



October 26, 1999

The Honorable Spencer Abraham
825 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Abraham:

The Electronic Financial Services Council, a trade association representing a group of financial service providers and software companies, supports S. 761, the "Millennium Digital Commerce Act." This bill will establish and encourage a uniform set of standards for electronic commerce both by making the standards a matter of federal law and by permitting states to use a uniform state-generated law as an alternative. By doing so, S. 761 will make electronic commerce more secure, valid and reliable. Promoting the growth of electronic commerce is in the national interest because it will benefit the U.S. economy as a whole and will enhance the position of U.S. companies in the global marketplace. At the same time, consumers will benefit by access to a broader array of goods and services provided in a more efficient manner.

S. 761 is good for consumers and preserves federal and state consumer protection laws, as well as the ability of states to act. The bill:

- Does not change the substance of existing federal and state consumer protection laws; but rather provides that disclosures, notices and other writing and signature requirements under such laws can be satisfied by electronic means.
- Does not affect existing federal and state rulemaking authority, preserving the regulators' authority to prescribe guidelines for electronic disclosures.
- Requires consumers to consent if they wish to use the Internet to conduct their transactions.
- Ensures that Internet transactions have the same legal effect and recognition as paper transactions.
- Provides states with flexibility to pass their own versions of electronic commerce legislation, including the Uniform Electronic Transactions Act (UETA), which was issued by the National Conference of Commissioners on Uniform State Laws in August 1999.

- Establishes standards and safeguards that ensure the integrity of an electronic transaction by requiring that an electronic record accurately reflects the information in the record and remains accessible for later reference.

S. 761 benefits consumers and businesses in many ways, including:

- Convenience and time-saving. Consumers can conduct transactions virtually anywhere and at any time. With disclosures being delivered in real-time, consumers will be able to complete their Internet transactions with effective electronic disclosures, without waiting for paper disclosures or other documents to be mailed to them.
- Retainability and clarity of electronic disclosures. When consumers choose to conduct business online, disclosures and other records can be provided in a clearer, more readable format than traditional paper-based disclosures. In addition, electronic storage will permit consumers with easier access to their contracts, disclosures and other records.
- Enhanced access for under-served persons and communities. People living in under-served communities, both urban and rural, will have enhanced access to services and products offered over the Internet, even where physical stores or other locations are not available.

S. 761 will benefit businesses and consumers alike by ensuring that electronic commerce is more secure, valid and reliable. It will provide consumers access to a broader array of goods and services in a more efficient manner. We support S. 761 and appreciate your leadership in updating laws to facilitate the electronic delivery of financial services.

Very truly yours,

Jeremiah S. Buckley
The Electronic Financial Services Council