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**COMMITTEE PRIORITIES FOR 1999**

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For the remainder of 1999, the Committee will continue to focus primarily on the seven industries addressed by this report. A renewed focus will be brought to bear on the crosscutting effects of increased litigation and the overall health of the world economy.

The Y2K problem is a dynamic one, and predicting with any certainty which new issues may arise is impossible. Nevertheless, there are certain areas that will be a high priority for the Committee in 1999. These areas include:

- Revisiting the domestic industry and infrastructure sectors first examined in 1998;
- Placing increased emphasis on international Y2K preparedness;
- Monitoring federal government preparedness, but turning more attention to state and local government preparedness;
- Evaluating contingency and emergency preparedness planning;
- Determining the need for additional Y2K legislation, or delaying implementation dates of new regulations;
- Examining litigation issues surrounding the Y2K problem; and

- Identifying national and international security issues and concerns.

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**SECTOR-BASED ISSUES**

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In 1998, the Committee focused primarily on domestic Y2K issues. The Committee investigated critical infrastructure and industry sectors—utilities, healthcare, telecommunications, transportation, financial institutions, government and business—in an attempt to assess the Y2K status of each. Broad-based assessments were practically non-existent, making fact-based conclusions impossible. In that regard, Chairman Bennett's words seem even more appropriate: "We are flying blind into the Year

Additional information requested by the Committee on the status of various national and international industries is expected to be available in early 1999. The Committee will, therefore, continue its investigations and conduct hearings in each of these sectors throughout the first half of 1999.

Rather than a mere continuation of the broad-based hearings conducted in 1998, future hearings will be smaller and will focus on specific problem areas or industries in a given sector.

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## INTERNATIONAL ISSUES

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Even if the U.S. could remediate all of its systems and embedded processors in time (which it cannot), it would, in an economic sense, still be at the mercy of the rest of the world.

The U.S. is part of, and dependent on, the global economy. Like the suppliers and partners within any given industry supply chain, America's vulnerability to the Y2K problem extends to other countries. The Committee's research into each infrastructure and industry sector highlights U.S. dependence on other countries, from Venezuela for oil to Denmark for insulin.

The Committee will turn its attention to countries economically and politically important to the United States. It will examine various sources of information to determine the state of readiness of these countries and if warranted, will recommend actions to assist in their remediation efforts or to reduce the risks unprepared countries pose to the United States.

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## GOVERNMENT PREPAREDNESS

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The federal government openly shares information on its own Y2K preparedness. While not all of the findings are good, at least the information is available. Less visible is the status of preparedness of state and local governments. Their status of readiness will directly affect most Americans, because this is where they will turn if there is a failure in basic services, such as utilities.

The Committee is concerned that many state and local governments are not doing enough, either because they are unaware of their vulnerabilities or because they have insufficient resources. The Committee will continue to examine these issues in greater detail in 1999, and work with individual House and Senate members to take corrective actions where needed.

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## CONTINGENCY PLANNING

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The Committee will continue to monitor the Y2K status of critical industry and infrastructure sectors, but will turn its attention to contingency and emergency preparedness planning in the last half of 1999.

The Committee will conduct hearings and make recommendations based on the results of its industry and infrastructure assessments conducted in the first half of the year. The Committee's goal will be to ensure the availability of basic emergency services and active contingency plans in the event of Y2K disruptions.

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## LEGISLATION

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The Committee will continue to examine the need for legislation or modifications to existing statutes and regulations. The intent of such legislation must be to provide incentive for greater remediation efforts, to ensure scarce resources are devoted to remediation, and to encourage both greater sharing of information and a fair approach to the litigation

that might arise from Y2K problems.

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**LITIGATION**

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The Committee will continue to monitor and hold hearings on Y2K litigation issues. It will support efforts to minimize the impact of Y2K litigation on the court system while continuing to hold individuals and companies responsible for their actions.

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**NATIONAL SECURITY**

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The Y2K computer problem could pose a risk to our national security if not properly addressed. Broad is-

sues such as the status of nuclear, chemical, and biological weapons and our ability to protect U.S. personnel and interests here and abroad are of utmost concern to all Americans.

The Department of Defense has monumental Y2K problems, and it is severely behind in addressing them. It is at risk of not completing remediation of all of its mission-critical systems in time. In addition, its infrastructure of more than 550 bases around the world may not be ready. For these reasons, the Committee intends to foster continuous and considerable attention on national security issues during 1999.