

standards in the digital medium, in particular for software and computers. The technology changes far too fast, much more rapidly than regulatory standards. Therefore, regulation in this area is likely to impede, or in some cases even discourage, the development of new technologies.

This bill is critical not only because it will allow the Internet to flourish, but also because it ensures that America will remain the world leader in the development of intellectual property. I urge each of my colleagues to support the conference report to H.R. 2281.

Mr. KLUG. Madam Speaker, I rise today in strong support of the conference report on H.R. 2281, and to acknowledge my appreciation of the efforts expended to create a rational, balanced bill for the 21st Century.

About two months ago, I stood on this floor and recognized that this Congress faced a difficult balancing act. On the one hand, there is concern for protecting the American creative community—those who make movies and television shows and software and books. On the other hand, in an era of exploding information, and where increasingly having information is having power, we have a heightened obligation to ensure access to that information. We should not be changing the rules of the road in the middle of the game, creating a pay per view environment in which the use of a library card always carries a fee and where the flow of information comes with a meter that rings up a charge every time the Internet is accessed.

With the support of the House Commerce Committee, under the leadership of Chairman BLILEY, Representative DINGELL, Representative TAUZIN, Representative MARKEY, and, most significantly, Representative BOUCHER, we were able to implement two changes to the bill to instill the balance envisioned by our constitutional architects and in the long tradition of the Commerce Committee. The first change ensured that information users will continue to utilize information on a "fair use" basis, notwithstanding the prohibition on circumvention. The second change allowed manufacturers of a wide array of consumer products the certainty that design decisions could be made solely on the basis of technological innovation and consumer demand, not the dictates of the legal system.

These critical provisions were regrettably not part of the Senate-passed version of the legislation and, consequently, required negotiation in conference. Although I was not a formal part of the House-Senate conference, I am pleased to support the outcome of those discussions, and to single out the dedicated efforts of Chairman BLILEY, Representative TAUZIN, Representative DINGELL, Justin Lilley, Andy Levin, and Whitney Fox to preserve the important improvements wrought by the House Commerce Committee.

The conference report reflects a number of hard compromises, three of which I would like to discuss. First, the conferees maintain the strong fair use provision the Commerce Committee crafted, for the benefit of libraries, universities, and consumers generally. Section 1201(c)(3) explicitly provides a meaningful role, in determining whether fair use rights are or are likely to be adversely affected, for the Assistant Secretary of Commerce for Communications and Information in the mandated rulemaking. I trust that the recommendations made by the Assistant Secretary, given the in-

creasing importance that new communications devices have in information delivery, will be accorded a central, deferential role in the formal rulemaking process.

The second change the conferees insisted upon was a "no mandate" provision. This language ensures that manufacturers of future digital telecommunications, computer, and consumer electronics products will have the freedom to choose parts and components in designing new equipment. Specifically, Section 1201(c)(3) provides that nothing in the subsection requires that the design of, or design and selection of parts and components for, a consumer electronics, telecommunications, or computer product provide for a response to any particular technological measure, so long as the device does not otherwise violate the section. With my colleague from Virginia, Representative BOUCHER, I originally persuaded the members of the Commerce Committee to delete the "so long as" phrase of the original Senate version. Our thinking, confirmed by committee counsel, was that this language was not just circular, but created serious ambiguity and uncertainty for product manufacturers because it was not clear whether a court, judging the circumstances after the fact, would find that specific products fell within the scope of this provision and thus had to be designed to respond to protection measures. And, it is entirely possible that these protective measures may require conflicting responses by the products.

The conferees added back the language we struck, but in a context in which the "so long as" clause had some clear, understandable meaning. The language agreed to by the conferees mandates a response by specified analog devices to two known analog protection measures, thereby limiting the applicability of the "so long as" clause. In my opinion, spelling out this single, specific limitation will provide manufacturers, particularly those working on innovative digital products, the certainty they need to design their products to respond to market conditions, not the threat of lawsuits.

Both of these changes share one other important characteristic. Given the language contained in the Judiciary Committee's original bill, specifically sections 1201(a)(1), (a)(2), and (b)(1), there was great reason to believe that one of the fundamental laws of copyright was about to be overruled. That law, known as *Sony Corporation of America v. Universal Studios*, 464 U.S. 417 (198), reinforced the centuries-old concept of fair use. It also validated the legitimacy of products if capable of substantial non-infringing uses. The original version of the legislation threatened this standard, imposing liability on device manufacturers if the product is of limited commercial value.

Now, I'm not a lawyer, but it seems irrational to me to change the standard without at least some modest showing that such a change is necessary. And, changing the standard, in a very real sense, threatens the very innovation and ingenuity that have been the hallmark of American products, both hardware and content-related. I'm very pleased that the conferees have meaningfully clarified that the *Sony* decision remains valid law. They have also successfully limited the interpretation of Sections 1201(a)(2) and (b)(1), the "device" provisions, to outlaw only those products having no legitimate purpose. As the conference report makes clear, these two sections now must be read to support, not stifle, staple

articles of commerce, such as consumer electronics, telecommunications, and computer products used by businesses and consumers everyday, for perfectly legitimate purposes.

Finally, the conferees included specific language allowing product manufacturers to adjust their products to accommodate adverse effects caused by technological protection measures and copyright management information systems. These measures could have the effect of materially degrading authorized performances or displays of works, or causing recurring appreciably adverse effects. But, there was real fear in the manufacturing and retail communities of liability for circumvention if they took steps to mitigate the problem. I also felt particularly strong that consumers have the right to expect that the products they purchase will live up to their expectations and the retailing hype. So, the Commerce Committee faced another balancing act—preserving the value of the creative community while also affording consumers some basic protections and guarantees.

We were only able to achieve directive report language on "playability" in the committee process. Using the base established by the Commerce Committee, the conferees were able to craft explicit language exempting makers and servicers of consumer electronics, telecommunications, or computing products from liability if acting solely to mitigate playability problems. With this absolute assurance of freedom from suit under such circumstances, manufacturers should feel free to make product adjustments, and retailers, and professional services should not be burdened with the threat of litigation in repairing products for their customers.

In short, the conference report achieves the goal of implementing the WIPO treaties. But we have done so in a thoughtful, balanced manner that promotes product development and information usage, indeed the very "progress of Science and the useful arts" set forth in the Constitution. I urge my colleagues to vote for this legislation and yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. COBLE) that the House suspend the rules and agree to the conference report on the bill, H.R. 2281.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

A motion to reconsider was laid on the table.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 134. Joint Resolution making further continuing appropriations for the fiscal year 1999, and for other purposes.

#### ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mr. TRAFICANT. Madam Chairman, pursuant to clause 2(a)(I) of rule IX, I