RUSSIA'S YEAR 2000 PROBLEM

HEARING

BEFORE THE

SUBCOMMITTEE ON GOVERNMENT MANAGEMENT, INFORMATION, AND TECHNOLOGY

OF THE

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTH CONGRESS

FIRST SESSION

OCTOBER 17, 1997

Serial No. 105–173

Printed for the use of the Committee on Government Reform and Oversight

U.S. GOVERNMENT PRINTING OFFICE

51–272 CC WASHINGTON : 1998

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-057575-3

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RUSSIA'S YEAR 2000 PROBLEM

FRIDAY, OCTOBER 17, 1997

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON GOVERNMENT MANAGEMENT,
INFORMATION, AND TECHNOLOGY,
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
Beverly Hills, CA.

The subcommittee met, pursuant to notice, at 4 p.m., at the City Council Headquarters, City Hall, Beverly Hills, CA, Hon. Stephen Horn (chairman of the subcommittee) presiding.

Present: Representatives Horn and Maloney.

Staff present: J. Russell George, staff director and chief counsel; Mark Brasher, professional staff member; and Andrea Miller, clerk.

Mr. HORN. The Subcommittee on Government Management, Information, and Technology will come to order.

This hearing was to have Mr. Gorbachev, President Gorbachev, testify. I am Stephen Horn, chairman of the Subcommittee on Government Management, Information, and Technology of the House of Representatives.

We have just met with former President Gorbachev to hear a report on what he has been able to accomplish in Russia by discussing this year 2000 problem with the Premier of the Soviet Union and alerting them to what this subcommittee has been doing since April 1996 with the American Government. He has assured us that he feels his portion of that job, to alert his own home country, is sufficient.

He has various commitments in Los Angeles he has to keep, so except for our 20-minute meeting, he will not be testifying today. And I am sorry that he won't, because I think he has made a lot of progress on this subject, but he feels he needs to leave it to the Russian Government now to carry out the alerting of them to the need to deal with the 2000 problem.

I think that most of you know that what we mean by that is that 30 years ago to get storage in computers, somebody had the bright idea of having simply put "67" in instead of "1967" and you save two digits. Now, of course, that is not a problem. And what Russia faces, the United States faces, every nation in the world faces is, how do we solve this problem by January 1, 2000?

Mr. Gorbachev has been the first former statesman in Europe to take this problem seriously, but he feels he can't go much beyond Russia on this; and I am hopeful other statesmen in Europe will urge their governments to move ahead, just as parts of our government have done.

We have not had the leadership here that we should have in the executive branch. We have the agencies working now, more than they were, and some of you that might want to look at the statement, which we are simply going to file for the record, showing the ranking of the Government agencies on this. There is only one we have given an A minus to recently and that is the Social Security Administration, the rest are a few Bs, a few Cs and mostly Ds and Fs.

Some of you in the room look like you might be familiar with the Social Security Administration, and it is wise for them to do something about this. They started in 1989 with absolutely no guidance from the executive branch. They just knew the problem had to be dealt with, and we face similar situations throughout the world.

I wish that the former President would have been able to give a report on it, but basically what he told us is that he has talked to Prime Minister—Premier Chernomyrdin and that it has been referred to the Chernomyrdin-Gore Commission on United States-Russian Relations and that the various agencies within the Russian Government have assured Premier Chernomyrdin they will work ahead, just as our agencies are, to try to solve this problem.

[The prepared statement of Hon. Stephen Horn follows:]

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"SUBCOMMITTEE HEARING ON RUSSIA'S YEAR 2000 PROBLEM"

October 17, 1997

OPENING STATEMENT
REPRESENTATIVE STEPHEN HORN (R-CA)

Chairman, Subcommittee on Government Management,
Information, and Technology

The Subcommittee on Government Management, Information, and Technology will come to order.

Welcome to this historic Congressional hearing on a subject of increasing importance to governments and citizens throughout the world. In 805 days, computer systems that use two digit date fields will fail to recognize the century date change on January 1, 2000. After midnight on the last day of "99," computers in the United States and abroad will automatically flash to "00." Computer systems worldwide will interpret these digits as signifying the year 1900, not the year 2000. Referred to as the Year 2000 problem, this glitch could result in a global computer crisis if left unchanged.

This issue has not received the level of attention it deserves. That must change in the coming days if we are going to meet the challenge of preparing for the new millennium. The risk of failure extends to systems that control or operate technology. This means that everything from a garage door opener or a microwave cooking device to the mechanisms that guide airplanes and affect military command and control systems can be susceptible to the Year 2000 problem. Governments worldwide have 805 days left to ensure that the most important of these systems do not fail.

The Subcommittee on Government Management, Information, and Technology has focused on this question for more than two years. During this period, we have witnessed a dramatic increase in the awareness of the problem at the Federal level, and yet too many major Cabinet departments and agencies still have not made adequate progress in addressing the Year 2000 problem. Four weeks ago, we released a report card assessing the status of Federal agencies in fixing their noncompliant Year 2000 systems. Of the 24 agencies reviewed, only one received an "A" grade, indicating it is on track to having its computer systems ready for the Year 2000.

It is worth noting that the agency earning this "A," the Social Security Administration, has been working on the problem since 1989. Almost all other Federal agencies started work on the problem only within the last year. Too many of these agencies have received grades that concern members of this committee. These agencies include the Departments of Defense, Energy and Transportation. The low grades call into question their ability to have their computer systems corrected prior to the deadline of December 31, 1999.

How is the Year 2000 problem being addressed outside of the United States? Given the exchange of information throughout the world, what will our own efforts be worth if other nations are far behind in their efforts to prepare for the coming millennium? Hence the importance of the testimony we are to receive today.

Before turning to President Gorbachev, I wish to recognize the Ranking Democratic Member of the subcommittee, Carolyn Maloney of New York.

It is a great honor for us to have as our witness Mikhail Gorbachev, the former president of the Soviet Union. This hearing marks the first time he has testified before a committee of the United States Congress. President Gorbachev and I met earlier this year to discuss the Year 2000 problem. As he will describe for us in some detail, he has taken on the crucial task of raising awareness and finding a solution to the Year 2000 problem in Russia. Welcome Mr. President.

Mr. HORN. I now have the ranking Democrat on the subcommittee, Mrs. Maloney of New York, a very valuable member of this committee.

You might want to say something on this subject.

Mrs. MALONEY. First of all, Mr. Chairman, I would like to thank you for your leadership as the Chair of this subcommittee on turning attention to the important problem of the 2000 computer change.

When we began these hearings a year and a half ago, it was clear that we were uncovering a problem of significant proportions. Since then, we have made the public aware of how this problem affects government, business, and even hotel elevators.

I am very pleased to be here with you today to continue to explore the international dimensions of the year 2000 problem.

Providing advice and service on the year 2000 problem is now a growth industry, as is, I might also add, reporting on the problem. The Air Force has a Y2K home page as does GTE, IBM, and dozens of other major corporations. Minnesota and Florida also have home pages devoted to the problem. There is one page devoted to solving the problem for the police. And in Washington, DC, one company advertises its Y2K solution in large ads on the back of the Metro buses.

A search of the Internet yields hundreds of listings on the Y2K problem, but very few of these consider the international dimensions of the problem. Last summer, the National Institute for Standards in Technology held a symposium on the international dimensions, but only a very few countries were represented. It is important that we understand the international implications of this problem, and how it might affect both our government and the citizens of the United States.

I have been assured, through our hearing process, by the FAA that there is no possibility that our air traffic control could be affected by problems in other countries, but no one at Treasury can assure me that our banking industry will be unaffected by what happens in other countries.

The year 2000 computer date conversion problem is really one that is tremendously important to our own government. Along with Chairman Horn—I joined him with letters to all of our agencies so that we could track how well they are doing in making adjustments in government.

Mr. Horn has recently issued a second yearly report on the progress of Government agencies. Through the hearing process, we have tried to make businesses more aware of what they should be doing in the private sector. We have called them in; they have reported the progress or lack thereof that they are making.

Along with Mr. Horn, we have reached out to the United Nations. I have spoken to Bill Richardson, who is the appointee—Ambassador Richardson, who is the appointee for the U.S. Government to the United Nations, and he has raised this in meetings, along with the chairman. Former President Gorbachev mentioned his attention and awareness of the problems and the steps that he has taken to make others aware of it.

Again, I am very pleased to be here. It is a beautiful city, the weather is wonderful, and I believe this is the most beautiful city

hall I have ever been in. So I thank the chairman for inviting me. It has been a pleasure to serve with Chairman Horn, not only on the Y2K problem, but on many other important problems that confront our government.

Mr. HORN. Well, I thank Mrs. Maloney for coming. It is real dedication to good government when you take off in New York, arrive here around 1 o'clock, come to a hearing and return tonight, especially when she has had illness in the family.

Mrs. Maloney has been a former member of the City Council in the city of New York. She knows the grass-roots feelings that Members have in serving the people. And she has been invaluable in helping us get laws through the House, such as the debt collection improvement laws, which will save the taxpayers about $2 billion in the years they are on the books; and we couldn't have done it without her. So we are grateful for her coming out here for this session and to join me in meeting with President Gorbachev.

Since we have some students here, we might as well make this meeting a little useful. If any of the students would like to ask questions of either one of us, we would be glad to respond to them on either the year 2000 problem or anything else, so if anybody has a few questions? Especially among the students, put up your hands and let's find out what is on your minds.

Well, if there are no questions, then, we will adjourn this meeting. Thank you very much. Without objection, the meeting is adjourned.

[Whereupon, at 4:10 p.m., the subcommittee was adjourned.]

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