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July 15, 1999

CONGRESSIONAL RECORD—SENATE

S8693

hearing on "Official Dollarization in Latin America."

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

ADDITIONAL STATEMENTS

THE HIGH-TECH AGENDA

• Mr. ABRAHAM. Mr. President, I rise to address the importance of the high-tech industry for working families in America, and in my state in particular, and to set out what I believe should be the high-tech agenda for this body in the coming months.

Employment in our high-technology sector is vast and growing. According to the American Electronics Association, about 4,825,000 Americans were employed in the high-tech sector during 1998. That reflects a net increase of 852,000 jobs since 1990. And these jobs pay very well. The average high-tech worker in 1997 made over \$53,000 per year—a 19% increase over the levels of 1990.

My state of Michigan is playing an important part in the expansion of high-tech industry in America. Ann Arbor has among the largest concentrations of high-technology firms and employees in the nation. The University of Michigan is a leader in this field, and we have integrated cutting edge technology throughout our manufacturing and services sectors.

As of 1997, 96,000 Michiganders were employed in high-tech jobs. The total payroll for these Michigan workers reaches \$4.5 billion annually, and the average employee makes an impressive \$46,761 per year.

High-tech is of critical importance to my state. In addition to those who are directly employed in this sector, thousands of others depend on the health of our high-tech industry for their livelihood. Just as an example, 21 percent of Michigan's total exports consist of high-tech goods. Clearly, whether in international trade, automobile manufacturing, mining, financial services, or communications, Michigan's workers depend on a healthy high-tech industry in our state.

And the same goes for America, Mr. President. The internet is transforming the way we do business. Electronic or "E" commerce between businesses has grown to an estimated \$64.8 billion for 1999. 10 million customers shopped for some product using the internet in 1998 alone. International Data Corporation estimates that \$31 billion in products will be sold over the Internet in 1999. And 5.3 million households will have access to financial transactions like banking and stock trading by the end of 1999.

All this means that our economy, and its ability to provide high paying jobs for American workers, is increasingly wrapped up in high-tech. Indeed, our nation's competitive edge in the global marketplace rests squarely on our expertise in the high-tech sector.

We must maintain a healthy high-tech sector if we are to maintain a healthy, growing economy.

This is not special pleading for one industry, Mr. President. It is a simple recognition of the fact that computer technology is an integral part of numerous industries important to the workers of this country. That being the case, it is in my view critical that we secure the health and vitality of the high-tech sector through policies that encourage investment and competition. In my view it also is critical that we empower more Americans to take part in the economic improvements made possible by high-tech through proper training and education.

Entrepreneurs and workers have made our high-tech sector a success already. That means that Washington's first duty is to do no harm. The federal government must maintain a hands-off policy, refusing to lay extra taxes and regulations on the people creating jobs and wealth through technology.

But in one area in particular decisive action is required. We have all heard, Mr. President, about the impending year 2000 or "Y2K" computer problem. Because most computers have been programmed to recognize only the last two digits of a given year, for example assuming the number 69 to refer to 1969, the year 2000 will bring with it many potential problems. Computers that have not been re-programmed to register the new century may assume, come next January 1, that we have entered the year 1900. The results may be minor, or they may include computer malfunctions affecting manufacturing, transportation, water supplies and even medical care.

Clearly such a result would be in no one's interest. Whether large or small, and whether producers or users of computer systems, all businesses have a stake in making the computer transition to the 21st century as smooth as possible. But, as in so many other areas of our lives, progress in dealing with the Y2K problem is being slowed because companies are afraid that acting at this time will simply expose them to big-budget lawsuits. After all, why get involved in a situation that might expose you to expensive litigation?

It was to help prevent these problems that I joined a number of my colleagues to sponsor legislation providing incentives for solving technical issues before failures occur, and by encouraging effective resolution of Y2K problems when they do occur.

This legislation, which the administration has finally signed into law, contains several provisions that would encourage parties to avoid litigation in dealing with the Y2K problem. In addition, Mr. President, this legislation contains provisions to prevent unwarranted, profit-seeking lawsuits from exacerbating any Y2K problem, provisions making sure that only real damages are compensated and only truly responsible parties are made defendants in any Y2K lawsuit.

Quick action is needed, in my view, to prevent the Y2K problem from becoming a disaster. It is a matter of simple common sense that we establish rational legal rules to encourage cooperation and repair rather than conflict and lawsuits in dealing with Y2K. Indeed, for my part, Mr. President, I have made no secret of my desire to apply common sense rules, encouraging cooperation rather than conflict, to our legal system as a whole. I would view our response to the Y2K problem as really an extension of the idea of common sense legal reform to the high-tech arena.

High-technology related commerce, and commerce over the internet in particular, is subject to the same dangers as other forms of commerce. And that means government must make certain that the basic protections needed to make commerce possible are applied to the high-tech sector. In particular, we should keep in mind that commerce is possible only if all parties can be assured that their property will be respected and protected from theft.

I have introduced the Anticybersquatting Consumer Protection Act to combat a new form of fraud that is increasing dangers and costs for people doing business on the internet. The culprit is "cybersquatting," a practice whereby individuals reserve internet domain names similar or identical to companies' trademark names. Some of these sites broadcast pornographic images. Others advertise merchandise and services unrelated to the trademarked name. Still others have been purchased solely for the purpose of forcing the trademark owners to purchase them at highly inflated prices. All of them pollute the internet, undermine consumer confidence and dilute the value of valid trademarks.

Trademark law is based on the recognition that companies and individuals build a property right in brand names because of the reasonable expectations they raise among consumers. If you order a Compaq or a DEC computer, that should mean that you get a computer made by Compaq or DEC, not one built by a fly-by-night company pirating the name. The same goes for trademarks on the Internet. And if it doesn't, if anyone can just come along and take over a brand name, then commerce will suffer. If anyone who wants to steal your product can do so with impunity, then you won't be in business for long. If anyone who wants to steal company trademarks for use on the internet can do so with impunity, then the internet itself will lose its value as a marketplace and people will stop using it for e-commerce. It's really as simple as that.

We must, in my view, extend the basic property rights protections so central to the purpose of government, to the realm of e-commerce.

I have argued, Mr. President, that we must extend the basic, structural rules and protections of commerce to the high-tech arena. To be successful this

effort requires recognition of the need for reasoned innovation. If they are to continue fulfilling their vital function of protecting commerce, pre-existing rules must be modified at times to meet the challenges of new technologies. Nowhere is this more true than in the instance of electronic signatures.

Secure electronic authentication methods, or electronic signatures," can allow organizations to enter into contracts without having to drive across town or fly thousands of miles for personal meetings—or wait for papers to make several trips through the mail. They can allow individuals to positively identify the person with whom they are transacting business and to ensure that shared information has not been tampered with.

Electronic signatures are highly controlled and are far more secure than manual signatures. They cannot be forged in the same, relatively easy way as manual signatures. Electronic signatures are verifiable and become invalid if any of the data in the electronic document is altered or deleted. They can make e-commerce the safest as well as the most convenient commerce available.

We made great strides in this Congress toward expanding the use of electronic signatures with the Abraham Government Paperwork Elimination Act. That legislation requires federal agencies to make versions of their forms available online and to allow people to submit those forms with electronic signatures instead of handwritten ones. It also set up a process by which commercially developed electronic signatures can be used in submitting forms to the government, and federal documents could be stored electronically.

By providing individuals and companies with the option of electronic filing and storage, this legislation will reduce the paperwork burden imposed by government on the American people and the American economy. It also will spur electronic innovation. But more must be done, particularly in the area of electronic signatures, to establish a uniform framework within which innovation can be pursued.

More than 40 states have adopted rules governing the use of electronic signatures. But no two states have adopted the same approach. This means that, at present, the greatest barrier to the use of electronic signatures is the lack of a consistent and predictable national framework of rules. Individuals and organizations are not willing to rely on electronic signatures when they cannot be sure that they will be held valid.

I have joined with my colleagues, Senators McCAIN and WYDEN, to author the Millennium Digital Commerce Act. This legislation, which was recently passed out of the Senate Commerce Committee, will ensure that individuals and organizations in different states are held to their agreements and

obligations even if their respective states have different rules concerning electronically signed documents. It provides that electronic records produced in executing a digital contract shall not be denied legal effect solely because they were entered into over the Internet or any other computer network. This will provide uniform treatment of electronic signatures in all the states until such time as they enact uniform legislation on their own.

Our bill also lets the parties who enter into a contract determine, through that contract, what technologies and business methods they will use to execute it. This will give those involved in the transaction the power to decide for themselves how to allocate liability and fees as well as registration and certification requirements. In essence, this legislation empowers individuals and companies involved in e-commerce to decide for themselves whether and how to use the new technology of electronic signatures. It will encourage further growth in this area by extending the power of the contracting parties to define the terms of their own agreements.

And another piece of legislation, the Electronic Securities Transaction Act will remove a specific barrier in the law that is slowing the growth of online commerce in the area of securities trading. As the law now stands, Mr. President, anyone wishing to do business with an online trading company must request or download application materials and physically sign them, then wait for some form of surface mail system to deliver the forms before conducting any trading. Such rules cause unneeded delays and will be eliminated by this legislation.

Control over their agreements is crucial to allowing companies and individuals to conduct commerce in and through the means of high-technology. But we must do more to ensure the continued growth of high-tech commerce. Perhaps most important, we must make certain that companies involved in high-tech can find properly trained people to work for them.

During the last session of Congress I sponsored the American Competitiveness Act. This legislation, since signed into law, provides for a limited increase in the number of highly skilled foreign-born workers who can come to this country on temporary worker visas. It also provides for scholarships to students who elect to study in areas important for the high-tech industry, including computers, math and science.

In my view we should build on the American Competitiveness Act by extending training and educational assistance to the millions of elementary and secondary school children who can and should become the high-tech workers of tomorrow.

It is projected that 60 percent of all jobs will require high-tech computer skills by the year 2000. But 32 percent of our public schools have only one classroom with access to the Internet.

The Educational Testing Service reports that, on average, in 1997 there was only one multi-media computer for every 24 students in America. That makes the line to use a school computer five times longer than the Education Department says it should be.

Not only do our classrooms have too few computers, the few computers they do have are so old and outdated that they cannot run the most basic of today's software programs and cannot even access the Internet. One of the more common computers in our schools today is the Apple IIc, a model so archaic it is now on display at the Smithsonian.

The federal government recently attempted to rectify this situation, with little success. The 21st Century Classrooms Act of 1997 allows businesses to take a deduction for donating computer technology, equipment and software. Unfortunately, that deduction was small and businesses had difficulty qualifying for it. Thus the Detwiler Foundation, a leading clearinghouse for computer-to-school donations, reports that they have not witnessed the anticipated increase in donation activity" since its enactment.

I strongly believe that we must change that. That is why I have joined with Senator RON WYDEN (D-Ore.) to offer the New Millennium Classrooms Act. This legislation will increase the amount of computer technology donated to schools, helping our kids prepare for the high-tech jobs of the future.

The earlier tax deduction failed to produce donations because it was too narrowly drawn. It allowed only a limited deduction (one half the fair market value of the computer). It also applied this deduction only to computers less than two years old. And only the original user of the computer could donate it to the school.

Under the New Millennium Classrooms Act, however, businesses will be able to choose either the old deduction or a tax credit of up to 30 percent of the computer's fair market value, whichever reduces their taxes most. Businesses donating computers to schools located in empowerment zones, enterprise communities and Indian reservations would be eligible for a 50 percent tax credit because they are bringing computers to those who need them most.

In addition, the New Millennium Classrooms Act would eliminate the two year age limit. After all, many computers more than two years old today have Pentium-chip technology and can run programs advanced enough to be extremely useful in the classroom. Finally, the new legislation would let companies that lease computers to other users donate those computers once they are handed in.

These provisions will expand the availability of useful computers to our schools. They will allow our classrooms to become real places of high-tech learning, preparing our children for the

challenges of the future and providing our economy with the skilled workers we need to keep us prosperous and moving ahead. They are an important part of an overall high-tech agenda that emphasizes expanding opportunities for all Americans.

Of course we must do more. We must extend the Research and Development tax credit so important to high-tech innovation. We must extend the 3 year moratorium on any taxing of the internet. We must update our encryption laws so that American companies can compete overseas and provide consumers with state-of-the-art protection for their e-commerce. We must increase high-speed internet access. I will work to support each and every one of these reforms.

Mr. President, these are some of the legislative initiatives a number of my colleagues and I are working on to ensure the future of high-tech growth in this country. It is an important agenda because high-tech is an important sector of our economy. I hope members of both houses of Congress and the Administration will recognize the need to support this agenda so that American workers can continue to prosper. •

TRIBUTE TO COACH GLENN DANIEL

• Mr. SHELBY. Mr. President, I rise today to pay tribute to Coach Glenn Daniel, a dedicated man and an inspirational leader to the many football teams which he has led. The state of Alabama has been blessed with a very rich football heritage. The thought of the sport conjures images of Bear Bryant leading his famed University of Alabama teams to glory on the gridiron. Between interstate colleges and high school rivalries, there is no argument that the State's roots are firmly entrenched in the game of football.

It is from these roots that I pay tribute to the most successful coach in the history of Alabama high school football, Coach Glenn Daniel. With a lifetime record of 302 wins, 167 losses and 16 ties, Coach Daniel has stood the test of time and climbed countless obstacles in his relentless assault on the record books. Coach Daniel's 50-year career, spanning six decades, serves as an inspiration to the young people he coaches and as an example of the internal fortitude and a strength of character which few possess. He is truly the standard bearer for a high school coaching legend and the definition of a man dedicated to the sport of football.

Born on December 2, 1925, in Montgomery, Coach Daniel attended Albert G. Parrish High School in rustic Selma, Alabama. He earned a Bachelor's Degree in Education at Livingston University (now the University of West Alabama) and a Master's Degree from the University of Alabama in 1956. It was in 1947 that Glenn Daniel began his coaching career at the rural Alabama school of Pine Hill High. He was able to successfully resuscitate a foot-

ball program which had been discontinued for several years due to World War II. Within 5 years of beginning his tenure at Pine Hill, he had established a perennial football powerhouse at the school. During this time, Coach Daniel led his team to an undefeated season, while outscoring opponents 232-32 and receiving a Birmingham News regional championship.

Following his tenure at Pine Hill, Coach Daniel moved on to coach at Luverne High School in Luverne, Alabama. While coaching at the school for 36 years, Coach Daniel's teams finished with an astonishing 34 winning seasons. In 11 of his last 12 years, his team earned a spot in the state playoffs, including three semi-finals appearances. His remarkable 1991 team reached the ultimate promise land, winning the state 3A championship, the first in Luverne High School's history. Coach Daniel retired in 1993 and did not coach during the 1993 and 1994 seasons. However, he returned as an assistant coach for the 1995 season as Defensive Coordinator and helped his team earn a state championship in 1997.

Coach Daniel was named Alabama's Coach of the Year in 1981, 1987, and 1991 by various major newspapers in the state. In a coach's poll conducted in 1985, he was ranked by his peers as one of the ten best coaches in the state. In addition to these accolades, Coach Daniel served as head coach of the Alabama team in the annual Alabama/Mississippi All-Star Football Classic in 1992, and was named as Alumni Coach of the Year in 1992 by the University of West Alabama. In a fitting honor to cap his distinguished career, Coach Daniel was chosen as a member of the inaugural class of inductees into the Alabama High School Sports Hall of Fame in 1991. Mr. President, if a coaching career has ever proven deserving of these many distinctions, it is Coach Glenn Daniel. •

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider Executive Calendar No. 104 on today's Executive Calendar.

I further ask unanimous consent the nomination be confirmed, the motion to reconsider be laid upon the table, any statements relating to the nomination appear in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nomination considered and confirmed is as follows:

DEPARTMENT OF COMMERCE

Johnnie E. Frazier, of Maryland, to be Inspector General, Department of Commerce.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

FEDERAL FINANCIAL ASSISTANCE MANAGEMENT IMPROVEMENT ACT OF 1999

Mr. JEFFORDS. I ask unanimous consent the Senate now proceed to the consideration of Calendar No. 199, S. 468.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 468) to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 468

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Financial Assistance Management Improvement Act of 1999".

SEC. 2. FINDINGS.

[The] Congress finds that—

(1) there are over 600 different Federal financial assistance programs to implement domestic policy;

(2) while the assistance described in paragraph (1) has been directed at critical problems, some Federal administrative requirements may be duplicative, burdensome or conflicting, thus impeding cost-effective delivery of services at the local level;

(3) the Nation's State, local, and tribal governments and private, nonprofit organizations are dealing with increasingly complex problems which require the delivery and coordination of many kinds of services; and

(4) streamlining and simplification of Federal financial assistance administrative procedures and reporting requirements will improve the delivery of services to the public.

SEC. 3. PURPOSES.

The purposes of this Act are to—

(1) improve the effectiveness and performance of Federal financial assistance programs;

(2) simplify Federal financial assistance application and reporting requirements;

(3) improve the delivery of services to the public; and

(4) facilitate greater coordination among those responsible for delivering such services.

SEC. 4. DEFINITIONS.

In this Act:

(1) DIRECTOR.—The term "Director" means the Director of the Office of Management and Budget.

(2) FEDERAL AGENCY.—The term "Federal agency" means any agency as defined under section 551(1) of title 5, United States Code.

(3) FEDERAL FINANCIAL ASSISTANCE.—The term "Federal financial assistance" has

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