of
16 this Act establish a method for each Federal agency to
17 make its forms available electronically. Such forms shall
18 be—

19 (1) available for electronic submission (through
20 use of a digital signature when necessary);

21 (2) substantially identical in content and re-
22 quirements to any corresponding paper versions;

23 (3) available on an Internet web site controlled
24 by the Federal Government that contains an elec-
25 tronic link to the website described in section 6(f) of
26 this Act;

1 (4) available for downloading and printing;

2 (5) available for electronic storage by employers
3 that are required by law to collect, store, or file
4 paper versions of forms completed by employees; and

5 (6) acknowledged upon receipt by an agency
6 through prompt issuance of an electronic receipt.

7 **SEC. 4. PAYMENTS.**

8 Under the method established under section 2—

9 (1) any payment associated with a form submit-
10 ted electronically shall be no greater than the pay-
11 ment associated with any corresponding printed ver-
12 sion of such form;

13 (2) not less than 2 means of electronic payment
14 shall be provided, but such payment may not be re-
15 quired to precede submission of a form; and

16 (3) a prompt receipt for electronic payment
17 shall be issued electronically to each person who sub-
18 mits a payment electronically.

19 **SEC. 5. USE OF DIGITAL SIGNATURES BY FEDERAL OFFI-**
20 **CIALS.**

21 (a) AGENCY EMPLOYEES TO RECEIVE DIGITAL SIG-
22 NATURES.—The head of each agency shall issue guidelines
23 for determining how and which employees in each respec-
24 tive agency shall be provided digital signatures for use
25 within the scope of their employment.

1 (b) AVAILABILITY OF ELECTRONIC NOTICE.—An
2 agency may provide a person entitled to receive written
3 notice of a particular matter with the opportunity to re-
4 ceive electronic notice instead.

5 **SEC. 6. CERTIFICATES FOR DIGITAL SIGNATURES.**

6 (a) GUIDELINES FOR ACCEPTANCE OF CERTIFI-
7 CATES.—The Director shall issue guidelines governing the
8 manner in which agencies may accept certificates.

9 (b) ACCREDITATION.—Under the guidelines issued
10 under subsection (a), an agency shall accept certificates
11 issued by—

12 (1) the agency; or

13 (2) a trusted third party that is licensed or ac-
14 credited by—

15 (A) a State or local government; or

16 (B) an appropriate accreditation body.

17 (c) TRUSTED THIRD PARTY LIABILITY.—Under the
18 guidelines issued under subsection (a), an agency may ac-
19 cept a certificate only from a trusted third party that, in
20 accordance with commercially reasonable standards, ac-
21 cepts liability for and is insured against negligent issuance
22 or handling of certificates.

23 (d) FOREIGN TRUSTED THIRD PARTY.—The Sec-
24 retary of State shall determine from which foreign coun-
25 tries agencies may accept certificates.

1 (e) AGENCY ESTABLISHMENT OF TRUSTED THIRD
2 PARTY.—No agency may establish a trusted third party
3 except to—

4 (1) provide digital signatures to its employees;

5 (2) issue certificates relating to messages sent
6 by such employees; or

7 (3) act as a reliable authority on behalf of an-
8 other trusted third party.

9 (f) DIRECTORY OF QUALIFIED TRUSTED THIRD
10 PARTIES.—The Assistant Secretary shall compile and post
11 on a website controlled by the Federal government a list
12 of trusted third parties (along with an electronic link, if
13 any, to a web site controlled by each trusted third party)
14 that are qualified under this section to issue certificates.

15 **SEC. 7. STANDARDS FOR DIGITAL SIGNATURES; EFFECT OF**
16 **DIGITAL SIGNATURES.**

17 (a) TECHNICAL STANDARDS FOR DIGITAL SIGNA-
18 TURES.—The Assistant Secretary shall provide to the Di-
19 rector technical standards for the digital signatures ac-
20 cepted for purposes of the method established under sec-
21 tion 2 or provided under section 4.

22 (b) COMPATIBILITY WITH PRIVATE SECTOR.—The
23 standards referred to in subsection (a) shall be compatible
24 with standards and technology for digital signatures used
25 in commerce and industry and by State governments.

1 (c) RELIABILITY OF DIGITAL SIGNATURES.—Under
2 the standards referred to in subsection (a), a digital signa-
3 ture shall be as reliable as is appropriate for the purpose
4 for which an electronic message containing a digital signa-
5 ture is generated, in light of all the circumstances, includ-
6 ing any relevant agreement.

7 (d) LEGAL SIGNIFICANCE OF DIGITAL SIGNA-
8 TURES.—For purposes of digitally signed forms accepted
9 under section 2, a digital signature shall have the same
10 force and effect as a written signature.

11 **SEC. 8. EMPLOYER ELECTRONIC STORAGE OF FORMS.**

12 If an employer is required by law to collect, store,
13 or file paper forms that are completed by employees, such
14 employer may store such forms electronically if such forms
15 are submitted electronically.

16 **SEC. 9. IMPLEMENTATION BY AGENCIES.**

17 (a) IMPLEMENTATION.—Not later than 36 months
18 after the date of enactment of this Act, each agency shall
19 implement the method established under section 2 of this
20 Act and the guidelines issued under section 4 of this Act.

21 (b) REPORT TO CONGRESS.—Not later than 12
22 months after the date of enactment of this Act, the Assist-
23 ant Secretary shall submit a report to the Commerce Com-
24 mittee of the House and to the Commerce, Science, and

1 Transportation Committee of the Senate that details the
2 technical standards described in section 6.

3 **SEC. 10. DEFINITIONS.**

4 For purposes of this Act:

5 (1) ASSISTANT SECRETARY.—The term “As-
6 sistant Secretary” means the Assistant Secretary for
7 Communications and Information (the head of the
8 National Telecommunications and Information Ad-
9 ministration) of the Department of Commerce.

10 (1) AGENCY.—The term “agency” has the
11 meaning given the term “executive agency” in sec-
12 tion 105 of title 5, United States Code.

13 (2) CERTIFICATE.—(A) The term “certificate”
14 means a statement meeting the requirements of sub-
15 paragraph (B) that permits a person holding such
16 statement to determine that a digitally signed mes-
17 sage—

18 (i) was signed by the person whose digital
19 signature appears to be attached to the mes-
20 sage; and

21 (ii) has not been altered since the digital
22 signature was attached.

23 (B) For purposes of subparagraph (A), the
24 statement must—

1 (i) identify the trusted third party or agen-
2 cy issuing such statement;

3 (ii) identify the person whose digital signa-
4 ture the trusted third party or agency is au-
5 thenticating with such statement;

6 (iii) specify the operational period of such
7 statement; and

8 (iv) be digitally signed by the trusted third
9 party or agency issuing such statement.

10 (3) DIGITAL SIGNATURE.—The term “digital
11 signature” means a method of signing an electronic
12 message that—

13 (A) identifies a particular person as the
14 source of such electronic message; and

15 (B) indicates such person’s approval of the
16 information contained in such electronic mes-
17 sage.

18 (4) DIRECTOR.—The term “Director” means
19 the Director of the Office of Management and
20 Budget.

21 (5) FORM.—The term “form” means a docu-
22 ment produced by an agency—

23 (A) that is used by the agency to facilitate
24 interaction between the agency and persons;

1 (B) that is completed by a person by in-
2 serting information as required by the agency;

3 (C) that is submitted to an agency more
4 than 1,000 times per year; and

5 (D) that is not required to be completed in
6 the presence of a Federal official or at a par-
7 ticular location.

8 (6) RELIABLE AUTHORITY.—The term “reliable
9 authority” means an entity licensed to serve as a no-
10 tary that vouches to a trusted third party for the
11 identity of a person who seeks a certificate to be is-
12 sued on such person’s behalf.

13 (7) TRUSTED THIRD PARTY.—The term “trust-
14 ed third party” means an entity (other than an
15 agency) that issues a certificate.

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