would allow, for example, somebody to log on in North Dakota and get goods from a sporting goods store far away and have them shipped to a small town in North Dakota. That is clearly one of the benefits. But what we also hope to do with the Internet Tax Freedom Act is make it possible to grow small businesses in North Dakota that will be able to furnish some of those goods and services.

My friend from North Dakota has many small communities in North Dakota, as I do in Oregon. I want to make sure that Burns and Wagontire and other small towns in Oregon can compete. My view is that sensible Internet policies will make those small businesses more competitive than they are today.

The reason that Main Street businesses support the Internet Tax Freedom Act, the bill that is before the Senate today, is that Main Street businesses, those small stores, recognize right now they are having a lot of difficulty competing with the Wal-Mart giants and certainly major corporations that are located overseas.

And once you make geography irrelevant, which the Internet does, once you get a fair tax policy for a home-based business in Oregon or North Dakota, rather than those businesses facing discriminatory taxes, as we have been addressing today, I think we will grow more small businesses in North Dakota and Oregon on Main Street, and that is the hope of the sponsors of this legislation.

So let me yield back to the Senator from North Dakota, as this Senator has to head off for a 7 or 8-hour flight home. I want to again express my thanks to the Senator from North Dakota. He and his staff have spent many, many hours toiling over what is arcane language, at best, with respect to the digital economy and these new issues. I think the Senator from North Dakota is right in saying that this is just the beginning of this whole discussion. We had another initiative yesterday that was very sensible—Senator BRYAN's initiative dealing with on-line privacy as it relates to children. So we are just at the beginning of these issues.

I hope to be sitting next to the Senator from North Dakota on the Communications Subcommittee as we tackle these questions. I think we have made considerable progress. I specifically thank Senator GRAHAM, Senator BUMPERS, as well as the Senator from North Dakota. They have had strong views on this matter, and they know this bill has been important to me. They have all been very gracious in helping to move it along. Also, Senator MCCAIN will be back on the floor in a few moments. We simply could not have been here without the support of Senator MCCAIN and his staff. I am looking forward to seeing this legislation go to the President before we wrap up. I thank the Senator from North Dakota.

Mr. DORGAN. Mr. President, one of the issues that we have not completely resolved is extending the moratorium. We have a moratorium in this legislation that says to the States that if you have not yet adopted or enforced an Internet tax, there is a moratorium; you will not be able to do that during this time out. During that period, a commission will meet and evaluate all of these issues. The Senate finance bill reported out a 2-year moratorium on bit taxes, discriminatory taxes, and on Internet taxes. The House-passed version of this legislation has a 3-year moratorium. My understanding is that there will be an amendment calling for a 5-year moratorium on the bill that is coming to the floor. The version passed out by the Senate Commerce Committee had a 6-year moratorium.

Keynes used to say, ''In the long run, we are all dead.'' I don't know what the long run is, but when you talk about moratoriums here, 6 years is a large expanse of time. It seems to me that it is wholly inappropriate. I would more favor the Senate finance bill, which is a 2-year time out, or moratorium. We will likely have to agree to something more than that, but 5 or 6 years, in my judgment, is not reasonable. I think there is another amendment that was noticed, or at least will be offered, with a 3-year moratorium, which seems to me to be a more reasonable compromise. I ask the Senator from Oregon about that.

Mr. WYDEN. I thank the Senator. He has correctly laid out the various time periods. Let me say again, the Senator from North Dakota knows both the chairman of the Commerce Committee and I are still wanting to work with those who feel that 5 years is too long a period. We are anxious to try to get an agreement and, hopefully, this can all be resolved as part of a managers' amendment.

I think the concern of certainly myself and others is that 2 years is too short because it is going to take some time to work through a subject as complicated as this, and then there is going to need to be a period where the States have the chance to address it. I think we can come up with a period that is acceptable. Of course, the moratorium, such as it is, applies only to Internet access taxes. It does not apply to other spheres of economic activity. And with respect to other spheres of economic activity, again, Internet will be treated just like anything else. If a State and a locality has other means of raising revenue, we want to make it clear that, with respect to the Internet, the business conducted there will be treated like everything else.

So let me yield back to the Senator from North Dakota at this time, with an assurance that we are going to continue to try to negotiate on this point an acceptable time period for all parties. We have discussed 4 years, and we have discussed a variety of options. We are going to continue to do that. I want it understood that both Senator MCCAIN and I feel that the Senator from North Dakota is trying very hard to be helpful here, and we are going to continue to move forward in working with him to get this resolved.

Mr. DORGAN. Mr. President, I say to the Senator that the way to be most helpful would be to agree with me.

Mr. WYDEN. I will say, having made 30 changes since we left the Commerce Committee, that this Senator, who is a good friend of the Senator from North Dakota, has a very high batting average—since we have been talking about baseball—in terms of agreeing with the Senator from North Dakota. We are going to continue to work with him, as he knows.

Mr. DORGAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BYRD. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. Senate bill 442, the Internet access bill.

Mr. BYRD. Mr. President, I ask unanimous consent that I may speak out of order.

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

Mr. BYRD. Is there any time limit, Mr. President?

The PRESIDING OFFICER (Mr. THOMAS). Not that I know of.

Mr. BYRD. I thank the Chair.

TAX CUTS

Mr. BYRD. Mr. President, as all Senators are aware, at midnight on Wednesday, September 30, Fiscal Year 1998 expired. And with the expiration of the fiscal year came some most welcome and almost unbelievable news that, for the first time since 1969, the unified Federal budget was in surplus for Fiscal Year 1998. We do not know the exact figures yet. That will not be known until the Treasury Department completes its calculations of actual revenues and expenditures that occurred up through midnight, September 30, but we do know that the latest estimate by the Congressional Budget Office of that unified budget surplus is $63 billion. The President has announced that the official administration projection of the Fiscal Year 1998 unified budget surplus is about $70 billion. This unified budget surplus, whether it be $63 billion, or $70 billion, or some other figure, is a result of a dramatic turnaround from the massive budget deficits that were projected just a few short years ago.

Who should be given the lion's share of the credit for this dramatic turnaround in the country's fiscal fortunes? The President wants to claim a large share of the credit. The Republican-led Congress likes to say that things did not really change until they took over control of the House and Senate, and that they deserve the majority of the credit. Many financial analysts give a substantial amount of the credit to the policies of the Federal Reserve, which have attempted to manage the country's fiscal fortunes through adjustments in interest rates.

Suffice it to say, credit should be given to all of the above. Speaking from first-hand experience, I believe that Congress does deserve substantial credit for the turnaround from the triple-digit-hundred-billion-dollar deficits of the twelve years under Presidents Reagan and Bush. Those triple-digit deficits accumulated to the point where the nation's debt rose from just under $1 trillion on the day that President Reagan took office to more than $4,097,000,000,000 on the day that President Bush left office. In other words, in the entire history of the country, from the day that President George Washington took office to the day that President Reagan took office, the nation's accumulated debt amounted to less than $1 trillion. Twelve years later—the day that President Bush left office, it stood at $4,097,000,000,000.

Throughout the period of the 1980s, Congress attempted to rein in these massive Federal deficits, for example, with the Gramm-Rudman-Hollings sequester mechanism that was part of the 1985 Balanced Budget and Emergency Deficit Control Act. This mechanism, Senators may recall, required an across-the-board sequester of all Federal programs (with few exceptions) sufficient to bring down any deficits that exceeded those provided for in annual budget resolutions. In 1990, it became clear that the sequester that would be necessary to achieve the requirements of Gramm-Rudman-Hollings would have decimated the entire Federal establishment, including a cut in the budget of the Department of Defense ranging between 25 and 35 percent. Rather than allowing those sequesters to proceed, Congress and the Bush Administration had no choice but to convene what turned out to be a very lengthy and difficult budget summit. I participated in that summit, as did a number of my Senate colleagues who are still in the Senate—Senators DOMENICI and GRAMM, for example. After many months, including weekends and around-the-clock sessions at Andrews Air Force Base, that summit resulted in substantial changes in our budget discipline which have played a positive role in helping to rein in Federal deficits since their inception in 1990.

Under those mechanisms, sequesters of not only discretionary funds take place when so-called discretionary caps are exceeded, but also, for the first time, mandatory programs are under a pay-go system as well. Under the Budget Enforcement Act of 1990, any new mandatory spending must be fully offset. That 1990 Act also put in place a process for considering emergency spending, which is allowed to go forward outside the budgetary caps, if such spending is declared an emergency by both Congress and the President.

By and large, that emergency mechanism, I believe, has been beneficial and has been used in accordance with the intentions of the summiteers. That emergency designation is allowed for spending outside the caps for events that are sudden, urgent, unforeseen, and not permanent. Such events include natural disasters, military deployments around the world, and so forth.

The fact that the 1990 Budget Enforcement Act has been successful is not just the opinion of this Senator. It is shared by many, including the Chairman of the Federal Reserve Board, Alan Greenspan, who in recent testimony before the Senate Budget Committee, made the following statement in relation to that legislation, and I quote:

> I think that—frankly, much to my surprise, as I think I have indicated to you over the years, that the budgetary processes, which were put into place by the Congress a number of years ago, have worked far better than I would have ever anticipated them working. And I would be quite chagrined if we abandoned them because when you have a good thing, it seems rather pointless to dismantle it.

I think those words by Mr. Greenspan are right on the mark.

Subsequent to the 1990 changes in the Budget Act and the Gramm-Rudman-Hollings law, I believe that credit should also be given to those who voted for the 1993 budget package which passed each House of Congress by a one-vote margin and without a single vote from the Republican side of either body. That package was anathema to the Republicans. Yet, despite the dire predictions of economic doom which came from the Republican side of the aisle at the time, the economy has performed very, very well ever since the enactment of that legislation. All of those who have been involved in reducing Federal deficits can be justifiably proud of what is now a unified budget surplus for Fiscal Year 1998 in excess of $60 billion.

But, while we are basking in the glow of high praise and compliments all around, we must also take a heavy dose of realism. For reasons that I shall now attempt to explain in some detail, this is not the time to abandon the fiscal discipline we have undertaken for a number of years. I believe very strongly that any budget surpluses in the coming decade should be used for retiring the Federal debt, rather than for massive tax cuts or increases in Federal spending.

Mr. President, on July 15, 1998, the Congressional Budget Office issued its summer baseline projections for Fiscal Years 1998–2008 for the unified Federal budget. Now, let me stop here and explain what the term ''unified Federal budget'' means. The unified Federal budget includes not only the operating budget of the various departments and agencies throughout the Federal government, but it also includes the Postal Service and—get this—Trust Fund surpluses, the most important one of which is—guess what—the Social Security Trust Fund. By including these Trust Fund surpluses in the unified budget, one ignores the fact that none of the Trust Fund surpluses is available for anything other than the purposes for which the Trust Funds were established. In other words, it is to a large extent misleading and certainly amounts to budgetary wizardry to count these Trust Fund surpluses when one says that there is an overall unified Federal budget surplus. Nevertheless, for the moment, let us talk about what has happened to the projections of our Congressional Budget Office experts as far as they relate to the unified Federal budget between the period March 15, 1998, and July 15, 1998.

The unified budget surplus projections for the 11-year period 1998–2008 provided to Congress in March of this year by the Congressional Budget Office totaled $679 billion.

Let me say that again.

The unified budget surplus projections for the 11-year period 1998–2008 provided to Congress in March of this year by the Congressional Budget Office totaled $679 billion.

By July 15, 1998, just 4 months after its March 1998 projections, the Congressional Budget Office sent to Congress its summer report, which I have. In that report, CBO projects that unified budget surpluses for the period 1998–2008 will total more than $1.6 trillion. That is a change of some $932 billion in surplus projections for the next 11 years. So over a period of just 120 days, from March 15, 1998, to July 15, 1998, the Congressional Budget Office changed its projections of unified budget surpluses for the next 11 years from $679 billion to $1.611 trillion.

What caused the Congressional Budget Office, our premier independent budgetary experts, to make such a massive change in budget surplus projections in such a short time? The best that we have been able to determine is that the largest the contributor to the upward revision of future surpluses resulted in a change in CBO's treatment of revenues. Previously, CBO had argued that there had been a surge of unexpected revenues in the recent past, but that such surge was temporary. Now they argue that there are good reasons to think that this unexpected surge in revenues will continue indefinitely. This results in an ad hoc addition of approximately $50 billion each year of the latest 11-year budget forecast.

Does this mean, Mr. President, that the Congressional Budget Office is inept and that perhaps the Congress should seek the services of another budget prognosticator? Certainly not. Rather, my purpose in highlighting this significant change in estimates is to support my belief that, in all decisions affecting revenue and spending for future years, we must tread carefully on the planks of budgetary estimation. Like an old man crossing a footbridge strung over a chasm, only a small misstep can mean the difference between a successful crossing and spectacular failure.

CBO would be the first to tell you that they have consistently missed budgetary forecasts, as has the Office of Management and Budget. That is to be expected. No human being can ever predict accurately what revenues will come into the Treasury in a given year, or what expenditures will go out of the Treasury, or what the unemployment rate will be, or what the inflation rate will be, or whether there will be a recession, or the duration and virility of recessions. In short, Mr. President, there is no reason to believe that the CBO's current forecast of the budgetary picture over the upcoming 10 years will be any more accurate than have been its previous forecasts. Also, very importantly, Senators should remember that budgetary estimates can rapidly change and they can change for the worst, just as they have turned for the better in recent years. We saw this firsthand during the early 1990s when we suffered a severe and lengthy recession; there is no reason to think that it cannot happen again. There is no reason to think that it will not happen again. Consider the remarks of the Chairman of the Federal Reserve Board of Governors, again, Mr. Alan Greenspan, at a recent hearing by the Senate Budget Committee. This is what he said:

> According to CBO's figures, a recession comparable to the 1991 downturn would eliminate the unified surplus and create a budget deficit of more than $50 billion within 2 years. Over the next 10 years, more than half of the $1.5 trillion in projected unified surpluses would be eliminated.

That was Mr. Greenspan talking.

With this in mind, we should never underestimate just how unpredictable and capricious budget projections can be.

In virtually every CBO report, cautionary statements are made, such as the following, which is included in the CBO's most recent budget update:

> . . . there is a risk that future events will cause a significant divergence from the path laid out in the new forecast. The economy could be more adversely affected by the Asian crisis than CBO assumes; the tightness of the labor market could cause a significant jump in the rate of inflation; or the stock market could drop precipitously.

We have seen that happen all too many times of late.

> Conversely, the Asian crisis could have little additional effect on the United States; productivity growth might remain higher than CBO anticipates, which would permit a continuation of rapid noninflationary growth and stronger profits; or labor force participation rates might again increase rapidly, easing pressures on the labor market for a few years. Such alternative outcomes could have a substantial effect on the budget, increasing or decreasing its bottom line by $100 billion or more in a single year.

That is the end of the quotation.

To this point, Mr. President, I have concentrated my remarks on the ''unified Federal budget'', which, as I stated earlier, combines not only the operating budget of all Federal departments and agencies, but also the Postal Service and Trust Fund surpluses. In so doing, the unified Federal budget hides from view the question of whether, in its operations, the Federal budget is in deficit or is in surplus.

Let us now look at a couple of other Federal budget calculations that are available to us through the Congressional Budget Office. What, for example, are CBO's baseline projections for the next 5 years for on-budget deficits or surpluses? On-budget calculations, it should be noted, exclude Social Security surpluses and the Postal Service, which, I might add, are supposed to be treated as off-budget by law. CBO's on-budget calculations project that we will suffer deficits for Fiscal Years 1999, 2000, 2001, and 2003. In other words, if one leaves Social Security surpluses and the Postal Service out of the budget calculations, there is no surplus at all until the year 2002, at which time CBO says there will be a $1 billion on-budget surplus.

Let me read that again. CBO's on-budget calculations project that we will suffer deficits for Fiscal Years 1999, 2000, 2001, and 2003. In other words, if one leaves Social Security surpluses—we are talking about Social Security surpluses. We are talking about something that interests a lot of people, something that involves millions of people in this country, something that is of concern to the great mass of people out there, old and young, women, men, children—if one leaves Social Security surpluses and the Postal Service out of the budget calculations, there is no surplus at all until the year 2002, at which time CBO says there will be a $1 billion on-budget surplus. Deficits for the other fiscal years total $138 billion. Therefore, over the coming 5 budget years, CBO projects that, if we exclude Social Security surpluses and the Postal Service—if we exclude them—we will suffer deficits in 4 of those years totaling $138 billion and a surplus of only $1 billion in one year—2002—making a net on-budget deficit over the next 5 years of $137 billion.

Hence, it becomes obvious that for the next 5 years, there is no Federal budget surplus at all if one excludes Social Security and the Postal Service from the calculation. In fact, there is a net deficit of over $130 billion.

Now, let us take a look at CBO's calculations of what is called, in budgetary terminology, the ''Federal Funds Budget.'' This budget, by definition, excludes not only Social Security and the Postal Service but all Trust Funds. In other words, the Federal funds budget excludes Social Security, the Postal Service, the Highway Trust Funds, the Airport and Airway Trust Funds, the Medicare Trust Funds, the Civil Service and Military Retirement Trust Funds, the Unemployment Trust Funds, and many, many more. CBO's projections are that we will have Federal funds deficits for 9 of the next 10 years. For that period, Fiscal Years 1999–2008, Federal funds deficits are projected to total $592.2 billion. Over that period, only the year 2008 is projected to show a small surplus.

What this means is that when all obligations of the Federal Government are taken into account, including the IOUs to all Federal Trust Funds, we will not have any surplus until the year 2008—even if these new, rosy CBO forecasts come true, and even if Congress restrains itself from spending any of those projected surpluses or cutting taxes.

Now, let us shift our attention to a discussion of the National Debt. Federal Debt is divided into two categories—namely, Debt Held by the Public and Debt Held by Government Trust Funds. Under present policies, CBO's latest projections show that Debt Held by the Public will decrease from $3.7 trillion in 1998 to $2.3 trillion in 2008.

This is so because Debt Held by the Public does not include any of the debt owed by the Treasury to Federal Trust Funds. Therefore, if CBO's $1.6 trillion in projected unified budget surpluses come to pass, those surpluses will go toward reducing Debt Held by the Public. However, Debt Held in Government Trust Funds will rise, according to CBO, from $1.8 trillion in 1998 to $3.9 trillion in 2008. In other words, the surpluses in the Government Trust Funds that I have previously named will continue to grow and add to the debt owed by the U.S. Treasury to those Trust Funds. When one combines both types of Federal debt, namely, Debt Held by the Public and Debt Held in Government Trust Funds, one arrives at what is known as Gross Federal Debt. This, to me, represents the truest picture of the debts being incurred by the Federal Government that will eventually have to be paid. CBO projects that Gross Federal Debt will rise from $5.475 trillion in 1998 to $6.222 trillion in the year 2008. In other words, even if all of the projected surpluses of CBO come true over the next 11 years, and even if all of the $1.6 trillion in projected budget surpluses come true, we will still face a massive mountain of Gross Federal Debt which will have grown from $5.5 trillion to $6.2 trillion over this same period.

Mr. President, I have attempted in these remarks to paint a realistic picture of the condition of the Federal budget, including a true picture of whether we are incurring deficits or surpluses and whether we are increasing or decreasing overall Federal debt in the coming 10 years. It should be perfectly clear to any rational person that there is no real surplus and that, even if CBO's latest 10-year forecast proves to be accurate and if Congress restrains itself from cutting taxes—there is a great hue and cry, a great push for cutting taxes—even if Congress restrains itself from cutting taxes or increasing spending, Gross Federal Debt will continue to rise by some $700 billion, even under CBO's rosy scenarios. Furthermore, this could all change massively, as I have pointed out, with one recession like the one suffered by the Nation in the early 1990s.

It is against this backdrop that the House recently passed what they call the ''Taxpayer Relief Act of 1998.'' According to the Joint Committee on Taxation, this House-passed tax cut would reduce Federal revenues by $80 billion over the next 5 years and by $176 billion over the next 10 years. Keep in mind that tax cuts, once enacted, are permanent and the loss in revenues to the U.S. Treasury continue not just for 5, 10, or 15 years, but forever, unless they are repealed.

So, if the Congress lost its collective mind, and if the President joined Congress in losing our collective mind and signed such a reduction in revenues, those permanent tax cuts would come to pass regardless of whether CBO's latest projections of unified budget surpluses come true or not. Furthermore, we should keep in mind that over the next 5 years, there is no budget surplus at all—none—if one excludes the Social Security Trust Fund surpluses from the calculations. In effect then, the House-passed tax bill uses Social Security to pay for its $80 billion, 5-year cost to the Treasury.

We should also keep in mind that the Gross Federal Debt is going to continue to rise even without any tax cut. It follows that such a tax cut would increase the Federal debt by $80 billion over the next 5 years; by $176 billion over the next 10 years; and by ever-increasing amounts each year thereafter.

It should be noted, Mr. President, that the House-passed tax cut bill is in direct violation of the 1990 Budget Enforcement Act. That Act, as I stated earlier in my remarks, requires that any increase in mandatory spending or any tax cuts must be fully offset under what is called the ''Pay-As-You-Go'' rules. Those rules, which have been wisely extended through the year 2006 by the Budget Enforcement Act of 1997, allow for a point of order against any such un-offset tax cut. This means that the House-passed tax bill when, and if it comes before the Senate, will be subject to a 60-vote point of order.

I hope that Senators will come to their senses on both sides of the aisle and do what they know is right for the American people and vote against any tax bill that reduces Federal revenues, keeping in mind that even if all of the projected surpluses of CBO come true over the next 11 years, and even if all of those surpluses are applied to the Federal debt, we will still have massive Gross Federal Debt, which will grow from $5.5 trillion to $6.2 trillion over this same period. To fritter away billions of dollars at this time on massive tax cuts would be the height of irresponsibility and would signal to all the world that we cannot be relied upon to rid this great Nation of not only its deficits, but also its gigantic national debt as well. And that should be our solemn goal. It is ironic that after struggling mightily to overcome the 12 years of recordbreaking, triple-digit-billion-dollar Federal budget deficits under Reagan and Bush, the Republicans are now calling for cutting Federal revenues by huge amounts based on what could turn out to be flimsy projections by the Congressional Budget Office, which, even if they come true, will have done little more than put a small dent—just a small dent—in overall Federal debt.

Mr. President, you do not need any poll to do the right thing here. I say to Senators, this is a no brainer.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. COATS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

INTERNET TAX FREEDOM ACT

The Senate continued with consideration of the bill.

AMENDMENTS NOS. 3678 AND 3679, EN BLOC

Mr. McCAIN. Mr. President, I send two amendments en bloc to the desk on behalf of Senator BRYAN and Senator ABRAHAM and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN] proposes amendments numbered 3678 and 3679, en bloc.

The amendments (Nos. 3678 and 3679), en bloc, are as follows:

AMENDMENT NO. 3678

At the end of the bill add the following new title:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Government Paperwork Elimination Act.''

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

''(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.''.

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 34 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with