**SEC. ___07. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.**

Electronic records submitted or maintained in accordance with procedures developed under this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures, shall not be denied legal effect, validity, or enforceability because such records are in electronic form.

**SEC. ___08. DISCLOSURE OF INFORMATION.**

Except as provided by law, information collected in the provision of electronic signature services for communications with an executive agency, as provided by this title, 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 the prior affirmative consent of the person about whom the information pertains.

**SEC. ___09. APPLICATION WITH INTERNAL REVENUE LAWS.**

No provision of this title shall apply to the Department of the Treasury or the Internal Revenue Service to the extent that such provision—

(1) involves the administration of the internal revenue laws; or

(2) conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

**SEC. ___10. DEFINITIONS.**

For purposes of this title:

(1) ELECTRONIC SIGNATURE.—The term ''electronic signature'' means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of the electronic message; and

(B) indicates such person's approval of the information contained in the electronic message.

(2) EXECUTIVE AGENCY.—The term ''Executive agency'' has the meaning given that term in section 105 of title 5, United States Code.

AMENDMENT NO. 3721, AS MODIFIED

Mr. MCCAIN. Mr. President, I send to the desk a modification to amendment No. 3721.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment (No. 3721), as modified, is as follows:

On page 17, beginning with line 18, strike through line 21 on page 19 and insert the following:

(a) ESTABLISHMENT OF COMMISSION.—There is established a commission to be known as the Advisory Commission on Electronic Commerce (in this title referred to as the ''Commission''). The Commission shall—

(1) be composed of 19 members appointed in accordance with subsection (b), including the chairperson who shall be selected by the members of the Commission from among themselves; and

(2) conduct its business in accordance with the provisions of this title.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commissioners shall serve for the life of the Commission. The membership of the Commission shall be as follows:

(A) 3 representatives from the Federal Government, comprised of the Secretary of Commerce, the Secretary of the Treasury, and the United States Trade Representative (or their respective delegates).

(B) 8 representatives from State and local governments (one such representative shall be from a State or local government that does not impose a sales tax and one representative shall be from a state that does not impose an income tax).

(C) 8 representatives of the electronic commerce industry (including small business), telecommunications carriers, local retail businesses, and consumer groups, comprised of—

(i) 5 individuals appointed by the Majority Leader of the Senate;

(ii) 3 individuals appointed by the Minority Leader of the Senate;

(iii) 5 individuals appointed by the Speaker of the House of Representatives; and

(iv) 3 individuals appointed by the Minority Leader of the House of Representatives.

## UNANIMOUS-CONSENT AGREEMENT—H.R. 10

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Senate resume consideration of H.R. 10 at 5 p.m., Thursday, October 8.

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

## INTERNET TAX FREEDOM ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3719, AS MODIFIED, AS AMENDED

Mr. MCCAIN. Mr. President, I ask unanimous consent that there be 15 minutes, with 10 minutes on this side, controlled by the Senator from Alaska, and 5 minutes controlled by the Senator from North Dakota, that no second-degree amendments be in order, and immediately following that, there be a vote on the Murkowski tabling motion.

The PRESIDING OFFICER. The question will first come on the first-degree amendment.

Mr. MCCAIN. Mr. President, I believe Senator MURKOWSKI will be seeking to table the underlying amendment.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. MCCAIN. Mr. President, I repeat the request.

The PRESIDING OFFICER. Is there objection?

Mr. GRAMM. Mr. President, I didn't hear the request. Can I hear it again?

Mr. MCCAIN. It is that there be 15 minutes on a Murkowski tabling motion, with 10 minutes under the control of the Senator from Alaska, 5 minutes under the control of the Senator from North Dakota, with no intervening second-degree amendments, immediately followed by a vote.

Mr. GRAMM. No objection.

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

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. MURKOWSKI. Mr. President I rise in opposition to the amendment being offered to grandfather existing taxes on Internet services.

This amendment undermines the fundamental integrity of the underlying bill because all state and local taxing jurisdictions would not be under the exact same moratorium. It rewards those states and municipalities that raced to set up discriminatory taxes on Internet services and places them in a better position to raise revenue than those states that have chosen not to act.

More importantly, it sets the precedent that some states, but not all states, can levy taxes that harm interstate commerce. This amendment makes the Internet Tax Moratorium a piece-meal moratorium, not a real moratorium.

I ask my colleagues to consider why we are considering this Internet tax moratorium. As all of us recognize, the Internet is a massive global network that spans not only every state in the Union, but international borders. As the Commerce committee found, Internet access services are inherently a matter of interstate and foreign commerce within the jurisdiction of the United States Congress. In fact, it has been estimated that if the Congress does not make a policy decision regarding taxation of Internet services, more than 30,000 separate taxing jurisdictions within the United States could establish their own taxes on Internet transactions.

Because of the chaos that would ensue, we have decided to place a halt on Internet taxes and allow a commission to study this issue and make recommendations to the Congress. Yet the amendment that the Senator from Oregon proposes would reward those jurisdictions that have already decided to tax Internet services. Why should we grandfather those jurisdictions?

If it is appropriate for states and localities to impose taxes on Internet services than all states should be permitted to adopt such taxes. Alaska should be given that opportunity just as much as North Dakota and South Dakota. But under the Internet Tax Moratorium legislation, my state does not have that option but the Dakotas can continue their taxes because they adopted those taxes prior to this moratorium.

And if it is not appropriate for states and localities to impose taxes on Internet services, than not states nor localities should be permitted to adopt these taxes.

I believe this amendment is not only discriminatory but undermines the fundamental idea underlying this bill. As I noted earlier, the Internet is inherently about Interstate Commerce and we in Congress are about to make a decision that no local taxes should be imposed on Internet services until Congress receives the Commission's recommendations. I believe we should make this moratorium uniform, not piece-meal as the Senator from Oregon proposes.

Otherwise, we are encouraging every state in the union to rush to the state legislature every time a new technology comes along and adopt a taxing scheme on the new technology, secure