

MEMO# 11193

August 17, 1999

HOUSE COMMERCE COMMITTEE REPORTS ELECTRONIC SIGNATURES BILL

[11193] August 17, 1999 TO: BOARD OF GOVERNORS No. 53-99 FEDERAL LEGISLATION MEMBERS No. 22-99 PRIMARY CONTACTS - MEMBER COMPLEX No. 78-99 PUBLIC INFORMATION COMMITTEE No. 36-99 RE: HOUSE COMMERCE COMMITTEE REPORTS ELECTRONIC SIGNATURES BILL

On August 5, the House Commerce Committee reported H.R. 1714, the "Electronic Signatures in Global and National (E-SIGN) Commerce Act." The bill provides for the acceptance of electronic signatures in interstate commerce by according electronic signatures the same legal effect and validity as physical signatures for contracts. The bill also directs the Secretary of Commerce to promote the principles of this legislation internationally and provides for the acceptance of electronic signatures and records by the securities industries. On the Senate side, a similar bill, S. 761, the "Millennium Digital Commerce Act" was reported by the Senate Commerce Committee in June. S. 761 sets forth a national standard governing the use of electronic signatures in interstate commerce. Both the full House and Senate are expected to vote on their respective bills when they return from recess in September. These bills are designed to serve as a stopgap measure until states adopt the standards in the Uniform Electronic Transactions Act (UETA), which will establish uniformity for the interstate use of electronic signatures. There are concerns about the full scope of coverage of these acts; however, it is expected that these issues will be resolved before final legislation is sent to the president. We will keep you informed of further developments.

Matthew P. Fink President