(b) CONTROL.—A person has control of a transferable record if a system employed for evidencing the transfer of interests in the transferable record reliably establishes that person as the person to which the transferable record was issued or transferred.

(c) CONDITIONS.—A system satisfies subsection (b), and a person is deemed to have control of a transferable record, if the transferable record is created, stored, and assigned in such a manner that—

(1) a single authoritative copy of the transferable record exists which is unique, identifiable, and, except as otherwise provided in paragraphs (4), (5), and (6), unalterable;

(2) the authoritative copy identifies the person asserting control as—

(A) the person to which the transferable record was issued; or

(B) if the authoritative copy indicates that the transferable record has been transferred, the person to which the transferable record was most recently transferred;

(3) the authoritative copy is communicated to and maintained by the person asserting control or its designated custodian;

(4) copies or revisions that add or change an identified assignee of the authoritative copy can be made only with the consent of the person asserting control;

(5) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and

(6) any revision of the authoritative copy is readily identifiable as authorized or unauthorized.

(d) STATUS AS HOLDER.—Except as otherwise agreed, a person having control of a transferable record is the holder, as defined in section 1–201(20) of the Uniform Commercial Code, of the transferable record and has the same rights and defenses as a holder of an equivalent record or writing under the Uniform Commercial Code, including, if the applicable statutory requirements under section 3–302(a), 9–308, or revised section 9–330 of the Uniform Commercial Code are satisfied, the rights and defenses of a holder in due course or a purchaser, respectively. Delivery, possession, and endorsement are not required to obtain or exercise any of the rights under this subsection.

(e) OBLIGOR RIGHTS.—Except as otherwise agreed, an obligor under a transferable record has the same rights and defenses as an equivalent obligor under equivalent records or writings under the Uniform Commercial Code.

(f) PROOF OF CONTROL.—If requested by a person against which enforcement is sought, the person seeking to enforce the transferable record shall provide reasonable proof that the person is in control of the transferable record. Proof may include access to the authoritative copy of the transferable record and related business records sufficient to review the terms of the transferable record and to establish the identity of the person having control of the transferable record.

(g) UCC REFERENCES.—For purposes of this subsection, all references to the Uniform Commercial Code are to the Uniform Commercial Code as in effect in the jurisdiction the law of which governs the transferable record.

SEC. 202. EFFECTIVE DATE.

This title shall be effective 90 days after the date of enactment of this Act.

TITLE III—PROMOTION OF INTERNATIONAL ELECTRONIC COMMERCE

SEC. 301. PRINCIPLES GOVERNING THE USE OF ELECTRONIC SIGNATURES IN INTERNATIONAL TRANSACTIONS.

(a) PROMOTION OF ELECTRONIC SIGNATURES.—

(1) REQUIRED ACTIONS.—The Secretary of Commerce shall promote the acceptance and use, on an international basis, of electronic signatures in accordance with the principles specified in paragraph (2) and in a manner consistent with section 101 of this Act. The Secretary of Commerce shall take all actions necessary in a manner consistent with such principles to eliminate or reduce, to the maximum extent possible, the impediments to commerce in electronic signatures, for the purpose of facilitating the development of interstate and foreign commerce.

(2) PRINCIPLES.—The principles specified in this paragraph are the following:

(A) 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.

(B) 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.

(C) 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.

(D) Take a nondiscriminatory approach to electronic signatures and authentication methods from other jurisdictions.

(b) CONSULTATION.—In conducting the activities required by this section, the Secretary shall consult with users and providers of electronic signature products and services and other interested persons.

(c) DEFINITIONS.—As used in this section, the terms ''electronic record'' and ''electronic signature'' have the same meanings provided in section 106 of this Act.

TITLE IV—COMMISSION ON ONLINE CHILD PROTECTION

SECTION 401. AUTHORITY TO ACCEPT GIFTS.

Section 1405 of the Child Online Protection Act (47 U.S.C. 231 note) is amended by inserting after subsection (g) the following new subsection:

''(h) GIFTS, BEQUESTS, AND DEVISES.—The Commission may accept, use, and dispose of gifts, bequests, or devises of services or property, both real (including the use of office space) and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts or grants not used at the termination of the Commission shall be returned to the donor or grantee.''.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

TOM BLILEY,
BILLY TAUZIN,
MICHAEL G. OXLEY,
JOHN D. DINGELL,
EDWARD J. MARKEY,
Managers on the Part of the House.

From the Committee on Commerce, Science, and Transportation:

JOHN MCCAIN,
CONRAD BURNS,
TED STEVENS,
SLADE GORTON,
SPENCER ABRAHAM,
ERNEST F. HOLLINGS,
JAMES M. INOUYE,
JAY ROCKEFELLER,
JOHN F. KERRY,
RON WYDEN,

From the Committee on Banking, Housing, and Urban Affairs, for items within their jurisdiction:

PAUL S. SARBANES,

From the Committee on the Judiciary, for items within their jurisdiction:

ORRIN HATCH,
PATRICK LEAHY,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the 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 for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck all of the Senate bill after the enacting clause, and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment that is a substitute for the Senate bill and House amendment.

The managers on the part of the House and Senate met on May 18, 2000, and reconciled the differences between the two bills.

TOM BLILEY,
BILLY TAUZIN,
MICHAEL G. OXLEY,
JOHN D. DINGELL,
EDWARD J. MARKEY,
Managers on the Part of the House.

From the Committee on Commerce, Science, and Transportation:

JOHN MCCAIN,
CONRAD BURNS,
TED STEVENS,
SLADE GORTON,
SPENCER ABRAHAM,
ERNEST F. HOLLINGS,
DANIEL K. INOUYE,
JAY ROCKEFELLER,
JOHN F. KERRY,
RON WYDEN,

From the Committee on Banking, Housing, and Urban Affairs, for items within their jurisdiction:

PAUL S. SARBANES,

From the Committee on the Judiciary, for items within their jurisdiction:

ORRIN HATCH,
PATRICK LEAHY,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MARKEY (at the request of Mr. GEPHARDT) for today on account of family illness.

Mr. SMITH of Washington (at the request of Mr. GEPHARDT) for after 8:00 p.m. today and June 9, on account of personal business.

Mr. GILMAN (at the request of Mr. ARMEY) for after 8:00 p.m. today and June 9, on account of attending a family funeral.

Mr. ISTOOK (at the request of Mr. ARMEY) for after 4:00 p.m. today and June 9, on account of a family medical emergency.

Mr. GREENWOOD (at the request of Mr. ARMEY) for today on account of personal reasons.

Mr. GILLMOR (at the request of Mr. ARMEY) for after 7:00 p.m. today through June 13 on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCNULTY) to revise and