

THE YEAR 2000 COMPUTER PROBLEM IMPLICATIONS FOR INTERNATIONAL TRAVEL

JOINT HEARING
BEFORE THE
SUBCOMMITTEE ON GOVERNMENT MANAGEMENT,
INFORMATION, AND TECHNOLOGY
OF THE
COMMITTEE ON GOVERNMENT REFORM
AND THE
SUBCOMMITTEE ON TECHNOLOGY
OF THE
COMMITTEE ON SCIENCE
HOUSE OF REPRESENTATIVES
ONE HUNDRED SIXTH CONGRESS
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WEDNESDAY, SEPTEMBER 15, 1999

HOUSE OF REPRESENTATIVES, COMMITTEE ON GOVERNMENT REFORM, SUBCOMMITTEE ON GOVERNMENT MANAGEMENT, INFORMATION, AND TECHNOLOGY, JOINT WITH THE COMMITTEE ON SCIENCE, SUBCOMMITTEE ON TECHNOLOGY,

Washington, DC.

The subcommittees met, pursuant to notice, at 10:02 a.m., in room 2318, Rayburn House Office Building, Hon. Stephen Horn (chairman of the Subcommittee on Government Management, Information, and Technology) presiding.

Present from the Subcommittee on Government Management, Information, and Technology: Representatives Horn, Biggert, Turner, Ose, and Walden.

Present from the Subcommittee on Technology: Representative Morella.

Staff present from the Subcommittee on Government Management, Information, and Technology: Russell George, staff director; Matthew Ryan, senior policy director; Chip Ahlswede, clerk; Bonnie Heald, communications director and professional staff member; P.J. Caceres and Deborah Oppenheim, interns; and Jean Gosa, minority staff assistant.

Staff present from the Subcommittee on Technology: Jeff Grove, staff director; Ben Wu, professional staff member; Joe Sullivan, staff assistant; Trey Henderson, minority counsel; Michael Quear, professional staff member; and Marty Ralston, staff assistant.

Mr. HORN. This joint hearing of the House Subcommittee on Government Management, Information, and Technology and the Committee on Science's Subcommittee on Technology will come to order.

Over the past several years, these subcommittees have been prodding the Federal departments and agencies in the executive branch to prepare their computer systems for the year 2000. In only 107 days, these systems will be ready for action. The job is unquestionably difficult. The time is running short and the job is not done.

Millions of Americans are awaiting the coming millennium as a time for celebrations. Airlines have begun offering millennium vacation specials. Families are beginning to plan how and where they will usher in the historic new year.

We learned at our hearing with the Federal Aviation Administration last week that 35 countries have not yet provided information on their airport and airline readiness. This is of great concern.

American travelers must have adequate information on destinations that may be vulnerable to widespread failures due to the year 2000 date change, whatever and wherever it is, whether it is domestic or international.

Yesterday, the Department of State released consular information sheets for nearly 200 countries and territories. We received this information in the evening. Our staff and the staff of the General Accounting Office quickly reviewed a sample of information on 30 countries. In some instances, the information was disturbing.

We found that many countries, including Brazil, China, and Egypt are at risk of serious year 2000 failures such as the loss of electricity, health care, and telecommunications.

We found that India faces problems with its ports, as well as its electric power.

Japan's health care programs, for example, are lagging behind other sectors of the Nation's economy, and the same is true about the United States.

In addition, we found that several countries face potential banking and financial failures, despite the industry's best efforts to overcome this unique and worldwide computer challenge.

We are not here today to take countries to task for their poor performance in solving their year 2000 computer problems. Rather, we want to provide the traveling public with information on the potential problems that could occur abroad.

I am delighted with the panel we have this morning, and I think it is important to note that citizens must make prudent, informed decisions on when and where to travel over the upcoming holiday season. To do so, however, requires that the Federal Government provide timely and reliable information.

Mr. Ose raised the question the other day when the FAA administrator was here that people make their travel plans now and in October. They don't wait until Christmas and the holidays in December.

I now yield for an opening statement to the gentleman from Texas, Mr. Turner.

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

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Opening Statement
Chairman Stephen Horn (R-CA)
Subcommittee on Government Management,
Information, and Technology
September 15, 1999

This joint hearing of the House Subcommittee on Government Management, Information, and Technology, and the Subcommittee on Technology will come to order.

Over the past several years, these subcommittees have been prodding the Federal departments and agencies in the executive branch to prepare their computer systems for the Year 2000. In only 107 days, these systems must be ready for action. The job is unquestionably difficult. But time is running short, and the job is not done.

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We learned at our hearing with the Federal Aviation Administration last week that 35 countries have not yet provided information on their airport and airline Year-2000 readiness. This is of great concern. American travelers must have adequate information on destinations that may be vulnerable to widespread failures due to the Year-2000 date change, whether they are domestic or international.

Yesterday, the Department of State released Consular Information Sheets for nearly 200 countries and territories. We received this information yesterday evening. Our staff and staff at the General Accounting Office quickly reviewed a sample of information on 30 countries. In some instances, the information was disturbing.

We found that many countries, including Brazil, China, and Egypt, are at risk of serious Year 2000 failures, such as the loss of electricity, health care, and telecommunications. We found that India faces problems with its ports, as well as its electric power. Japan's health care programs, for example, are lagging behind other sectors of the nation's economy—the same is true in the United States.

In addition, we found that several countries face potential banking and financial failures, despite the industry's best efforts to overcome this unique and worldwide computer challenge.

We are not here today to take countries to task for their poor performance in solving their Year 2000 computer problems. Rather, we want to provide the traveling public with information on the potential problems that could occur abroad.

Citizens must make prudent, informed decisions on when and where to travel over the upcoming holiday season. To do so, however, requires that the Federal Government provide timely and reliable information.

I welcome our witnesses today, and look forward to their testimony.

Mr. TURNER. Thank you, Mr. Chairman. I'm glad to join you and Chairwoman Morella today to assess the progress the State Department and others have made in combatting the potential international impact of the Y2K problem.

As we all know, Y2K rollover is a global problem, not just a domestic issue, and, since we live in an interdependent world, lagging Y2K preparations in other countries can affect the safety of U.S. citizens abroad, as well as our national political, economic, and security interests.

While the United States has taken the lead in preparation, we certainly cannot merely afford to hope that the rest of the world is ready, too.

To this end, I understand the State Department is actively engaged in a Y2K policy formulation with 16 Federal departments and agencies through the Y2K International Interagency Working Group, which seeks to preserve regional, political, strategic, military stability; safeguard our economic interests and military bases abroad to ensure operational readiness; protect our citizens abroad; and assess other countries' needs for external assistance in overcoming possible Y2K problems.

Special efforts have been made to help these countries identify Y2K vulnerabilities and to ensure effective contingency planning.

Overall, significant progress has been made on Y2K remediation and contingency planning worldwide; however, much remains to be done.

Yesterday, the State Department released new consular information sheets which informed the American public of potential hazards to their health and safety occasioned by Y2K problems abroad.

Today we will learn how these warnings are prepared, what they mean, and what remains to be done to safeguard our interests.

Because the protection of U.S. citizens traveling and working abroad is the highest priority, we need to provide the public with our very best assessments of Y2K preparedness abroad so they can make responsible choices.

I look forward to the testimony today, and I again compliment the chairman and Chairwoman Morella for their focus on this very critical issue.

Thank you, Mr. Chairman.

Mr. HORN. Well, I thank you for your very good opening statement.

I now yield to the co-chairman of the task force on the year 2000, and the chairwoman of the Subcommittee on Technology of the House Committee on Science, Mrs. Morella, the gentlewoman from Maryland.

Mrs. MORELLA. Thank you, Chairman Horn.

I must say you do commence the meetings right on time, and I appreciate that, and thank you for your leadership, also, in crafting the plan for today's hearing. I think it is very important.

As we move ever so closer to the January 1, 2000, deadline, the American people are demonstrating an increased desire to make their own determinations about the year 2000 computer problem impact upon their lives.

Americans want to be individually empowered to choose their own course of action by being provided with as much Y2K informa-

tion as possible. That's why I'm very pleased that the State Department has begun preparing country-by-country advisories to warn Americans living or traveling overseas about possible failures related to the year 2000 technology problem.

Since the warnings detail how visiting Americans could be affected by power outages, water shortages, and other potentially serious Y2K problems in 194 countries, they give Americans, to the greatest extent possible, the best indication of where and what they should be doing as we usher in the new millennium.

These reports will allow one to travel to various parts of the globe with confidence, even though there have previously been complaints about the difficulty in collecting adequate data from foreign governments about possible computer failures.

I'm pleased that this important hearing on Y2K impact of international travel is being held this morning. And, although I must leave shortly to the House floor for consideration of my bill authorizing aviation research and development, including safety, I look forward to the testimony of our distinguished panel on this important issue, and I thank you, Mr. Chairman.

Mr. HORN. Well, we thank you and we wish you well and success on the floor. Everybody has been a little tired last night when it worked at midnight, but good luck.

I now yield to the gentlewoman from Illinois, Mrs. Biggert, who is the vice chairman of the Subcommittee on Government Management, Information, and Technology.

Mrs. BIGGERT. Thank you, Mr. Chairman.

I have no opening statement. I look forward to hearing from the witnesses.

Mr. HORN. We thank you.

And as to the witnesses, just let me explain the procedure. I know some of you have been before us before.

We'd like you to summarize your statement, and at least 10 minutes we'll give you for that. We've got a lot of comfort space this morning, since you're our only panel, and we want you to make your case as best you can, and that's very helpful to all of us.

Sometimes the testimony comes in pretty late in the evening and it's hard for all Members to get through it, but the staff stay up all night and they've gone through it. So we're glad to see you.

As you know, the other thing with this subcommittee is it is a subcommittee of the House Committee on Government Reform, and therefore all witnesses are sworn in as to their testimony, so if the three of you and anybody that is going to advise you during this hearing would stand up and raise your right hands, we'll give you the oath.

We have five people assisting the witnesses and three witnesses.
[Witnesses sworn.]

Mr. HORN. We will assume you are now all confirmed and can speak with the truth.

We're going to do this in the order in which they are on the agenda, and the first will be Mr. John O'Keefe, the special representative for the year 2000 for the Department of State.

Welcome.

**STATEMENT OF JOHN O'KEEFE, SPECIAL REPRESENTATIVE
FOR THE YEAR 2000, DEPARTMENT OF STATE**

Mr. O'KEEFE. Thank you, Mr. Chairman.

Mr. Chairman, Mrs. Chairwoman, and members of the committee, thank you for this opportunity to testify on behalf of the Office of the Under Secretary of State for Management on the Y2K phenomenon and the implications for international travel.

The Department of State takes very seriously its responsibility to inform U.S. citizens traveling or residing abroad of potential hazards to their safety.

In my testimony today, I will discuss some of our efforts to assess international Y2K readiness as we approach the millennium. In particular, I will review the process we used to develop Y2K data for our revised consular information sheets released on September 14th to the public. I will also report on the results of the September 9, 1999 test of our millennium rollover reporting plan conducted last week.

Our consular information program, including public announcements and publications and dissemination of consular information sheets, has long served as the Department's primary means of alerting the public to potential problems they may encounter in different countries. It stands to reason, therefore, that we use this program to inform Americans of potential Y2K disruptions abroad.

In January of this year, we began our effort to educate the traveling American public about the potential for year 2000 related disruptions abroad. The Department issued a worldwide year 2000 public announcement. This January, public announcements alerted traveling Americans to the Y2K phenomenon, in general, and its potential to disrupt travel.

We issued a followup public announcement in July. The July public announcement dealt with personal preparedness and apprised the public of measures we are taking at our embassies and consulates.

Parallel to these announcements, the Department asked our missions abroad in January to engage their host country counterparts and other local experts to determine Y2K readiness in countries' key sectors, such as energy, emergency services and telecommunications, and to report their findings.

In June, we combined the information from our posts with data obtained from public sources and from U.S. Government agencies to form a national Y2K consular information sheet paragraph for each country citing the country's overall preparedness for Y2K and its risk of potential disruptions.

Our missions then shared the findings and the national paragraphs with host governments, explaining our responsibility to apprise U.S. citizens of potential dangers to their safety.

After receiving feedback from host governments and assessing additional information, we drafted our final country-specific Y2K assessments. They were, again, presented to host governments, many of whom took the Y2K issue more seriously in light of our findings.

The assessments were also included in our updated consular information sheets.

Yesterday, September 14th, the Department issued updated consular information sheets for every country in the world. Each revised consular information sheet contains a section assessing general Y2K risks and preparedness in a specific country.

Our fundamental purpose for releasing this information is to apprise U.S. citizens of potential disruption they may experience due to the Y2K phenomenon and allow Americans to be better prepared and to make informed personal decisions about travel on or about January 1, 2000.

The statements in the consular information sheets represent our best judgment on potential problems for U.S. citizens living and traveling abroad. It is not a score card. Please understand that no one can predict with certainty what will occur on or after January 1st. The information was gathered from a number of open and confidential sources. If you would like more-detailed information on how we came to these judgments, I would be pleased to provide a classified briefing on that process.

In addition to these standard tools of the consular information program, we have raised Y2K awareness with the U.S. public through an outreach program, including speakers, media interviews, and publications.

Our embassies, consulates, and U.S. regional passport agencies have supplemented these efforts with town meetings and newsletters.

The Department of State Bureau of Consular Affairs will continue to provide the traveling public with updated, global Y2K status assessments on its home page at <http://travel.state.gov>. This site also contains Y2K-related links to Websites of other U.S. Government agencies, international organizations, and foreign governments, as well as non-governmental organizations such as the Red Cross, the GartnerGroup, and Global 2000.

A key factor influencing our ability to support Americans abroad is the receipt of timely reporting from our overseas hosts.

Last week, on September 9th, the Department tested its ability to gather, analyze, and disseminate global Y2K information in a timely and accurate manner. This test of the Department's millennium rollover reporting plan represented the most comprehensive worldwide Y2K reporting exercise within the U.S. Government.

Because it was thought the digits 9/9/99 might cause minor computer malfunctions, September 9th represented a good opportunity to test our system's analytical capabilities and reporting processes.

Beginning at 4 p.m., Washington time on September 8th, 163 posts transmitted reports via a Web-based application and by cable to the State Department Information Y2K Center. Within the center, a monitoring group analyzed the raw data to produce status reports. The reporting mechanism focused on the local status of host country critical sectors, power, transportation, finance, water and waste water, emergency services, and telecommunications.

The reporting was timely, the processing swift. Our worldwide reporting found no serious September 9, 1999 problems. The mechanism for managing the information flow functioned well, though not perfectly.

We will take lessons learned from the exercise to fine-tune our data-gathering process. This exercise provided a foundation upon

which the Department can build to prepare for the January turnover.

We will continue to coordinate our efforts with the Information Coordinating Center of the President's Council on Y2K and other U.S. Government agencies engaged in similar tracking of year 2000 events.

This test also supplemented the work we have already done on contingency planning for our missions worldwide and the remediation in business continuity work our chief information officer has completed for the Department's mission-critical systems.

In summary, I believe our missions abroad and agencies here have done an extraordinary job in raising awareness among governments of many nations and in working with them to prepare for the millennium. Our own house is largely in order. We stand ready to continue our day-to-day operations during the rollover here in Washington and at our embassies abroad. A Y2K task force will be on duty, backup communication systems in place, and the means of reporting events and of receiving instructions tested and functioning.

We continue to work with other nations in preparing, testing, and coordinating.

Mr. Chairman, this concludes my testimony. Thank you for the opportunity to speak to the subcommittee today. I will be happy to answer questions the Members may have.

Mr. HORN. Thank you very much. We appreciate that testimony. [The prepared statement of Mr. O'Keefe follows:]

STATEMENT OF
JOHN O'KEEFE
SPECIAL REPRESENTATIVE FOR Y2K
U.S. DEPARTMENT OF STATE
BEFORE THE
SUBCOMMITTEE ON GOVERNMENT MANAGEMENT, INFORMATION AND
TECHNOLOGY
COMMITTEE ON GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES
SEPTEMBER 15, 1999

Mr. Chairman and Members of the Committee:

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they may encounter in different countries. It stands to reason, therefore, that we use this program to inform Americans of potential Y2K disruptions abroad.

In January 1999, we began our effort to educate the traveling American public about the potential for Y2K-related disruptions abroad. The Department issued a worldwide Y2K Public Announcement. This January Public Announcement alerted traveling Americans to the Y2K phenomenon in general and its potential to disrupt travel. We issued a follow-up Public Announcement in July. The July Public Announcement dealt with personal preparedness and apprised the public of measures we are taking at our embassies and consulates.

Parallel to these announcements, the Department asked our missions abroad to engage their host country counterparts and other local experts to determine Y2K readiness in countries' key sectors--such as energy, emergency services and telecommunications--and to report their findings. In June, we combined the information from our posts with data obtained from public sources and from U.S. Government agencies to form a notional Y2K Consular Information Sheet paragraph for each country citing the country's overall preparedness for Y2K and its risk of potential disruptions. Our missions then shared our

findings and the notional paragraphs with host governments, explaining our responsibility to apprise U.S. citizens of potential dangers to their safety. After receiving feedback from host governments and assessing additional information, we drafted our final country-specific Y2K assessments. These were again presented to host governments, many of whom took the Y2K issue more seriously in light of our findings. The assessments were also included in our updated Consular Information Sheets.

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The Department of State, Bureau of Consular Affairs, will continue to provide the traveling public with updated global Y2K status assessments on its home page at <http://travel.state.gov>. This site also contains Y2K-related links to web sites of other U.S. government agencies, international organizations and foreign governments as well as non-governmental organizations, such as the Red Cross, the Gartner Group and Global 2000.

A key factor influencing our ability to support Americans abroad is the receipt of timely reporting from our overseas posts. Last week on September 9th, the Department tested its ability to gather, analyze and disseminate global Y2K information in a timely and accurate manner. This test of the Department's millennium rollover reporting plan

represented the most comprehensive worldwide Y2K reporting exercise within the U.S. Government. Because it was thought the digits 9/9/99 might cause minor computer malfunctions, September 9th presented a good opportunity to test our systems, analytical capabilities and reporting processes. Beginning at 4 PM Washington time on September 8th, 163 posts transmitted reports via a web-based application and by cable to the State Department Information Y2K Center. Within the Center, a monitoring group analyzed the raw data to produce status reports. The reporting mechanism focused on the local status of host country critical sectors: power, transportation, finance, water and wastewater, emergency services, and telecommunications. The reporting was timely, the processing swift.

Our worldwide reporting found no serious 9/9/99 problems. The mechanism for managing the information flow functioned well, though not perfectly. We will take lessons learned from the exercise to fine-tune our data-gathering process. This exercise provided a foundation upon which the Department can build to prepare for the January rollover. We will continue to coordinate our efforts with the Information Coordinating Center (ICC) and other U.S. government agencies engaged in similar tracking of Y2K events.

This test also supplemented the work we have already done on contingency planning for our missions worldwide, and the remediation and business continuity work our Chief Information Officer has completed for the Department's mission critical systems.

In summary, I believe our missions abroad and agencies here have done an extraordinary job in raising awareness among governments of many nations and in working with them to prepare for the millennium. Our own house is largely in order. We stand ready to continue our day-to-day operations during the rollover here in Washington and at our embassies abroad. A Y2K Task Force will be on duty, back-up communications systems in place, and the means of reporting events and of receiving instructions tested and functioning. We continue to work with other nations in preparing, testing and coordinating.

Mr. Chairman, this concludes my testimony. Thank you for the opportunity to speak to the subcommittee today. I will be happy to answer questions the Members may have.

Mr. HORN. Our next witness is Dr. David Jhirad, the senior advisor, multilateral and bilateral affairs for the Department of Energy.
Dr. Jhirad.

STATEMENT OF DAVID JHIRAD, SENIOR ADVISOR, MULTILATERAL AND BILATERAL AFFAIRS, DEPARTMENT OF ENERGY

Mr. JHIRAD. Thank you very much, Chairman Horn and Chairwoman Morella, members of the committee.

As the Department discussed with your staff earlier, we are here to answer any and all questions about the status of the energy and electricity sectors worldwide in our position in supporting the State Department and the International Working Group on Y2K in the government.

We do not have a formal statement at this time, but the Department would like to volunteer to make a statement for the record available after the hearing, but we certainly are here to answer any of the Members' questions about the energy and electricity sectors and how their vulnerability might affect other infrastructure areas.

So I'm really here as a resource person to support my colleagues at the Department of State and to support your committee, and we will submit a formal statement for the record if you so wish.

Mr. HORN. Well, thank you very much. Actually, the question and answer dialog is what we prefer, so that's fine with us.

We now move to Ms. Elyse Wander, who is the senior vice president for planning and public affairs, Travel Industry Association of America.

Ms. Wander.

STATEMENT OF ELYSE WANDER, SENIOR VICE PRESIDENT FOR PLANNING AND PUBLIC AFFAIRS, TRAVEL INDUSTRY ASSOCIATION OF AMERICA

Ms. WANDER. Mr. Chairman, Madam Chairwoman, members of the committee, good morning. My name is Elyse Wander. I'm the senior vice president, planning and public affairs, for the Travel Industry Association of America, more commonly known as TIA.

TIA is a nonprofit association representing all components of the \$502 billion U.S. travel industry. Our mission is to promote and facilitate increased travel to and within the United States.

I'm here to testify on the year 2000 computer problem as it relates to travel. Y2K is of great concern to the travel and tourism industry. I want to assure the members of the committee that the safety and security of domestic travelers and international visitors to the United States is the top priority of the U.S. travel industry today and in year 2000 and beyond.

TIA just yesterday announced a new program aimed at marketing and promoting the United States as the premier travel destination in the world. We hope the emphasis the U.S. travel industry has placed on Y2K readiness will reassure international travelers that the United States will be a safe and secure destination this millennium holiday and beyond.

I would like to take a few moments to share with you the results of a recently concluded survey that shows U.S. travelers believe the

industry has done a good job to ensure the Y2K problem will not affect travel in the United States this millennium holiday.

TIA conducted a survey of 1,500 U.S. adults. The results of the survey have not yet been published. That will happen later this month, so I have a preview for you.

The findings will show that 24 percent of U.S. adult travelers are very or somewhat likely to travel for this New Year's holiday. Many plan to travel by car, and many will stay in a hotel, motel, or bed and breakfast.

Three out of five New Year's travelers plan to use their personal vehicle.

A third of New Year's travelers plan to travel by airplane.

Interestingly, those planning to travel by car have a greater fear that Y2K-related problems will affect their travel than those planning to travel by plane over the new year.

These statistics may suggest that municipal governments and State governments, State transportation departments, need to do a better job of communicating that U.S. communities are prepared for the millennium holiday travelers.

The survey statistics also indicate that the airline industry is doing a good job in keeping the public informed of its progress and Y2K readiness.

The airlines have invested a lot of money and manpower to ensure their industry is compliant, and they've also done a great job in issuing periodic reports on their status, one as recently as last week.

Let's talk for a moment about travel agents, because they are the consumer's preferred means for making airline reservations and obtaining information about air fares and schedules.

More than 100,000 travel agencies that book around 80 percent of all world travel depend on the computer reservation system companies, or CRS companies. The good news that we've obtained is that neither the large CRS companies nor any major airlines have reporting significant problems with the year 2000 rollover that they conducted earlier this year.

Now for a word or two on the lodging industry.

Of likely New Year's travelers, 44 percent intend to stay at a hotel, motel, or bed and breakfast, according to the results of the TIA survey. The American Hotel and Motel Association [AHMA], has prepared a Y2K compliance guide for its members. AHMA has also provided the public and its members with links to Y2K status of products and computer systems, so we see a trend here of the work being accomplished and the consumers being informed about where things stand.

TIA's survey shows that 61 percent of those surveyed said they're not at all likely to travel for the New Year holiday; however, only 5 percent claim fear of potential Y2K problems as a reason for not traveling. And, of all those surveyed, only 7 percent felt that Y2K would cause major problems for travelers over the New Year's holiday weekend. Two-fifths of respondents felt that Y2K would cause some minor problems for New Year's travelers, while another one-fourth felt Y2K would not cause any problems for travelers.

So what does all this tell us? The survey results show that U.S. travelers believe the travel industry in the United States has done

a good job in preparing for January 1, 2000, and the industry has effectively communicated that the United States will be a marvelous place to usher in the new millennium.

The confidence of our survey's respondents reflects in great part on the hard work and dedication of this committee. I want to assure the members of the committee that we will remain vigilant on this issue, just as I am sure members of the committee will continue to work toward our common goal of safety and security of United States and worldwide citizens.

Thank you very much for this opportunity to testify before you today. I'd be happy to supplement my testimony with answers to any questions you may have.

Mr. HORN. Well, we thank you. That's a very helpful statement, and we're delighted that you have those surveys to show us.

[The prepared statement of Ms. Wander follows:]

**Statement of Elyse G. Wander
Senior Vice President
Travel Industry Association of America
Washington, DC**

**Testimony before the U.S. House of Representatives
Year 2000 Technology Task Force
Hearing on International Readiness Associated with the
Year 2000 (Y2K) Technology Problem**

September 14, 1999

Mr. Chairman, Madame Chairwoman, members of the Subcommittee, good morning.

My name is Elyse Wander. I am the Senior Vice President of the Travel Industry Association of America (TIA). TIA is a non-profit umbrella organization representing all components of the 502 billion-dollar U.S. travel industry. Its 2,500 members include individuals working in more than 2,000 destination marketing organizations, tourism associations, state tourism offices, transportation companies and accommodations and food service organizations across the United States. Through statistical research and marketing, TIA seeks to increase understanding of tourism's impact and the immense importance of tourism to the economic, social and cultural life of the United States.

I am here to testify on the Year 2000 Computer Problem as it relates to travel. TIA's mission is to promote and facilitate increased travel to and within the United States.

Y2K is a great concern of the travel and tourism industry as our industry will be responsible for people planning vacations to celebrate the coming of the new Millennium in the United States. We heard from the State Department representative that a number of countries might not have their mission critical systems ready for Y2K. I would like to

share with the members of the Task Force that the safety and security of international and domestic travelers to the United States is the top priority of the U.S. travel industry.

TIA this week announced a new program aimed at marketing and promoting the United States as the premiere travel destination in the world. In early 2000, TIA will open overseas offices and begin promoting themed travel campaigns abroad, sponsoring Visit USA educational seminars and organizing cooperative advertising campaigns. The emphasis the U.S. travel industry has placed on Y2K readiness should reassure international travelers that the United States will be a safe and secure destination this millennium holiday. The U.S. is the only industrialized nation without a national tourism office thus it falls to the private sector and the industry to bring the message of security and safety to U.S. bound travelers. The U.S. Travel and Tourism Administration which promoted the United States as a destination for international travelers was closed in 1996 and Congress has yet to fund the National Tourism Organization. The USNTO is a public-private partnership organization supported by the travel industry. To help the Task Force promote awareness of the affects of Y2K on travel in the U.S., I would like to share with you the results of a preliminary survey that TIA conducted. It shows U.S. travelers believe the industry has done a good job to insure the Y2K problem will not affect travel in the United States this millennium holiday.

Results of Consumer Confidence Survey on Y2K and Millennium Travel

TIA conducted a survey, the results of which will be released within the next two months. The survey was conducted of 1,500 U.S. travelers. The preliminary findings show that

24 percent of U.S. adult travelers are *very or somewhat likely* to travel for this New Year's holiday. If the findings are extrapolated, this translates to 37.1 million U.S. adults who are likely to take a pleasure or vacation trip of 100 miles or more, one-way, away from home over the New Year's holiday weekend. Most travelers will use their own car and stay in a hotel, motel, or bed and breakfast.

Three in five New Year's travelers plan to use their own car, truck or recreational vehicle, while one-third plan to travel by airplane. Nineteen percent plan to use rental cars. Among those likely to travel for New Years, a greater share of people planning to travel by car feel that Y2K will cause problems for travelers than those planning to travel by airplane. These statistics illustrate that municipal governments and state transportation departments need to do a better job of communicating that U.S. communities are prepared for the millennium holiday travelers.

The statistic also may reflect the air travel industry is doing a good job and keeping the public informed in their progress and Y2K readiness. Air Transport Association reports U.S. and Canadian airlines are investing significant resources to address the Y2K issue. In fact, U.S. and Canadian carriers have reported aggregate budgets in excess of US \$700 million. By March 1999, the major U.S. and Canadian airlines had completed more than 75 percent of their Y2K compliance programs, with completion targeted for this summer. Working in conjunction with the International Air Transport Association (IATA), ATA's Aviation Millennium Project also provides airlines with Y2K readiness information from more than 2,500 airports around the world.

Travel agents are the consumer's preferred sources for making reservations and seeking information about travel prices and scheduled. More than 100,000 travel agencies that book around 80 percent of all world travel depend on Computer Reservation System (CRS) companies. These CRS companies have been working with the airlines to protect their networks from suppliers and vendors that might send data that is not ready for the Year 2000. Most of these companies report that they are close to completion. Galileo, Sabre Group Holdings, and Spain's Amadeus Global Travel Distribution each have about a third of the world travel reservations market. Neither they nor any major airlines have reported significant problems with the Year 2000 rollover they conducted earlier this year.

Forty-four percent of likely New Year's travelers intend to stay in a hotel, motel or bed and breakfast according to the TIA survey. The American Hotel & Motel Association (AH&MA) has prepared a Y2K compliance guides for its members and established a Web site to provide an open forum for hotelier's, technology companies, and industry vendors to share Y2K planning and contingency information. The AH&MA represents the \$93.1 billion lodging industry in the United States and 11,000 lodging properties worldwide. AHMA has also provided the public and its members with links to Y2K status of products, and Y2K compliance letters for systems, which may exist on hotel and motel properties.

The preliminary results of the TIA survey show, the majority of adult travelers are not likely to travel at all this Millennium holiday. Sixty-one percent of those surveyed said they are not at all likely to travel for the New Year's holiday. However, only 5 percent claim fear of potential Y2K computer problems as a reason for not traveling. Of those surveyed, only 7 percent felt that Y2K would cause major problems for travelers over the New Year's holiday weekend. Two-fifths of respondents (39%) felt that Y2K would only cause some minor problems for New Year's travelers, while another one-fourth (26%) felt that Y2K would not cause any problems for travelers. The other 28 percent of respondents stated that they have not thought about the Y2K problem affecting travel over the New Year's holiday weekend.

The industry is preparing itself and the attitudes of the travelers surveyed by TIA seem to reflect an overall comfort with the preparedness of the U.S. for Y2K. The confidence of those surveyed reflects in great part on the hard work and dedication of this Task Force. Thank you for this opportunity to testify before you today. I would be happy to supplement this testimony with answers to any questions you may have.

Mr. HORN. We are now going to begin the round of questions. Each Member will be limited to 5 minutes, and we'll have a second round or a third or a fourth, but that way it spreads it to everybody on both sides of the aisle.

So I'll first yield to the co-chairman of the task force, the gentlewoman from Maryland, Mrs. Morella.

Mrs. MORELLA. Thank you, Mr. Chairman. I'm glad I was here to hear the testimony, since the Defense conference report was coming up before the FAA research and development bill, and I find it to be very valuable, because we have been very concerned about overseas travelers and very concerned about the power industry and energy power grids, and we've been very concerned about the travel agencies and what you say to people when they come for booking for flights, as well as hotel reservations.

I'm looking at the chart, and, of course, I can remember hearing that, for instance, Polish Airlines said they weren't going to fly at all. Remember when China Airlines said they were going to put all their executives and their government people in the air? I thought, "What a way to have a coup in a country." And now to see these reports, I'm curious, Mr. O'Keefe, what was the process that the State Department used to collect the data?

Mr. O'KEEFE. Yes, Madam Chairwoman, we used the information from, as I mentioned, all sources that were available to us.

The first cut was last November/December, when we had a list of specific questions we asked our embassies to address to the host government. At the same time, there were other agencies in government which were also doing analysis on Y2K.

As we moved into June, we've taken all the information that our embassies have provided, combined that with other agency information, and especially with open source information—Global 2000, GartnerGroup, those other organizations that were providing information—as well as international organizations, and distilled it into paragraphs and presented it to the host government.

There were two points to this. One is that our primary responsibility is to the safety of U.S. citizens who are living or traveling abroad. We must protect those citizens.

There are two ways to do it. One is, of course, to advise them of potential hazards, which we have done. The other is to work with host governments to make sure that those hazards are diminished as much as possible, and that consultation with governments was as much to get the feedback as to get some action on their part in terms of transparency, contingency planning, and things like that.

So, basically, we looked everywhere we could for the information—governments around the world, other sources, our own agencies around town.

Mrs. MORELLA. A major reliance was the self-reporting, though, wasn't it?

Mr. O'KEEFE. The self-reporting by?

Mrs. MORELLA. Reporting by the countries.

Mr. O'KEEFE. No, ma'am. I would say that that was—

Mrs. MORELLA. Was there verification? Maybe you—

Mr. O'KEEFE. I would say verification. So, for example, if one of our embassies was asking questions about—to the host government

about particular sectors, they were also instructed to check with the American Chamber of Commerce and with other organizations that would rely on various sectors.

So, again, for example, if you ask the telecommunications industry what they thought about the power industry, you would get one kind of answer, and that would be different both from the Government and what the power industry, itself, might tell you, so there was a lot of cross checking.

Mrs. MORELLA. When you found that there was a discrepancy with regard to the sources that you used, as compared to what the governments had said, how did you handle that? Did you just put it down as your report or did you in some way get back to them and say this is what this is going to mean in terms of liabilities or consequences, or we want to help? Was there a followup?

Mr. O'KEEFE. If there was a discrepancy between what we found and what the host government found, our first responsibility was, of course, to our citizens, and so for discrepancies ultimately we would rely on our own sources of information. And we did have assistance from other agencies in government in helping us sort out all these mounds of information.

Mrs. MORELLA. You expect they are going to be changing the information that you have from the countries? Will you be updating at a certain point? Do you have a deadline?

Mr. O'KEEFE. Yes, ma'am. We will be continuously updating it, and there are some events that are coming up over the next few months. Mr. Jhirad probably can give you more detail, but there is an International Energy Agency Contingency Planning Conference coming up in October, which will cover Eastern Europe and Western Europe, and I believe that there will be a lot of good data that will come out of that that will help with informing the United States public.

Mrs. MORELLA. Dr. Jhirad, your area is the one—one of the areas where we have the greatest amount of concern, particularly when we know what is happening or not happening in Russia or the Ukraine.

Have you worked with IAEA of the United Nations, International Atomic—has that been part of the work you've done?

Mr. JHIRAD. Yes. We've worked both with the International Energy Agency in Paris, which is the 24 members of the OECD and includes all of the advanced industrial countries, as well as with the IAEA on specifically nuclear reactor issues. And, with the IAEA, we have sponsored a series of regional conferences on the state of readiness, remediation, and contingency planning in the major regions of the world.

We are now moving from the information exchange and diagnostic phase to a much more hard-edged contingency planning phase, and, in fact, we will be having, in—well, about a month from now, in Prague, a meeting with some of the grid operators and power plant operators in Russia, Ukraine, Eastern and Central Europe, because, quite clearly, our concern is about these inter-connected power grids, about the gas transport from Russia into Western Europe, particularly Italy, and also there is the issue of transit countries, like Ukraine, which is quite vulnerable to Y2K breakdowns in the electric power sector.

So these workshops hopefully will give us a little more ground truth about precisely what contingency plans have been made.

I would just offer that when we had a workshop in Russia in early July, that very little evidence was presented of either testing or contingency planning, so there was cause for concern, and we are now moving to the stage of having the outcome of this meeting be what specific contingencies could occur, what will be the magnitude, what will be the duration, what kind of area will it affect, and what are the backup plans. Is there diesel backup to run the power stations? Is there backup to run the telecommunication systems? Those are the kinds of things that we'd like to get out of this next series of workshops.

Mrs. MORELLA. Keep us posted.

Ms. Wander, sorry I didn't get to you.

I just want to mention to the chairman and the members of the subcommittee, I think we are one of the few legislative bodies that has been so much involved with Y2K, because, as I've traveled to other countries, they don't know what we're talking about, quite frankly, very hazy.

Thank you, Mr. Chairman.

Mr. HORN. Thank you very much.

I now yield to the gentleman from Texas, Mr. Turner, the ranking member. Five minutes for questioning.

Mr. TURNER. Thank you, Mr. Chairman.

Dr. Jhirad, I would like to ask you to describe for us, just by way of background—we always hear a lot of talk about failure in the energy sector, power grids failing. Educate us a little bit about the reason for potential failures. What is actually going on in the power grids that may create problems and give us a sense of what we should be worried about or what we are worried about?

Mr. JHIRAD. There are two things we should be worried about with power grids. One major area of vulnerability is what is known as the supervisory control and data acquisition systems, the SCDA systems, which take information from the individual power plants into a kind of central control system—these are essentially the central nervous systems of the power grids—and are then able to dispatch the power plants in a certain order.

So this is really the control function for the whole power grid that we are concerned about, both with respect to computers in them that have embedded chips that might not be Y2K compliant, as well as the software.

If those systems fail, then the grid will have to be manually operated. People will have to get on the phone or radio communication and give instructions to power plant operators about how they should operate the plant, so there is a manual backup provision provided there is a telecommunications system.

If the telecom system goes down because there isn't power to run it and there is no backup diesel fuel, then even manual backup becomes tough.

So, one area of concern in a power grid is that central control system that dispatches the power plants.

The second area refers to the relationship between nuclear plants and the grid. Most nuclear plants are programmed to shut down if there is a variation in the grid voltage or the grid frequency, and,

sensing a variation, they will shut down, and once they shut down they will de-link from the grid and you will lose even more power, so that an initial blackout or brownout could be amplified and could be made worse by a plant shutting down.

The danger that there might be a serious nuclear accident is considered very minimal. In fact, more the concern is the plant shutting down because the grid is unstable.

So those are the two key areas in power grids to watch very carefully.

Mr. TURNER. So you have no serious concern about any nuclear disaster at a power plant because of failure of the computer system?

Mr. JHIRAD. That's the evidence that we're getting, that we should not be concerned about a serious power plant accident.

The real concern is whether those power plants can be operated with either diesel fuel, because those power plants will still need to have their cooling systems operate, because they're constantly producing heat, so it will be important to have enough supplies of diesel fuels, for example, in Russia and Ukraine to run the plants should they disconnect.

But that's the concern more than the probability of a serious reactor accident.

Mr. TURNER. For a country that is not prepared, does not have contingency plans to operate—address either of the problems you mentioned. I guess the result could be a brownout or a blackout that would last for an extended period of time?

Mr. JHIRAD. That's correct, Congressman Turner. The length of the blackout, of course, is uncertain, and how long they could last—they would have to bring in auxiliary supplies of fuel—this could range anything from a few hours to a few days, and it could be scattered geographically.

But one of the things that we're trying to get a handle on in these meetings between now and December is precisely what is the worst credible case that could happen, how long would the blackout be, and over what region. That's the kind of information we haven't really received yet.

Mr. TURNER. Are there other potential Y2K problems or potential disruptions that may occur in the energy sector other than the electrical grids failing? Do we have other types of problems relating to energy?

Mr. JHIRAD. Yes. There are two other sectors, one is gas and the gas network. Many of the gas transmission systems are run with compressors that use power from the power grids. Some of them generate their own power. But if a power grid goes down, there's a chance that the compressors that pump the gas will not work and the gas will not be pumped.

Now, in the case of gas, there is storage. Many countries have several days of storage of gas. Germany has 3 months of storage. So it's not as critical. Electricity is more critical because it is a just-in-time industry; gases have some buffers in the system.

The third area which we are well equipped to deal with is the oil market, and, again, the probability of any significant disruption—and this is from all the information we get from our own industry and from State oil companies—is considered very minimal.

Again, there is plenty of oil in private inventories, in strategic petroleum reserves, in tankers on the high seas, so, again, it is an industry with a lot of buffers in it, so if there were any Y2K-related glitches or disruption, the industry feels that measures are available to handle it, but the risk of disruption is considered pretty low.

Mr. TURNER. We had been told a few weeks ago that there may be a problem with international shipping that could disrupt the movement of oil tankers. Are you familiar with that potential problem?

Mr. JHIRAD. Yes, we are, even though we have not been intimately involved with that aspect of it, but certainly members of the Department have been working with the Coast Guard, which has the lead in doing port readiness exercises in the United States, and hopefully some of the major oil exporters would adopt those same exercises.

Mr. TURNER. Thank you.

Mr. HORN. I now yield 5 minutes for questioning to the vice chairman of the Subcommittee on Government Management, Information, and Technology, Mrs. Biggert, the gentlewoman from Illinois.

Mrs. BIGGERT. Thank you, Mr. Chairman. Thank you for having this hearing.

Mr. O'Keefe, what means are you using to communicate with American citizens abroad, and what contingency plans are there in case the regular telecommunications are disrupted?

I'm thinking not only of those that live abroad, but let's say somebody is traveling over there and there is a glitch. Would you have a way to reach them?

Mr. O'KEEFE. It is a very serious problem. The normal means obviously is the Website that we have and the 800 number that citizens can call in and get information.

Each embassy has been required to develop a contingency plan, both for its operation and the American citizen services section, so they have a warden system which tends to be a telephone tree kind of warden system, often using faxes to hotels.

We've asked that they take a look at that warden system and their means of communication to other citizens and look for backup means of doing it.

If, in fact, as Dr. Jhirad said, you have a power problem, you are probably going to have a telecommunications problem eventually, and, in going over this alternative means, obviously, in a city you can courier the information around to the hotels.

For those citizens who are spread out in the countryside, there are ham radio operators, and taking a look at that, and there are—which is actually more effective—cooperation with the host government in providing use of their emergency radio nets to transmit.

The other means we have, of course, is Voice of America, and so people who have transistor radios can pick that up, and often people who are sort of way out in the boondocks will have that alternate means of communication.

Mrs. BIGGERT. Well, would you expect that—what would you tell them if there is a power outage? What kinds of things would be suggestions for what to do?

Mr. O'KEEFE. Well, the warden network would be activated if there is risk to U.S. citizens and if we felt that U.S. citizens should leave the country, and the information would be dependent on conditions in the country.

But, for example, if, in fact, we found conditions had deteriorated, that we were recommending that U.S. citizens depart the country, there would be information about sites where they could go to get the transportation to move out of the country.

We work very closely with—obviously, with the military on some of these kinds of evacuations, or with commercial carriers.

Mrs. BIGGERT. I think probably one of the most frustrating things about traveling is waiting and not knowing how long you are going to have to wait. So I would imagine that if communication could be improved—they're working on the power and it probably will be restored within 3 days or something would be helpful. Would that be the kind of communication that would also be made?

Mr. O'KEEFE. I think that would be appropriate. If there is—hopefully, would be that kind of predictability to it.

Mrs. BIGGERT. Is there an international sector that represents the greatest potential for failure? Maybe you could answer that or maybe Dr. Jhirad would know.

Mr. O'KEEFE. Well, I do—as we walk through these issues, the sector that always looks most vulnerable is the power generation distribution system, just because of the—it tends to be more technological. Even in a country that doesn't have a lot of technology, it's one sector that does tend to have a certain amount into it as the telecommunications, but I would say Dr. Jhirad has the toughest sector, and I'm glad he's here.

Mrs. BIGGERT. OK. Ms. Wander, you said that 24 percent of American citizens are planning on traveling during this period of time. Do you have a breakdown about how many are planning international travel?

Ms. WANDER. No, I don't, Congresswoman. Consistent with TIA's mission, we are interested in bringing visitors to the United States and pay little attention to the outbound volumes.

Mrs. BIGGERT. I would suppose that the other factor in that would be to know if travel has decreased, even though people might say that they're not concerned about Y2K, if more people are staying home this year, that would be a factor or not.

Ms. WANDER. I can speak domestically, and we've taken a look at advanced bookings, both for the holiday season and early into the first part of year 2000, and they look about—depending on the segment, they look about the same as they were for this year, and in some cases slightly above, so so far we are not seeing a dropoff.

Mrs. BIGGERT. Thank you.

I see my time is up. Thank you, Mr. Chairman.

Mr. HORN. We thank you.

And now I turn to the gentleman that started all of this last week when he asked a question about the travel plans for the individuals not waiting until December or January, but the one's that plan now, and that's why this hearing has resulted, and, of course, we started with Mr. Ose's questions to the FAA administrator, so I'm now delighted to recognize for 5 minutes the gentleman from California, Mr. Ose, for questioning.

Mr. OSE. Thank you, Mr. Chairman.

Just an aside for my colleague from Illinois, the typical amount of cancellations over the New Year's holiday for domestic travel headed outward is about 10 percent, and right now preliminary indications are that the cancellations are running at about a 20 percent level, so it's about twice the normal level.

Mr. Chairman, I want to thank you for sharing with us the list of the 35 countries who have not responded to our circular, but I want to followup, more interestingly, on the information sheets that were provided this morning.

I don't mean to be—I don't mean to diminish the travel we get from other countries, but, as I look at a map, I'm particularly concerned about countries with whom we do a lot of business or a lot of travel, and I start with Canada and Mexico.

Travel to Canada, according to this report, looks to be a low risk, which would be on page three, and Mexico—I saw it here a moment ago—on page nine appears to also be a low risk. Is that consistent with the understanding that each of you have?

Mr. O'KEEFE. Mr. Congressman, yes, sir, that is consistent, and I would say, in particular, with Canada and Mexico we have both bilateral and trilateral activities that go on all the time. In fact, with Canada there are 11 sectors that meet on a regular basis to do joint contingency planning and also to share information on how they've gone about preparing for the millennium. And with Mexico, largely the same situation.

Dr. Jhirad mentioned the port exercises that the Coast Guard had conducted. The Mexicans joined the Coast Guard in New Orleans for the oil exercise, and that's just one example. There's been a lot of work, as I understand, between United States Customs and Mexican Customs because of the great amount of material that transits the California border, Texas, Arizona, and New Mexico.

And so it is probably—because they're our neighbors, they are two countries where the dialog has been early and often. We started that last December.

Mr. OSE. Let me jump shift then to trading partners with whom we have a very great amount of commerce—for instance, Japan and Germany and the growing trade we have, for instance, with China. Japan and Germany are highly industrialized and, according to the report, have made significant progress, but, for instance, China remains somewhat problematic at this point.

Can you provide any input on that?

Mr. O'KEEFE. Well, just in general, APEC has finished its leaders' meeting last week in New Zealand, and in the closing statement it was agreed that all the APEC countries, including China, would adopt a 100-day program on preparedness for Y2K and regional contingency planning.

The Chinese, as well as other APEC countries, have joined in an activity which is a tool kit which identifies cross-border dependencies that might be affected by Y2K. It could be strategic minerals like petroleum, or it could be connected power grids. And the Chinese are participating, as well as the Japanese.

Again, for Japan and Germany there's a G8 Contingency Planning Conference next week in Berlin, and part of that conference is a workshop on contingency planning, obviously. The Japanese

are leading the energy sector, and Dr. Jhirad has been in contact with his Japanese colleagues on this.

The United States is doing transportation, Canada is doing telecommunications, and the U.K. is doing federal and regional government.

But, as part of that overall activity, we'll be working with our fellow G8 members to take a very close look at what next steps and additional steps we all need to take.

Mr. OSE. Well, let me go back then to the People's Republic of China.

This report here on the Consular information sheets indicates that "there may be a risk of disruption in the key sectors of finance, telecommunications, medical services, and in the electric power and infrastructure systems outside of the coastal cities." That's a fairly large problem area, if you will, and I am most attuned to the consequences.

We do have a lot of, for instance, recreational travel there. We have a burgeoning commercial sector with China. I'm not sure what we're going to be able to accomplish in 100 days, if you will. Maybe China is different than some of the western countries.

Mr. O'KEEFE. In terms of remediation, 100 days isn't a lot of time. In terms of contingency planning, that is a fairly substantial amount of time, especially in a country where, in terms of human resources, the number of people you can throw at a problem is very substantial.

And also I think—and I'm no expert in this, but I believe the level of technology varies region by region.

You also—and not just China, but any country, one has to try to think about not simply disruption, but how long a disruption has to go on before it really affects United States national interest.

So if, in fact—this is for travelers, and travelers really need to know if they are going to be without power for 24 hours or they can't get money from an ATM machine or the local bank has a currency shortage for several days. That does not mean that U.S. national interest and trade would necessarily be affected.

If the lights go out for 24 hours, let's say in Beijing, that doesn't affect United States national interest and it probably will not affect the Chinese economy.

The hard part about this, frankly, is it is hard to tell what the duration is going to be, and our objective, just as you have pointed out, is to work with countries on joint contingency planning and in trying to make sure that these problems are mitigated as much as possible.

And, again, the Chinese did join the Coast Guard in Oakland for the test in Oakland, and they have indicated that they would like to have further cooperation with port operations, so we're seeing them step out and working with us.

Mr. OSE. Thank you, Mr. Chairman.

Mr. HORN. Thank you.

Before I turn to Mr. Walden to begin the second round, I want to exercise my own 5 minutes.

Mr. O'Keefe, I'm just curious. We've taken a look at the Website of the United Kingdom and their travel advisories, and, for example, the State Department reports—you report that, in terms of

Ukraine, they may be unprepared for Y2K. However, the United Kingdom, in its Website, tells its citizens, “not to travel in the Ukraine.”

Are we afraid to issue strong warnings about that, or does the United Kingdom not really have the picture and we do, or do we not have the picture?

Mr. O’KEEFE. Mr. Chairman, I’m glad you swore in Mr. Herbert, who is sitting behind me, because he is here to take the hardest questions, and so—

Mr. HORN. OK.

Mr. O’KEEFE. But before I turn to Mr. Herbert, who can go over the travel warning piece, you heard earlier about the conference on the electric power grid that’s going to occur in October. The Ukraine is joining in that, and I think we are going to have much better information at that point.

So, while our judgments and the U.K.’s judgments differ slightly in terms of specific information about traveling to a place, we will be updating that information as we move along.

But if you will allow me, I will turn to Mr. Herbert.

Mr. HORN. Please go ahead, and then I’d like Dr. Jhirad to get into this.

Welcome, Mr. Herbert.

Mr. HERBERT. Thank you, Mr. Chairman.

We were aware that the U.K. had a slightly different view than we did on the Ukraine. I think our consular information sheet does indicate the potential for failures in a number of sectors in the Ukraine. We just didn’t determine at this point that a travel warning was quite yet justified.

We do do a travel warning on any country where we do feel it would be unsafe for Americans to go to. As of yesterday, when we released this, we weren’t convinced that it was timely to say, “Do not go to Ukraine at this time.” But certainly we are aware of the British concerns and our own concerns, and if we reach the same conclusion we will certainly issue a travel warning.

We do these routinely throughout the year whenever a situation develops in a country in which we feel it is unsafe for American citizens to be there, and we will certainly do that on the Ukraine or any other country between now and January 1st where it is determined that it would be unsafe to be there.

Mr. HORN. Well, I guess we’re safe when the Ukrainian caucus delegates from this House meet with the Kiev Parliament, and that’s the end of November, so I guess we’re safe at this point.

Let me ask the gentleman from the Energy Department, in terms of looking at nuclear reactors, which has been a major interest to this subcommittee, in terms of the relationships between the ones in Ukraine and the ones in Russia, is there any problem at all in terms of the grid? And is that grid between Ukraine and Russia fairly traditional in the sense of what we have in the United States between Canada, the United States, and various regions within the United States? I’m just curious about that.

Mr. JHIRAD. Thank you, Mr. Chairman.

Well, until about December of last year, Ukraine was buying power from Russia. They have a grid connection. The Russians are not selling them any power right now because they weren’t paying

for it, so that grid is not really functioning in anything remotely like the United States/Canadian situation right now. The second point you raised—but that’s an important point if Ukraine has power problems, the possibility of getting power from Russia.

The second issue you raised is the one of serious concern, which is that Ukraine already has a lot of power outages. It has very little excess capacity. Unreliability is occurring all the time. So they don’t have any margin, any reserve margin, any cushion if one of their nuclear plants has to be taken out of the grid.

The U.S. Government is currently funding a team of utility experts from the Southern California Edison Co. and from Pacific Northwest Labs to do a solid assessment of what the problems are in the electric power grid in Ukraine and what the contingencies could be in terms of real numbers—how long, how serious, and so forth.

Mr. HORN. In the judgments made by the Department of Energy, is there any relationship and interaction between Energy and our own Nuclear Regulatory Commission, or is this strictly done within the Department of Energy?

Mr. JHIRAD. There has been a lot of interaction with the Nuclear Regulatory Commission on this. The Department of Energy, with funds from USAID, has a program to train reactor operators in Ukraine in some of the mission-critical systems and how to remediate them, and so there has been quite a lot of interaction with the NRC on that.

Mr. HORN. Is there—well, have people from the Department of Energy looked at some of the reactors that still exist in Ukraine and in Russia? Now, as I’m told, there’s a different type of reactor normally than what we have in the United States—let’s say in Illinois. Is that true, there’s a difference here?

Mr. JHIRAD. Yes, it’s true. And we have looked at that and, in fact, one of our national labs has produced a report on that, which we would be very happy to provide the committee.

Mr. HORN. Well, we’d be delighted, and at this point in the record we’ll put it.

The reason I raised that, just to finish that question, is I don’t know—I’ll have to ask Mr. George, the staff director, if I’ve still not received an answer from the NRC on our questions—

[Question asked of staff off the record.]

Mr. HORN. We have an answer now. Well, the issue with us and the Nuclear Regulatory Commission was that they said, “Well, we’re only going to look at 10 percent of the U.S. reactors,” and we said, “How about looking at 100 percent?” Then we got into a conversation about how our reactors are different and you don’t have to worry about them and don’t worry about what goes on in Europe and so forth. So I’m just curious where the Energy Department stands. Do we have a total audit of our own reactors, or do we just let them do 10 percent of it?

Mr. JHIRAD. On the domestic reactor situation, Mr. Chairman, I’d have to get back to you on that.

Mr. HORN. OK. Well, I’d be interested to know if there is a position you have on when you’re auditing what’s going on in a particular reactor and how much that is done by the Department, as opposed to the Nuclear Regulatory Commission.

Mr. JHIRAD. I can get back to you in writing on that.

Mr. HORN. Fine.

Mr. JHIRAD. I know that it's largely an NRC responsibility.

Mr. HORN. We'll save a space in the record, without objection.

[The information referred to follows:]

Year 2000 Issues in the International Energy Sector

STATEMENT FOR THE RECORD

Submitted by

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to the

**Subcommittee on Government Management, Information and Technology
Committee on Government Reform
and the
Subcommittee on Technology
Committee on Science
U.S. House of Representatives**

**for the Hearing Record of
September 15, 1999**

Mr. Chairman, Madam Chairwoman, and members of the subcommittees, thank you for this opportunity to submit a statement for the record on behalf of the Department of Energy on the Y2K phenomenon and its implications for international travel. My statement will discuss some of the Department's efforts to assess Y2K readiness in the international energy sectors.

DOE's Role in Interagency Y2K Efforts

The President's Council on Year 2000 Conversion has designated DOE as the lead agency for international oil and gas Y2K issues. DOE also chairs the Council's Energy Working Group, which is in turn comprised of several subgroups: a domestic Electricity Subgroup chaired by DOE, an international Oil and Gas Subgroup chaired by DOE, and a domestic Oil and Gas Subgroup chaired by the Federal Energy Regulatory Commission.

DOE's principal role with respect to international Y2K issues is to facilitate Y2K-related information exchange between governments, international organizations, and national and multinational oil and gas companies. This includes both specific information on the oil, gas, nuclear power and electric power sectors and general infrastructure preparedness issues.

Neither the US Government nor DOE can control, manage, or resolve the Y2K problem in the international energy sector. DOE has instead sought to share useful Y2K related information with key producers and consumers bilaterally and through the International Energy Agency (IEA). One of the Department's major responsibilities is to provide guidance on energy sector issues that are significant in terms of Y2K vulnerability and contingency planning. These include the interaction of nuclear plants with potential electric power grid instabilities, the mutual dependence of gas and electricity networks, and the relationship of power infrastructure to other key areas such as oil imports, refined product supply and distribution, telecommunications and transport. DOE also assists the Department of State in formulating relevant energy-related questions when it solicits Y2K information from its overseas posts and provides general advice and information to other entities on request.

DOE participates in the US Government's interagency process that is developing assessments of the Y2K preparedness of individual countries, including their energy sectors. While DOE tracks other countries' Y2K readiness in the energy sector, it has not taken a responsibility to monitor, prevent, or detect potential Y2K failures in other countries.

DOE is working with international organizations such as the IEA, the International Atomic Energy Agency (IAEA) and the European Commission (EU) to help identify critical remediation and contingency planning needs and to facilitate both

national and multinational initiatives in remediation and contingency planning. For issues of remediation or contingency planning in specific energy systems and subsystems, DOE acts as a facilitator, putting people in touch with industry groups addressing these issues in the US and abroad. At the Moscow IEA/DOE Y2K workshop in July 1999, for example, DOE representatives shared documents prepared by the American Petroleum Institute (API) and the North American Electric Reliability Council (NERC) on contingency planning in the oil, gas, and electricity sectors. DOE is also working very closely with API on Y2K issues in the international oil and gas sector.

DOE has helped fund five IEA international seminars on Y2K issues in the energy sector, which were held in Caracas, Singapore, Abu Dhabi, Moscow and Prague. Similarly, DOE supported an IEA-sponsored simulation/contingency planning exercise in September that focused on Y2K issues and their potential for creating an international oil supply problem. This exercise involved the 25 members of the IEA, as well as the international oil and gas industry.

DOE and the US Agency for International Development (USAID) are funding technical assistance regarding Y2K remediation and Y2K preparedness at nuclear power plants in Russia, Ukraine, and other nations of the former Soviet Union.

DOE has contributed two important pieces of analysis on international Y2K issues. The report written for DOE by Pacific Northwest National Laboratory (PNNL) on "Worldwide Assessment of the Vulnerability of Nuclear Power Plants and Electrical Power Grids to the Y2K "Bug"" has been well received. An unclassified version of the report was presented to the Director of Energy Policy of the European Commission, who used it as a basis for the Commission's workshop for EU member states in July. DOE has also participated in the IEA simulation of the effects of credible Y2K disruptions on world oil markets and US crude oil supply.

Y2K and the Global Electricity Sector

The Department of Energy is compiling information on the Y2K readiness of the electricity sector worldwide. The information available to us is, for the most part, self-reporting from government sources or from the utilities themselves. It can rarely be validated from independent sources. Although detailed information on remediation steps taken in a country's electricity sector would provide the most definitive evidence of Y2K readiness status, for many countries that information is sparse and sometimes conflicting. The plethora of surveys and rankings of global Y2K readiness status produced by organizations such as the Gartner Group, the World Bank and the Organization for Economic Cooperation for Development (OECD), among others, are somewhat helpful, but they generally provide only a high-level overview of the Y2K readiness situation in different parts of the world. Particularly for sectoral analysis, such surveys have to be read in the context of a country's economic situation and its level of reliance on technology-based systems.

Our comments, therefore, are based on a very abbreviated review of complex, and often very limited, information. We expect this sort of uncertainty to continue until the Y2K rollover, although we are beginning to see some reports based on validation results--the most credible type of information--as many nations' testing plans are implemented. Many countries are also reporting sectoral contingency planning for anticipated and unexpected Y2K problems. Short of the detailed test results mentioned above, we consider evidence of commitment to both preventive and contingency planning in national power sectors to be an important indicator of preparedness.

While DOE has reviewed only a few specific studies on the potential impacts of Y2K on electric grids, it is possible that national and regional electric distribution grids could be impacted, partially or in full, by Y2K-related failures. The wider impact of any particular grid's failure depends, of course, on its inter-connectivity. An isolated grid would have only localized impact if it failed, but it could not share power with a still-functioning grid. A large interconnected grid has the flexibility to transfer generating capacity from one part of the system to another if one area cannot operate, but if the grid itself fails, much larger numbers of customers are impacted.

Supervisory control and data acquisition (SCADA) systems are one possible Y2K vulnerability in some electric power grids, according to a recent analysis by one of DOE's National Laboratories. A SCADA system functions as a generating unit's nervous system: it gathers data from throughout the grid to a centralized control center, and communicates the control center's resulting actions to appropriate parts of the grid. SCADA systems that are not Y2K-compliant can fail because of problems associated with the computer operating system or the computer hardware. If management of a country's electric grid is highly dependent on its SCADA system, then a Y2K computer failure is more likely to cause a widespread blackout over the grid service area.

Another Y2K vulnerability of electric grids involves embedded microprocessor systems that perform specific automated tasks in generation, transmission and distribution systems. Examples of these embedded chips include programmable logic controllers, intelligent electronic devices, and solid-state protective relays. Some of these devices have demonstrated Y2K problems that could disrupt electricity generation, transmission and distribution if not corrected.

According to the recent analysis by one of DOE's National Laboratories, most countries operating nuclear power plants (NPPs) have initiatives underway addressing Y2K issues, but their quality and effectiveness vary widely depending on the commitment and resources devoted to them. Technologically advanced countries with healthy economies are more likely to have adequate-to-strong programs, while countries with poor economies are generally likely to have weak and seriously under-funded programs that can address only the most critical issues.

Despite weak programs in some countries, we do not expect Y2K failures residing within systems inside NPPs to cause a core damaging accident. A greater threat to nuclear plants is from Y2K failures in systems external to the reactor that can disrupt electric power distribution. We do not expect a loss of offsite power (LOOP) to result in core damage because all nuclear plants have multiple, redundant emergency power supplies (e.g., diesel generators and batteries), but the loss of externally-provided electricity may force some nuclear power plants to temporarily reduce power or shut down. In addition, reactor operators in plants that have not undergone extensive Y2K remediation may be simultaneously confronted with numerous anomalies during the rollover period, increasing the chance of operator error and plant shutdown affecting the electricity grids. The unplanned shutdown of one or more NPPs could affect the stability of the electricity grids.

The information available to us suggests that the electricity sector in some countries may be inadequately prepared for the Y2K transition. To the extent that other critical sectors require electric power, Y2K-related failures could potentially cause other infrastructure failures.

When and where Y2K failures in electricity sectors might occur is, at best, only partially predictable. We know that some countries, particularly the poorest nations of the less-developed world, simply have not had the resources to fund adequate testing and remediation. Some governments at all economic levels were late to take the Y2k problem seriously. The widespread use of pirated computer software from multiple sources in some countries has made it difficult-to-impossible for them to obtain vendor assistance with remediation. Beyond this, however, the picture becomes murky. Some countries have been reluctant to release information on Y2K remediation as a national security issue. Other countries have stated that their critical sectors, including electricity,

are Y2K ready but have provided few or no details about how this was achieved or the underlying assumptions of their remediation efforts. Finally, software bugs are infamous for their subtlety, and even systems that have undergone extensive Y2K tests may not necessarily be completely risk free.

Predictably, the electricity sectors of wealthier and more technologically advanced countries in general appear to be the best prepared for Y2K. Similarly, those countries where remediation of the power sector appears to be most lagging tend to be those in which power outages (and ways to deal with such outages) are the most common. This category also includes countries in which availability of/dependence on electricity is not widespread.

In the final analysis, the impact of Y2K on electricity and other critical sectors may depend on adequate contingency planning by governments and providers. The good news is that we are seeing an upsurge in reporting by governments that they have contingency plans in the works or in place. In the electricity sector, this typically includes having an excess power margin and positioning extra fuel supplies at generating plants.

Y2K Status of the International Oil Market

The petroleum industry relies heavily on computers and other equipment using embedded microchip processors that may be subject to Y2K-related failures. This technology is used in production, maintenance, field operations and other systems. Y2K-related problems could also appear in the petroleum producers' financial systems, operating systems, electronic interfaces with customers, suppliers and others, telecommunications and transportation systems, and automated security and access systems, among other areas. Some may cause safety risks to personnel and equipment. Serious Y2K problems could potentially reduce or disrupt petroleum production or delivery to customers.

The likelihood of a significant oil supply disruption as a result of Y2K is considered minimal by the American Petroleum Institute. This conclusion is based on the results of extensive information gathering on the declarations and preparations that have been made by the world's major oil producers. Still, the breadth and complexity of Y2K issues in the worldwide oil industry make it impossible to predict with any specificity the extent to which Y2K failures will actually impact world oil supplies. We can say with some confidence, however, that actions that have been taken should guard against there being major interruptions in the flow of oil.

Most of the world's largest oil exporters appear likely to maintain critical operations in the rollover to Y2K. In recent conversations with U.S. Embassy officials and on their corporate web-sites, national oil companies in a number of major oil exporting countries have described ongoing Y2K remediation efforts and multi-faceted contingency planning. Most expect all critical systems to be Y2K compliant by the end of 1999. Many are also

monitoring the Y2K remediation status of external infrastructure providers--electricity, telecommunications, ports, etc.--to the extent that these impact oil production and export. (We have no independent verification for most of these statements, however.)

For oil exporting countries where information on Y2K preparations is sparse to non-existent, we do know that major multinational oil companies operating there have system-wide Y2K programs. Corporate Y2K disclosure statements from these companies generally are not country-specific but do indicate efforts to monitor and promote the Y2K compliance of all their third-party suppliers and joint venture partners. (Their disclosure statements generally point out that failure by third parties to address their own Y2K problems may affect elements of their operations.) In addition, most multinational oil companies have had experience in dealing with unexpected supply disruptions from natural disasters, political instability, war, economic sanctions, strikes, accidents, etc., and have long had contingency plans in place to deal with supply disruptions.

We believe there is enormous financial incentive to keep the oil flowing, both for the multinational oil companies and for the governments of oil producing countries dependent on oil revenues.

The impact of any Y2K-related problems on the availability of domestic or imported crude oil should be relatively minor, given the multiple and diverse sources that supply the market, the excess production capacity of several major oil producing countries, existing commercial and strategic stockpiles of oil, the elasticity and resilience of the supply and distribution network, and the flexibility of the multinational oil industry. Y2K remediation and contingency planning programs being implemented by the oil producing nations and the multinational oil companies that operate there will contribute significantly to reducing the potential for Y2K related disruptions.

The U.S. Strategic Petroleum Reserve

We are very optimistic that steps being taken by oil producers will preclude any sort of significant oil supply interruption as a result of the Y2K problem. Still, we recognize that some problems may occur and we will be fully prepared to make use of the Strategic Petroleum Reserve (SPR), if events warrant. As a rule, the Department is always prepared to activate the SPR quickly should there be a major interruption in the flow of domestic or international oil supplies. The SPR can be activated and oil flowing, at a maximum draw-down rate of 4.1 million barrels per day, within 15 days of a Presidential order. In the case of Y2K, we will monitor the developing situation, working closely with the President's Council on Y2K, and we will coordinate with our allies in the International Energy Agency, both to share information and formulate contingency plans. Our tentative contingency plan calls for us to have the documents necessary to authorize use of the SPR positioned with the President

prior to January 1. In addition to the SPR, the Department would also ready its oil disruption response team, a group of experts typically activated to help formulate the Department's response to oil supply problems. With these preparations in place, should an oil supply problem occur on January 1, sales of SPR oil could begin immediately—although I would note again that we do not believe this will be necessary.

The International Gas Sector

The fact that gas supplies cannot be stockpiled, combined with their dependence on a complex delivery infrastructure, presents a particular vulnerability to potential Y2K-related failures. Most potential problems lie in pipeline control and delivery systems and a vulnerability to disruptions in the electricity supply. For many gas consumers, the Y2K rollover will occur in mid-winter, when demand for heating is likely to be high. Any failures in the gas supply chain could lead to fuel switching (by consumers able to do so), possibly producing a surge in oil demand. Offshore gas production platforms are at particular risk because of the accessibility problems encountered when testing sub-sea equipment. Failures in onshore gas processing facilities would close not only offshore gas production platforms but also those oil platforms where associated gas is produced.

The supply of gas is a particular concern in Western Europe. The dependence of some countries on distant Russian gas supplies and on the long gas pipelines that pass through Eastern Europe inevitably raise supply security issues. Failures in European gas supplies could have ripple effects elsewhere in the world as European gas consumers attempted to switch to oil.

Gazprom, the Russian national gas producer, says it has completed remediation on some of its Y2K-vulnerable systems, but has provided little substantive information. Gazprom representatives at the International Energy Agency Y2K seminar in Moscow last July did not identify Y2K risks critical to their operations or the extent to which the companies had planned to address them. Thus we have little basis for assessing whether Y2K breakdowns would result in significantly more disruptions than normally affect the Russian energy sector. Gazprom admits that it is vulnerable to Y2K-related failures in the Russian telecommunications and electricity sectors, both of which are vulnerable to Y2K breakdowns and are critical for oil and gas production and pipeline operations. We have little or no information about Gazprom's contingency planning.

Energy sector analysts disagree about the severity of supply disruptions that could be caused by Y2K-related failures in Gazprom operations, however. Some believe that Gazprom has enough reserves and surplus production capacity to compensate for disruptions.

DOE Support for Y2K Initiatives in the International Oil Sector

DOE has supported the International Energy Agency's regional awareness-raising seminars on the Y2K problem and its impact on the oil industry held in Caracas in

March, Singapore in April, Abu Dhabi in May, and Moscow in July. Each seminar brought together suppliers and customers at both the industry and the government level. Industry experts shared information with regional delegates, who in turn educated the speakers on the intricacies of their own political and economic environment and highlighted specific concerns. For many participants, the seminars provided a neutral zone where they could discuss mutual concerns freely with their peers.

DOE has worked with the Coast Guard, the State Department, and representatives of the national port authorities (including those of Mexico, Venezuela and Saudi Arabia) on a Y2K Port Readiness exercise held in New Orleans early in September. The participants are expected to conduct similar port readiness exercises at their major exporting ports based on lessons learned from this exercise and additional materials being developed by the Coast Guard. Similar port readiness exercises are planned for San Francisco and New York, with foreign participation from major US trading partners and representatives of the G-8. DOE is also participating in an interagency working group which is developing a Port Readiness Interactive Data Base to monitor the status and readiness of 65 international ports that are critical to US interests through the Y2K rollover period.

DOE sponsored representatives from Russian and Ukrainian nuclear power plants and electric grids to participate in and observe the contingency planning activities and systems tests conducted across the US by the North American Electric Reliability Council with its member utilities in September.

Other Steps

DOE supported the efforts of the Japanese representative in the planning and preparation for the energy workshop session of the G-8 Seminar on Contingency Planning on September 21. Results of this workshop were used in the G-8 Y2K Coordinators meeting held the following day.

DOE also supported an Oil Disruption Response Simulation/Exercise conducted by the International Energy Agency (IEA) on September 28-30 for its 24 member countries, which represent the major OECD oil consuming nations. Y2K-related incidents were an important component of this exercise.

DOE conducted a workshop on nuclear power plant and electrical power grid contingency planning in the Czech Republic beginning on September 21. Nuclear power plant operators and electric grid managers from Lithuania, the Czech Republic, Slovenia, Hungary, Bulgaria, and Armenia were invited to participate. This session focussed on individual facility and system contingency planning and plans as well as emphasizing the necessary coordination/planning between the plant and grid operators.

DOE also worked with the International Energy Agency to develop a Y2K energy system contingency planning conference for Central and Eastern European Countries. This meeting, which was held in Prague on 11-12 October, focussed specifically on the contingency planning for the electric, natural gas and petroleum systems in each of the participating countries. Participants also worked on developing viable contingency plans between countries that are connected and interdependent on these energy systems.

This completes my statement for the record.

November 1, 1999

Mr. HORN. We now start the second round, and that's the gentleman from Oregon, Mr. Walden.

Do you have some questions?

Mr. WALDEN. Thank you, Mr. Chairman. At this point I do not have any questions.

Mr. HORN. We'll now yield to the gentleman from Texas, Mr. Turner, to start the second round. He's got to make up for a few absences on his side.

Mr. TURNER. That's true. Mr. Chairman, I have to go to the floor, so you'll have to excuse me.

Mr. HORN. OK. Are they voting? Let me know.

Mr. TURNER. Well, shortly they will be.

Mr. HORN. Yes. OK. I thank the gentleman.

I now ask the co-chairman of the task force, the gentlewoman from Maryland, Mrs. Morella, for further questioning. She did leave.

Then we'll go to Mrs. Biggert, second round, 5 minutes.

Mrs. BIGGERT. I'm still here.

Ms. WANDER, you said that your trade industry association represents all segments of the U.S. travel and tourism industry. Is there any segment of the industry that you're concerned about due to Y2K problems?

Ms. WANDER. Based on the inquiries we've made of our members, frankly, no, there's none that we're worried about, but we're very aware of the fact that our industry depends on so many others, as I think this morning's discussion has evidenced.

I would point out, though, that since the survey statistics indicate that most travel plans are predicated on the use of the automobile, our concern lies at the local level around stop lights, automated bridges, electricity availability, and the like. So we would hope that the efforts at the local level are underway and turn out to be successful.

Mrs. BIGGERT. Let's say there is a problem if someone is traveling—and it could be by plane, it could be by train, or it could be by airlines, and somebody is going from Los Angeles to New York, or vice versa, and there is a Y2K failure in the town, the place that they're going to. Is there a way to—who is going out and disseminating that information to people? How will they find out? Is there—the airlines or the airports, or—

Ms. WANDER. I would imagine that each of the affected segments—and we hope there are none, but it may happen—would follow two courses of action. One would be to take advantage of all media available—their Websites, television, radio, and the like—to alert travelers that there is a problem, and then there's the immediate difficulty that a traveler who is caught in the middle of a problem faces, and what we know about our industry's plans suggests that they would be fully staffed. There's very little leave that is going to be allowed for, that they will try to accommodate individual-by-individual to alleviate the problems that might be encountered.

Mrs. BIGGERT. Well, it seems in the international travel we do have the State Department and consulates that will be notifying people. Is there anything that the travel industry, itself, would be

involved in? They're the ones that have sold the tickets, or whatever, have planned the trip.

Ms. WANDER. It falls fundamentally, in my view, to the industry to take those steps to inform travelers. There is no national tourism office. There is no longer a U.S. Travel and Tourism Administration, unhappily. So the industry recognizes that we will need to be the ones to take care of our passengers and our travelers.

Mrs. BIGGERT. Thank you.

Mr. O'Keefe, in one of the areas that I think is very popular for travel, particularly at this time to get out of the cold weather, is the Caribbean. Is this an area that is of concern as far as travel there? Are most of the countries ready for Y2K, according to—I know, like, St. Lucia, they say they are somewhat prepared to deal with the Y2K problem, or St. Vincent and the Grenadines. Would you recommend—and then certainly St. Kitts and Nevis, which are still rebuilding from the hurricane. Is this an area that is recommended for travel at this time?

Mr. O'KEEFE. Well, the travel—the consular information sheets have sort of country-by-country, and so individual travelers should take a look and make a judgment based on that information.

In terms of overall regional preparedness, I would say that there is a U.S. Information Agency and State Department-sponsored gathering of Y2K coordinators for the Caribbean in Miami next week just to go over this same—this very issue, where we will—again, it is an information gathering and also information giving kind of activity.

Perhaps Mr. Herbert, who is the managing director of the Office of Overseas Citizens Services in our Consular Affairs Bureau could add to that.

Mr. HERBERT. I would just comment that I think we have a greater concern about areas that will be involved in a winter situation than we do in the Caribbean. Obviously, inconveniences in the Caribbean are one thing, lack of heat in a cold climate is something else. So I'm somewhat reassured that the people in the Caribbean will be perhaps inconvenienced, but not in a serious way.

Mrs. BIGGERT. So it might be better to go sailing than skiing over the vacation.

I guess the problem to me probably would be the travel, too, which is usually the most difficult to that area, but once you get there how you get back might be the—would you say that that might be more of a major problem?

Mr. HERBERT. I think in all of this that being able to go and come is a significant portion of the whole picture, no matter where you are. If it is cold and you are not adequately heated, you'd want to get on a plane and leave. But I'll leave that to the Department of Transportation, FAA, to address that, which they are doing separately.

Mrs. BIGGERT. Thank you.

Thank you, Mr. Chairman.

Mr. HORN. We thank you.

Let me just get on the record, for the average American citizen that is going to do travel anywhere, you have an 800 number at the Department of State. How do they know where to access that?

Is it in their friendly local telephone book under Federal agencies, or how many beeps have you got into your 800 line?

Mr. HERBERT. Our primary point of contact with the public is our Website, and we get 300,000 hits a day on there. We have an 800 number. In times of crisis it's announced on CNN, et cetera, if you need information. So if we get into a crisis mode on Y2K, we will certainly have an 800 number. Normally, we have lots of calls into our office in the course of a day, lots of people checking out our Website.

Mr. HORN. Can you give us the 800 number now, for those of us that occasionally travel?

Mr. HERBERT. It's only activated when the crisis occurs, and it is one that is assigned to us. I don't know what it would be at this time. I'm sorry.

Mr. HORN. So the average citizen really has no way to know unless it is a crisis, and they are usually military crises. I've been in countries when that has happened, and——

Mr. HERBERT. We have a standard number for emergencies that people use all the time. That is 202-647-5225. That is into my office, the Office of Overseas Citizens Services.

In terms of——

Mr. HORN. Is that the 300,000 calls a day that come into your office?

Mr. HERBERT. The 300,000 are hits on our Website.

Mr. HORN. Yes, on the Website.

Mr. HERBERT. Right.

Mr. HORN. OK. What's the Website number?

Mr. HERBERT. It's <http://travel.state.gov>. And our Website has links to several hundred other Y2K-related Websites, also, so that a person who comes to our site can access all kinds of information on Y2K from a multiple number of sources.

Mr. HORN. Well, one of the things that interested me was your consular information sheets, which provide a very good snapshot, I think, of the country's readiness.

In the case of Italy, we know from the public record of newspapers, people traveling there, so forth, that here we have a major industrial democracy and they've often been reported as being terribly behind in their year 2000 efforts. However, your information sheets report that Italy's risks are somewhat minimal.

To the contrary, the United Kingdom has been very forthcoming in reporting its year 2000 readiness; yet, if you read the United Kingdom's report, you could be led to believe that the United Kingdom poses a greater travel risk than Italy.

So what is the citizen who taps into these Websites—what is to be made of it all, including the United States, by the way, why, since the United Kingdom also says about us that if there are—there might be disruptions in the United States—and these aren't political ones. It's the water supply, small airports, and small health facilities.

So that's their picture of us, which we probably ought to say, Ms. Wander, have we got any lessening of travel between the United Kingdom and the United States?

Ms. WANDER. Any less?

Mr. HORN. Yes. I mean, they're saying if you turn into their Website, apparently they say we've got a problem, several problems—water supply, small airports, and small health facilities. Do you agree with that in the State Department about the U.S. situation? Should people not come here or what? Or is that just off base?

Mr. HERBERT. Our office doesn't—our office has the rest of the world, not the United States.

Mr. HORN. I know.

Mr. HERBERT. We couldn't assess on people coming here. They don't look to use for that information. I'm sorry.

Mr. HORN. So what about it?

Ms. WANDER. We are not seeing lessening of advanced bookings, at least in terms of people's plans right now from the U.K.

Mr. HORN. Yes. Well, I'm interested in the State Department's foreign operations, where they're looking at countries other than the United States. What's the best way to get that to your travel agents, to travel coordinators, travel planners? How do you do that? And is the State Department doing that? How do you access that? We're finding difficulty even finding the number for the 800 situation. We'll get that, I hope, before the end of the day.

But what do you do? The average citizen says, "Hey, I'm traveling. I'm spending my \$2,000 and I don't want to be in a situation where I'm like young students waiting for a lesser price on the plane and jamming an airport or having some coup take place." That I understand and everybody does. They can read about that on CNN. But what would you advise State Department to tell? And how do you get the message to your people?

Ms. WANDER. I'm speculating here just a little bit, but, by way of suggestion, you know, increasingly Americans are doing a lot of their own research and a lot of their own bookings for their travel plans. Travel agents are taking on a different role. They're not going to disappear from the face of the earth, but a different role.

What we find is that it's the Internet, the Internet, the Internet, and what is going to be necessary in times of crisis or any time that we, as a Nation, need to put out a warning is that we need to be able to communicate with people electronically, because that's where they're looking for the information for travel plans.

Mr. HORN. Well, we have an 800 number for Social Security, for example. There's about a 7-minute wait, but we check all these because when they come in as witnesses they always say the wonderful things they're all doing.

Now, it sounds like, with a 202 number, the State Department does not have an 800 number. Is that incorrect or what?

Mr. HERBERT. We do not have a full-time 800 number, that's correct, in the Bureau of Consular Affairs for assistance.

Mr. HORN. Yes. Well, wouldn't it be a good idea for the State Department to easily provide information when people want it? And why don't you have an 800 number? I don't know what it costs, but they ought to ask the Appropriations Committee. They're up here for everything else. They might as well get an 800 number for the U.S. citizens that are paying the bills.

So what do you think? Are you going to go home and get an 800 number?

Mr. HERBERT. Well, I'll certainly raise it, sir.

Mr. HORN. Thank you.

Mr. HERBERT. I can promise you that.

Let me point out, though, in everyone's passport, all Americans who have a passport, the number that I mentioned before, 5225, is in there as the point of contact, and they can get access to all of our information there, recorded information, if they want to hear it. The same consular information sheets are available. We have auto-fax. So there is a point of contact.

Mr. HORN. So it's that 202-647-5225 number?

Mr. HERBERT. That's correct.

Mr. HORN. OK. Well, that's a start, but it would be nice, since the taxpayers are paying all your bills, it would be nice if you had an 800 number to thank them and give them real access through real data, because the problem here is you have rumors around, and I know you confront that daily in all of your lives here, but the way to get at rumors is to get the truth out there and have people be able to access it.

So I would hope that that's one of the things that we'll do in all agencies. I don't know where Energy is on that, whether you need an information flow. But, given the events of recent months, it might be a good idea. Indeed, it might be a good idea if every agency had their own 800 number so people could be better informed.

And, since this is the subcommittee that has to do with the Freedom of Information Act, we feel very strongly on releasing information and not just locking it up for the scholars to write about 20 years from now or 50 years from now.

So let me just ask you about the American Airlines situation. They announced recently that they will not operate a full schedule on New Year's Eve, but insisted that reduced demand, not year 2000, was the reason. And I'm just curious, in terms of the travel industry, Ms. Wander, what can you tell us about New Year's Eve generally in this country. Is it pretty low? What do you know about it?

Ms. WANDER. I can't comment, because I don't have any information relative to American's recent statement, nor do I have access to the proprietary information of any of the companies, but, in our discussions—and we stay pretty close to our members on this about what are—what the advanced bookings show—they would not at this point show a dropoff for this point in the year—

Mr. HORN. Right.

Ms. WANDER [continuing]. Vis-a-vis last year.

Mr. HORN. Generally, what's your feeling as to when people ordinarily, if they were on a January 1st millennium-type vacation or something, when would they basically go about thinking of making an order on that and putting cash up or your credit card or whatever?

Ms. WANDER. Unless it is a mega trip, we're finding that people are booking, in general, closer and closer to the dates of departure. Thirty days out would be very typical for most trips. I would imagine that for something having to do with the millennium, where there are a lot of trips—cruises and the like—that are already sold out, that anyone today who still is thinking about doing something better act within the next 30 to 45 days if they really want to take

the trip that they want to have. Waiting 30 days out will, I think, cause them to be disappointed for the millennium.

Mr. HORN. I just wonder if Mr. Ose or Mr. Walden have some comments on that, because you're all the ones that started this, so go ahead.

Mr. OSE. Well, I'm happy to get in the middle of a fight with you.

I do have some concerns about that. I have siblings who use the Internet to book their stuff. They are very focused on price and they negotiate—I mean, they take six stops to get to their ultimate destination, so I'm aware of the shrinking of the advance planning portion of travel.

One of the things that you just mentioned having to do with the cruise ships was of particular interest to me. I don't know how it is from a statistical standpoint, but anecdotally I would say that there's probably more Americans on cruise ships than there are any other nationality.

From the travel industry's standpoint, my first question would have to do with the perception or the reality of the travel industry's readiness for Y2K. I mean, if you've got a big boat out on the water, are you prepared? And then, secondarily, I want to go back to—I'm sorry, Mr.—

Mr. HERBERT. Kevin Herbert.

Mr. OSE [continuing]. Herbert, and I want to—is this up on your Website? Is this information—this is the consular information sheets, so—

Mr. HERBERT. Consular information sheets are up on the Website.

Mr. OSE. How often are—while she's getting the answer, how often are these updated?

Mr. HERBERT. Periodically through—any time there is a change, we insert the change. Sometimes we have a couple of small changes and we put them in at once. This is the first time we've done them all at one time.

There is not a day during the year when they are all changed. This is a unique experience in that we added Y2K and reissued all of them.

Mr. OSE. You reissued all the advisories.

Mr. HERBERT. They were reissued as of yesterday. Right. And they all contain for the first time specific Y2K language for each country.

Mr. OSE. Right. And these are on your Website?

Mr. HERBERT. Yes. The consular information sheets are on the Website, yes.

Mr. OSE. As far as the updating, I mean, is it a reactive thing, or is it something that you look at in anticipation of needing to update information periodically?

Mr. HERBERT. Well, any time a situation changes in a given country that's of concern to the traveling American public, we will add it to the consular information sheet. Sometimes there's a minor change, some immigration formality changes in some way that we want to change, or road conditions, we have a report of a certain area that perhaps is not safe. We will add that.

Sometimes you have a couple of weeks go by before you have a few things and you put in there and revise it, but anything that's

urgent or important we can do immediately by a public announcement, or we revise the consular information sheets.

Mr. OSE. So on a case-by-case basis the level of urgency is determined? I mean, obviously an earthquake is far more urgent than, you know, a stop sign has been knocked down kind of thing.

Mr. HERBERT. If we had an earthquake, we'd put out a public announcement immediately to warn people that there is a given circumstance in this country that's occurring now, and that will be a public announcement lasting a week or a month or 2 months or what have you.

If we had an incident where someone was robbed in a certain area or murdered, and then the next week there was another, and 2 weeks later was another, we would then revise the consular information sheet to say that this particular area in this country seems to be an unsafe area for Americans and to avoid it.

Of course, every day we get reports of acts like this all over the world. It's when we see a trend or an area to specify that we would put it in the consular information sheet.

Mr. OSE. Of particular—the reason I'm bringing this up, of particular concern to me is the timeliness of that information, because your State Department is going to hear about these issues far sooner than it will be in the general media, and all of us up here have a very distinct responsibility. We understand who our masters are, if you will, and I want to make sure that we get that information out in a very timely fashion, so I am particularly pleased again to see these on the Website.

Now, Ms. Wander, I want to go back to the cruise ship—

Mr. HORN. Would the gentleman yield for a 15-second interjection?

Mr. OSE. Certainly.

Mr. HORN. On his very point, as I remember in TWA 800, the embassy had posted on its bulletin board that you should not really use that flight if you are embassy personnel, but the average citizen who was over there that went on board, they didn't have that information. So the question really is, when people are in a foreign country and moving on U.S. aircraft, in this case, how are we going to get that message out? Should people simply check with every embassy, and would they give them that? Or would they just withhold it for their own personnel and not the taxpayers?

Mr. HERBERT. I think you're referring to the PanAm 103 crash, sir.

Mr. HORN. Was it?

Mr. HERBERT. Yes, sir. Since that time, the no double standard policy has been adopted 100 percent. If we ever have information on a threat to Americans abroad, official or otherwise, we immediately make that known through a travel advisory—a travel warning, sorry, a public announcement.

That incident that you're describing I don't believe could ever happen again, sir.

Mr. OSE. I would just like to follow on to the chairman's fundamental point, and that is that there is a threat to Americans, if there is a chance that they are vulnerable or exposed, it is my objective to get that information out in the public domain.

Now let me go back to—no, I'm not going to go back. Mr. Chairman, my time has expired, and I was over time last time.

Mr. HORN. Go ahead.

Mr. OSE. Are you sure?

Mr. HORN. Yes.

Mr. OSE. All right. I want to go back to the cruise ship thing. These are large pieces of equipment floating in the open seas. Their captains are maneuvering among sand bars and reefs and islands and what have you. If they are in the Caribbean, for instance, or if the South Pacific, the travel industry's perspective, what information can you share with us as to the readiness of this industry as it relates to the embedded chips that they use to run the equipment, so to speak?

Ms. WANDER. I can share only, Congressman, the anecdotal information that we've collected from our member companies. They believe that they are ready. We won't find any information about Y2K, by the way, on their trade association's Website. We looked as recently as last evening. There was nothing on it. So they are not—we can't say that they're doing a good job of communicating to the consumer, but they do have, again, strong advance bookings. Of those who are planning to travel over the millennium weekend, 7 percent at least are cruising. That's always a strong season for that business, and that will amount to over 2 million U.S. citizens who will be cruising.

Mr. OSE. 2 billion?

Ms. WANDER. 2 million. Over 2 million. I can only tell you, though, that, in terms of their readiness, anecdotally, based on their representations to us, they believe they will be ready.

Mr. OSE. All right, so if I might finalize, then, the airlines, the domestic airlines, U.S. domestic airlines, are well prepared; the cruise industry is well prepared; we have anecdotal information that there are, at least in the airlines, some disparity in bookings this year versus last, even though the cruise ship industry is still strong; we have a place where we can go and get official Government information on the status in various countries; and we have a list of the 35 countries that haven't yet responded to our circular request as to the status that they will enjoy accordingly.

Now, my final question—Mr. Chairman, I appreciate your benevolence—these 35 States that have not responded, what's being done to followup and actually encourage them to respond?

Mr. O'KEEFE. The FAA has written an instruction to our embassies to go to the host governments to say, "Please respond to this." Clearly, it is in their self interest to respond, because if they stay on the list then they will feel the effects in terms of not simply tourism but business travelers being reluctant to come to those countries.

Mr. OSE. Actually, this list is only a circular. It does not speak to whether or not—let's not mistake this list as saying these people—the people that aren't on this list are fully compliant or fully prepared.

Mr. O'KEEFE. Right.

Mr. OSE. Let's not make that mistake. This is just a list of people who haven't responded.

Mr. O'KEEFE. That's right. I think it is to the ICAO self-assessment request, and that yes, there have been a number of countries that have responded. It doesn't mean that those who have responded are compliant or it doesn't answer the question of safety, which I think the FAA will take up toward the end of this month, but, nevertheless, if, in fact, a country hasn't responded, that sends a message, as well.

Mr. OSE. Thank you, Mr. Chairman.

Mr. HORN. You are quite welcome. A good list of questions.

Let me ask Mr. O'Keefe, you've looked at all these sheets that have been put out now by the consulars. What's the worst case in the world we have on our hands in terms of Y2K, if you look at all those sheets? What's the worst case?

Mr. O'KEEFE. Well, Mr. Chairman, as I mentioned earlier, it wasn't a score card and we didn't really rank order, but I would describe conditions that might prevail in countries that are experiencing winter, and I would say that, in terms of high risk, what Dr. Jhirad pointed out, we have countries in eastern Europe with fragile electric power distribution systems who will be in the grip of an eastern European winter, and I think that tends to be a high-risk kind of situation.

Mr. HORN. Well, I agree with you. We've used that example on a number of hearings, and I'd just like to ask Dr. Jhirad, you have the gas coming from Russia into eastern Europe, central Europe, to some degree, and that's what is going to keep people warm, and if it doesn't come they are going to be freezing. To what degree does the Department of Energy share that assessment? And are there any plans with some of those countries, in terms of other types of heat or energy that can be utilized, because January 1st is a high point for freezing. I've been in Moscow on that day and I well know what the cold is like.

Mr. JHIRAD. Mr. Chairman, the results of the next meeting with the Russians, Ukrainians, and central Europeans will be quite critical, because we will get to the heart of this question of what are the contingency plans if the gas flows into central and even western Europe are interrupted because of, say, a power failure that affects the compressors. How long will that last and what are the contingency plans to keep people warm when that happens?

And I think that's exactly the kind of information we will get at this meeting, and we will clearly make that public as soon as we have it.

Mr. HORN. Well, we have been told, just in general, when we got into this a number of months ago, that there are real problems—and I'm not saying this is the Russian gas problem, but when you're dealing with petroleum and gas and et cetera, different types of energy like that, you have microchips that are often in the pipeline system, that are in the refiner's ship—not refiner's ship, but the petroleum-carrying ship, and also in the refinery. And I just wondered to what degree that seems to be a problem, and are they worried about the microchip aspect of it and how that could go awry.

Mr. JHIRAD. Mr. Chairman, does your question refer to the situation again in western Europe, or—

Mr. HORN. Well, you can refer it. I just wonder is there any other situation like that in the world, and in terms of just what a computer might do if it misfires and it goes in one direction versus the one somebody thought it was going. And I don't know to what degree we've been able to help people with expertise of the Department of Energy, so that's what I'm fishing for, I guess.

Mr. JHIRAD. Yes. When—in the series of workshops that we've had with the International Energy Agency, when we've been asked for specific technical information on how to fix embedded chips, say in refineries or in pipelines, what we have done is put them in touch with industry groups here who are working those issues, whether it is the American Petroleum Institute or the Edison Electric Institute, who are knowledgeable about mission-critical systems, how to fix them, and contingency plans.

So in the Department of Energy, on that we've really played more of a catalytic role, getting those countries in touch with the people who are fixing the problems.

Mr. HORN. Any comments any of you would like to make after hearing this dialog and discussion before you leave? Mr. O'Keefe.

Mr. O'KEEFE. Thank you, Mr. Chairman.

I would like to thank you and other Members for allowing us to appear today, and I would stress once again, especially for Congressman Ose, that the Department of State has as its primary responsibility protection of U.S. citizens, and those citizens are our masters, as well, so we know exactly why your concern is there and we do share that concern.

Thank you for your suggestion, Mr. Chairman, about our 800 number.

Mr. HORN. Thank you. I'll be glad to help get you the money for that.

All right. Dr. Jhirad.

Mr. JHIRAD. Yes. I would like to thank you again, Mr. Chairman, very much, for giving us a chance to answer your questions. We certainly feel that our clients out there are the American public, and we take very much to heart your statement that any valuable information should be shared immediately so that they can make their own decisions, and we will follow that and we will also raise the issue of an 800 number in the Department.

Mr. HORN. Good.

Ms. Wander, any comments finally?

Ms. WANDER. I'd echo my fellow panelists' gratitude for your convening the hearing this morning and allowing us the opportunity to let you know where things stand in our industry and to again reiterate for the committee the intention of both the Travel Industry Association of America and its component members to remain vigilant on this issue and not lose sight of the ultimate goal, which is security and safety for travelers in the United States and worldwide.

Thank you again.

Mr. HORN. Let me ask you, the various travel groups—and I'm part of the Travel Caucus up here, which is just about everybody—when they go hold a dinner, I think they've got to get the biggest hall in town. But do you, that represent pieces of the travel and convention industry, do you meet in Washington and share ideas

to see if everybody is sort of moving in the same direction, or do they have a piece of information nobody ever dreamed that they have and is useful to questions like the ones that have been raised this morning?

Ms. WANDER. There are meetings held. This is an industry that loves meetings, because it promotes travel.

Mr. HORN. Right.

Ms. WANDER. Meetings—

Mr. HORN. But just to get from K Street to L Street maybe is all we're asking.

Ms. WANDER. We hold meetings all over the United States. In fact, next month, beginning on October 20th, we will hold our marketing outlook forum, where all of the segments come together and report in on what's happening and what they see for the upcoming year, and there are a number of events, not quite of that magnitude, but like those which we hold in cities that our members sponsor. So we do stay on top of it, as well as on the telephone and the computer and so forth.

Mr. HORN. Maybe you can tell our friends in the mother country of the United Kingdom that they don't have to worry about our water supply, our small airports, and small health facilities, whatever they meant by that. Anyhow, that's what's on their Website.

I want to thank you all for coming, and I now want to thank the staff. Staff director for Government Management, Information, and Technology is Mr. George, who is standing against the wall so he can take in the whole room; and the gentleman on my left, your right, is the one that prepared this hearing, Matt Ryan, the senior policy director for the subcommittee; Bonnie Heald is the next one against the wall, communications director and professional staff member; and Chip Ahlswede is the one that moves microphones and makes sure the place works, so he's the chief clerk; and then Mr. Caceres, an intern; and Deborah Oppenheim is another intern with us. And for Mrs. Morella's committee, Technology Subcommittee of Science, we have Jeff Grove, the staff director; and Ben Wu, professional staff member; and Joe Sullivan; staff assistant; and for Mr. Turner's staff, the democratic staff, we have Trey Henderson, minority counsel; Jean Gosa, staff assistant; and the Technology Subcommittee Group would have also Michael Quear, the professional staff member; Marty Ralston, the staff assistant; and our court reporter this morning is Mark McCarty.

We thank you all for coming. You've all done a fine job, and this hearing is now adjourned.

[Whereupon, at 11:47 a.m., the subcommittee was adjourned, to reconvene at the call of the Chair.]

