

The Presiding Officer (Mr. L. CHAFEE) appointed, from the Committee on Commerce, Science, and Transportation, Senators JOHN MCCAIN, CONRAD BURNS, TED STEVENS, SLADE GORTON, KAY BAILEY HUTCHISON, SPENCER ABRAHAM, ERNEST F. HOLLINGS, DANIEL K. INOUE, JOHN D. ROCKEFELLER, IV, JOHN F. KERRY, and RON WYDEN;

From the Committee on Banking, Housing, and Urban Affairs for items within their jurisdiction, Senators PHIL GRAMM, ROBERT F. BENNETT, and PAUL S. SARBANES;

From the Committee on the Judiciary for items within their jurisdiction, Senators ORRIN G. HATCH, STROM THURMOND, and PATRICK J. LEAHY conferees on the part of the Senate.

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DIGITAL SIGNATURE LEGISLATION

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the following letter, signed by 45 members of the Democratic Caucus, be printed in the RECORD. Moreover, I would like to thank my colleagues, Senator SARBANES, ranking member of the Banking Committee, and Senator LEAHY, ranking member of the Judiciary Committee, for their assistance in the preparation for the conference on S. 761, the digital signature bill.

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

U.S. SENATE,
Washington, DC, March 28, 2000.

Members of the Conference Committee on Electronic Signature Legislation United States Congress.

DEAR CONFEREES: We are writing to express our strong support for legislation that will ensure the electronic marketplace functions effectively for both businesses and consumers. We all supported S. 761, the "Millennium Digital Commerce Act," as it passed the Senate on November 19, 1999. As that bill proceeds to conference, we continue to believe that it is important to remove unintended barriers to electronic commerce. We must provide certainty regarding the legality of electronic transactions which spur economic growth and provide many benefits to consumers.

We also want to ensure that any new law would provide consumer protections equivalent to those currently required for paper transactions, and would not facilitate predatory or unlawful practices. The electronic world should be no less safe for American consumers than the paper world.

According to a recent Commerce Department report entitled *Falling Through the Net*, more than 70 percent of American households do not have access to the Internet. In enacting legislation to facilitate electronic commerce, we must ensure that we do not widen the "digital divide," to the disadvantage of the majority of Americans.

We must ensure that consumer protections established over several decades are not inadvertently made ineffective by the transition to electronic transactions. We believe that the legislation produced by your conference committee must incorporate the following principles in order for us to support it:

Ensure effective consumer consent to the replacement of paper notices with electronic notices.

Ensure that electronic records are accurate, and relevant parties can retain and access them.

Enhance legal certainty for electronic signatures and records and avoid unnecessary litigation by authorizing regulators to provide interpretive guidance.

Avoid unintended consequences in areas outside the scope of the bill by providing clear federal regulatory authority for records not covered by the bill's "consumer" provisions.

Avoid facilitating predatory or unlawful practices.

Attached is a more detailed description of these principles.

The conference committee has the opportunity to write the ground rules for the transition of our economy from paper-based transactions to electronic transactions. This transition offers great potential benefits for both business and consumers, but must be done in a way that preserves basic consumer protections and ensures the confidentiality and security of such transactions.

Sincerely,

Patrick Leahy, Paul Sarbanes, Tom Daschle, Chris Dodd, Max Cleland, John Edwards, Harry Reid, Daniel K. Akaka, Ernest F. Hollings, Ron Wyden, John F. Kerry, Tom Harkin, Charles E. Schumer, Frank R. Lautenberg, Barbara A. Mikulski, Joseph R. Biden, Jr., Jay Rockefeller, J. Robert Kerrey, Richard J. Durbin, Barbara Boxer, Carl Levin, John B. Breaux, Daniel K. Inouye, Mary L. Landrieu, Max Baucus, Richard H. Bryan, Bob Graham, Jack Reed, Tim Johnson, Evan Bayh, Joseph I. Lieberman, Jeff Bingaman, Russell D. Feingold, Dianne Feinstein, Chuck Robb, Byron L. Dorgan, Paul Wellstone, Patty Murray, Daniel Patrick Moynihan, Ted Kennedy, Herb Kohl, Robert Torricelli, Blanche L. Lincoln, Kent Conrad, Robert C. Byrd.

BASIC CONSUMER PROTECTION PRINCIPLES FOR ELECTRONIC SIGNATURE LEGISLATION

1. Ensure Effective Consumer Consent to the Replacement of Paper Notices with Electronic Notices.

The final bill must include effective consumer consent provisions that provide the following protections:

Consumer consent must involve a demonstration that a consumer will actually have the capacity to receive and read electronic notices.

Consumers must be notified of their rights, including any right to receive notices on paper, a description of the types of records covered, and their right to revert to paper records (or clear explanation that the option will not be available because of the purely on-line nature of the business).

Consumer consent must be reconfirmed if a change in technology by business results in a material risk that a consumer will be unable to receive electronic records.

Consumers must be ensured that electronic delivery of notices will have substantially equivalent reliability as paper delivery.

Consumer privacy must be protected by requiring that the provider of the electronic record shall take reasonable steps to ensure confidentiality and security.

2. Ensure that Electronic Records are Accurate, and That Relevant Parties Can Access and Retain Them.

The legislation must require that, in order to meet record delivery and retention requirements under existing consumer protection laws, businesses must take reasonable precautions to preserve the accuracy and integrity of electronic records. In addition, all parties entitled to a copy of a notice or disclosure by law or regulation should be able to access and retain an accurate copy of that record for later reference and settlement of disputes.

3. Enhance Legal Certainty for Electronic Signatures and Records.

The legislation must provide clear interpretive authority to the regulatory agencies responsible for implementing the statutes modified by the legislation. Failure to provide such authority will create significant business uncertainty about the requirements for compliance with the law, which in turn might lead to litigation. Agencies may also be unable to stop abusive practices and preserve consumer confidence in on-line transactions without such authority. This authority would not give agencies the ability to override any of the bill's requirements, only to clarify how they apply in specific circumstances.

4. Avoid Unintended Consequences in Areas Outside the Scope of the Bill.

The legislation must provide clear federal regulatory authority for records not covered by the bill's consumer provisions, including authority to exempt requirements from the bill's provisions if necessary. The broad scope of the legislation may have unintended consequences for laws and regulations governing "records" outside its intended focus on business-to-consumer and business-to-business transactions. For example, the bill could affect rules on the posting of workplace safety notices. Protections must be provided against such unintended consequences of the legislation.

5. Avoid Facilitating Predatory or Unlawful Practices.

The legislation must provide adequate protection against predatory or unlawful practices.

Mr. LEAHY. Mr. President, I am pleased that my colleagues on the other side of the aisle have worked out their problems and enabled the Senate, at last, to appoint conferees on S. 761. I co-authored S. 761 as it passed the Senate, and I look forward to working as a conferee to ensure that the final conference report respects the principles that this body endorsed when it passed that legislation by unanimous consent last year. The letter to conferees dated March 28, 2000, signed by all 45 Democratic Senators, reminds us of those principles.

I am only one conferee among 17 but working with the other 6 Democratic Senate conferees and the 10 Republican Senate conferees, I will endeavor to encourage electronic commerce with balance, fairness, and due regard for consumer protection.

THE PRESIDING OFFICER. The Senator from Utah.

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ELIAN GONZALEZ

Mr. HATCH. Mr. President, I rise this morning to voice my deep concern over the developing situation in Miami involving this young boy, Elian Gonzalez.

I do not rise today to make legal or policy arguments regarding the events that have transpired thus far, although I have strongly held views on those matters. Rather, I rise to implore—yes, implore—the Justice Department and the Clinton Administration to exercise restraint in how they proceed.

For reasons I fail to understand, this Administration yesterday significantly ratcheted up the stakes in this matter, and unnecessarily turned this into a crisis situation by threatening to involuntarily and forcibly remove this