

**THE MILLENNIUM BUG:  
IS OREGON PREPARED?**

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**HEARING**  
BEFORE THE  
**SPECIAL COMMITTEE ON THE  
YEAR 2000 TECHNOLOGY PROBLEM**  
**UNITED STATES SENATE**  
**ONE HUNDRED SIXTH CONGRESS**

FIRST SESSION

ON

THE Y2K EMERGENCY PREPAREDNESS OF THE STATE OF OREGON

—————  
FEBRUARY 19, 1999  
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## **THE MILLENNIUM BUG: IS OREGON PREPARED?**

**FRIDAY, FEBRUARY 19, 1999**

U.S. SENATE,  
SPECIAL COMMITTEE ON THE YEAR 2000  
TECHNOLOGY PROBLEM,  
*Washington, DC.*

The committee met, pursuant to notice, at 1:30 p.m., in hearing room A, Oregon State Capitol Building, Salem, Oregon, Hon. Gordon Smith presiding.

Present: Senator Smith.

### **OPENING STATEMENT OF HON. GORDON SMITH, A U.S. SENATOR FROM OREGON**

Senator SMITH. Good afternoon and welcome to our State Capitol for the first 1999 field hearing of the Senate Committee on the Year 2000 Problem. I would like to discuss a problem with you today that could affect all Oregonians—the readiness of Oregon's State and local governments and how their emergency services may be affected by the year 2000 technology bug.

To begin, I would like to thank all the distinguished witnesses who have prepared reports to present today. Each person here plays a vital role in finding a solution to the year 2000 computer problem. It is only through the combined efforts of the Federal Government and the citizens of this great State that Oregon will be insulated from the widespread impact of the Y2K problem.

As many of you know, the problem I refer to is a technology bug found embedded in chips. The bug may cause many computers to shut down when we reach the year 2000, ultimately affecting many segments of our society.

To assess the potential impact of the bug, the Senate Year 2000 Committee was formed almost a year ago to help the Government better understand and prepare for its inevitable problems. As a member of the committee, I have participated in several meetings in Oregon and in Washington, DC., to determine the preparedness of our State and of our Nation.

While awareness is growing, research by the Senate committee indicates that many organizations critical to Americans' safety and well-being are not fully engaged in finding a solution.

While the Senate Y2K Committee has assembled no data to suggest the United States will experience nationwide social or economic collapse, the challenges posed by the year 2000 problem are numerous and daunting, both at home and abroad. Therefore, our committee concludes that disruptions will be significant. Those who

suggest that it will be nothing more than a bump in the road are misinformed.

The Internet is bursting with rumors. Web pages and chat rooms assert that Y2K will be TEOTWAWKI, cyber-speak for "the end of the world as we know it." Others claim the problem is a hoax designed to sell information technology.

The bad news is that the Y2K problem is real, caused by an outmoded, two-digit dating system in computer software and hardware that may knock vital systems offline on January 1, 2000. The good news is that it is far from the end of the world.

But Y2K is about more than the failure of an individual's personal computer or incorrect dates on a spread sheet. The complexities surrounding the problem and the lack of serious national assessments are indicative of larger, looming issues. The interdependent nature of technology systems makes the severity of possible disruptions virtually impossible to predict.

There are reasonable steps individuals may take to prepare for the year 2000. Consumers should keep copies of financial statements and ask local banks what efforts are being made toward Y2K compliance. Employers, local elected officials, and utilities should be contacted. Individuals should also research companies' levels of compliance before making investment decisions. Above all, Americans should prepare for Y2K based on facts and reasonable predictions about the problem's effects on vital services.

Let me briefly outline our findings to date. I am now more optimistic than I once was, but a lack of data in numerous areas leads me to continue to be wary of the unknown. Nearly all affected industries and organizations started the Y2K remediation too late. Even the sectors that started early and appear to be in the best shape, such as the financial services sector, include individual companies that lag in their Y2K planning. There are exceptions to both good and bad, and we can only speculate what will actually happen. The details of what our committee has learned so far are contained in a report we plan to issue publicly by the end of the month. Our work, however, is far from over, and hearings will continue through the end of the year.

Due to the lack of assessments about the status of certain industry sectors, we are not yet sure of the scope or the nature of Y2K disruptions. I suspect that we will have a better idea as time goes on, but we will not know for certain what the difficulties will be until they are actually upon us.

As of today, there are only 316 days remaining until January 1, 2000.

With this in mind, I want to express my confidence that we will continue to progress in every major sector in preparation for the year 2000 problem over the next 10 months. It will take the efforts of responsible leaders at every level of government to engage in planning for such an event. At this point, it appears that there is a greater likelihood of small, diffuse disruptions than large-scale shutdowns. Nevertheless, we must be prepared for every type of scenario.

Unfortunately, there is a misconception pervading corporate board rooms that Y2K is strictly a technical problem and that executive attention is unwarranted. On the contrary, we must ensure

the participation of executives at all levels of business and government. This problem will not simply go away. Each of us must do our part to make certain that this problem is adequately addressed.

Overall, I am optimistic about our progress in solving the Y2K problem. I believe that we can meet our goals and prepare effectively for the coming year; however, we must all recognize that we have significant work to accomplish in the coming months. As we work together, I am sure that we will develop a greater understanding of this problem and forge effective solutions. It is our cooperation which will bring us together and allow us to reach our final goal.

Again, I appreciate the opportunity to chair this hearing in Salem and look forward to all of the information that our distinguished witnesses have to share.

Our discussion today will focus on the Y2K emergency preparedness of the State of Oregon. The preparedness of State and local governments are vital because their services will most directly impact most Americans.

Our first witness today will be the Governor of the State of Oregon, John Kitzhaber. Then we will have a panel of witnesses: Mr. Don Mazziotti, the chief information officer of the State of Oregon; Ms. Joan Smith, a commissioner of the Oregon Public Utility Commission; and Ms. Vera Katz, the mayor of the city of Portland.

Our second panel includes: Ms. Myra Lee, the director of the Office of Emergency Management; then Ms. Adella Martell, Executive Director of the Oregon Chapter of the American Red Cross; finally, Mr. Roger Harris of KOB1-TV in Medford will address the role of the news media in the Y2K problem and the media's potential impact on public perceptions.

I appreciate the efforts of all of those who have come to share with us their work, and I look forward to their comments and thank them for their contributions.

Governor, the podium is yours, and we thank you again.

**STATEMENT OF HON. JOHN A. KITZHABER, M.D., GOVERNOR,  
STATE OF OREGON**

Governor Kitzhaber. Mr. Chairman, for the record, my name is John Kitzhaber, Governor of the State of Oregon. I am joined here by Don Mazziotti, the State information officer. There is a certain element in my staff who recognizes the fact that my disclaimers—I am a Governor who still doesn't use e-mail, and they wonder why I was being asked to testify here today. I can tell you, though, Mr. Chairman, that my chief of staff, Bill Wyatt, who I think you are familiar with, has, as far as I can tell, bought every electronic gadget that has come down the line in the last 4 years. He is the Y2K problem. [Laughter.]

Governor Kitzhaber. Mr. Chairman, I do want to thank you very much on behalf of the citizens of this State for chairing this committee and particularly for giving me the opportunity to speak very briefly about what the State is doing to prepare for meeting this challenge. I also want to commend the Senate Special Committee on the Year 2000 Technology Problem for your efforts to investigate this issue and for the tremendous service I think you have rendered in raising the awareness of this problem in a very construc-

tive fashion among businesses and Government and the news media and Oregonians in general.

Three years ago, we realized here in State government that it would take thousands of hours of work and millions of dollars in order to adequately prepare for the consequences of moving from 1999 into the year 2000. We set targets and we budgeted very carefully for the costs of doing what was necessary to get ready for meeting this date change.

What we didn't know at that time was how rapidly this issue would shift from a relatively simple but time-consuming technology problem into a real business management challenge. In Oregon State government, we have responded by adding additional resources and redoubling our efforts to ensure that our citizens receive the critical State services that they depend on beyond the year 2000.

Now in 1999, with, I believe, about 315 days left before the end of this year, this problem promises to become not just Oregon's problem but society's problem. And I think that is why what you are doing here is so terribly important, because talking about and preparing for the Y2K problem I think is in our collective community interest as Oregonians and certainly as Americans.

The more people can actually learn about Y2K, the more they come to understand, I think, that our computers are largely connected to other people's computers. So it is not a matter of just fixing your own computer system. Home computers share electronic information with Internet service providers, with online catalogue stores, automated bank services, and even the Internal Revenue Service. Similarly, the computers here in the State of Oregon that run our government and provide services to our citizens share electronic information with cities and counties and Federal agencies and businesses as well. So the point, I think, that people need to understand is that in order to address your own Y2K problem, you have to also figure out a way to address the other guy's Y2K problem as well.

The way computers interact, I think, can also serve to remind us that we have got to interact with our neighbors to solve problems in the larger arena. I think if you view this from that standpoint, that you can't solve your problem without solving your neighbor's problem, it offers us a tremendous opportunity. And I prefer to look at it as an opportunity, not as a threat.

From a business point of view, because of Y2K hundreds of dedicated public employees are in the process of replacing older inefficient computers with more efficient, cost-effective information technologies. So, as a result, they are creating a better way to do business that will not just handle the year 2000 problem but will improve service delivery and reap benefits for Oregonians well beyond the millennium.

From an individual standpoint, I think Y2K presents another kind of an opportunity to come together and create better and more friendly communities throughout the State of Oregon. And let me just use an analogy. For the last 4 or 5 years, there hasn't been a year that some part of Oregon hasn't been adversely impacted by floods, by fires, by windstorms, by a whole host of natural system changes that have disrupted the way we do business. And we have

always dealt with it. Or I should say that the people who have the responsibility to go out and fight our forest fires and fix our highways and keep the roads open day in and day out have gone out and done that for us.

I think in a way the Y2K problem is very, very similar, or at least is not dissimilar. In the coming months, what we are really facing is the possibility of a technology system, rather than a natural system, disrupting the way that we do business here in the State of Oregon. And I have great confidence that the people who we have charged to get out and fix that and get ahead of it and deal with those disruptions are going to be able to do that. And I also have every confidence that Oregonians will respond to the Y2K technology disruption just as they have responded to natural disruptions in the past—calmly, quickly, and pulling together as a community.

Senator as you know, earlier in this century an American President said, "The only thing we have to fear is fear itself." And I really believe that knowledge is the antidote to fear. The people need facts about the situation, whether you are running a State service or whether you are running a business.

As Governor, I am committed to doing what I can to inform Oregonians of our readiness for the year 2000. Since 1997, when I issued an executive order that required every agency of this State to find and fix its own 2000 problems, we have been making progress, and we have been reporting that progress on a regular basis to Oregonians through their elected representatives in the legislature. You will be hearing more about the State's Year 2000 Project from Don Mazziotti, our chief information officer, who oversees our project office, and as you mentioned, Mr. Chairman, from Joan Smith, a member of the Public Utility Commission.

I am also committed to working with the cities and counties of the State of Oregon to do what we can to help them prepare their communities for this challenge as well.

Finally, I am committed to cooperating with the print media and the electronic media who are going to play an extremely important role about how Oregonians view the challenge of Y2K depending on how they choose to report this and cover this. They can choose either to fan the flames of fear or they can choose to encourage people to take positive actions in their own communities to address this issue. And I would encourage the media very, very strongly to consider the importance and the responsibility of how this message is crafted and its impact on our State.

I would also issue the same challenge to the business community not to contribute to the anxiety but, rather, to step up and do their part to try to quiet people's fears.

I think that, in closing, if we commit ourselves collectively, regardless of what sector we are in, to sticking to the facts, we can build trust among people throughout the State, and it is that kind of trust, I think, that ultimately builds stronger communities, working together for the best quality of life we can, but prepared for the worst when emergencies come our way.

I would close by simply adding we need to prepare, not panic.

Senator SMITH. I couldn't have said it better. In fact, I think I did say it.

Governor Kitzhaber. That is where I got it. [Laughter.]

Senator SMITH. I wonder if there is anything you see at this point in the Federal response or preparation that gives you concern. If not, I hope you will let me know if you do something as we get on it. But perhaps there is already something you are aware of that we are not doing that gives you heartburn.

Governor Kitzhaber. Not at the moment, at least not in this area. [Laughter.]

Governor Kitzhaber. But I do believe that the committee of which you are a member and the hearings that you are holding are just extraordinarily important, above and beyond the technological details of how we fix this. I think this effort, this concerted effort by yourself and others to inform the public of what this is and what it isn't I think is very beneficial.

Senator SMITH. I think it is also important to point out to people that during the 1980's and early 1990's and ever since that period of time, America has been retooling, and a lot of the retooling is with Y2K-compliant equipment and computers. And so we could easily overblow this. It doesn't mean it isn't a problem, but it is going to be a bigger problem for other countries, and we hope it won't be a problem at all for us.

Governor, does the National Guard in Oregon have—will it have any Y2K consideration in its preparation to respond to emergencies?

Governor Kitzhaber. My understanding is that General Reese and the Guard are doing their part to make sure that that unit will be available to us and that it won't be—should not be disabled by this.

If I may just say, Mr. Chairman, that when your next panel comes up, Mr. Mazziotti is in much closer contact with the various individual elements that are working on this and I am sure could elaborate.

Senator SMITH. Terrific. Thank you, Governor, for your leadership and for being here today.

[The prepared statement of Governor Kitzhaber can be found in the appendix.]

Senator SMITH. Mr. Mazziotti, we welcome you and your testimony, and the two others on this panel, please come right up.

Don, go right ahead.

**STATEMENT OF DONALD F. MAZZIOTTI, CHIEF INFORMATION OFFICER, STATE OF OREGON**

Mr. MAZZIOTTI. Good afternoon, Senator. My name is Don Mazziotti. I am the chief information officer for the State of Oregon, and I am the individual accountable for finding and fixing Oregon's Y2K problem, or at least coordinating that effort among the 126 State agencies who have that responsibility.

I want to give you an overview of where State government is because I think that would help you to understand how we have tackled the problem. Commissioner Smith can fill in the other aspects of State government activity, and obviously Mayor Katz can speak for and will talk about the city of Portland's outstanding efforts. But let me talk about State government first.

The State government's Y2K efforts really began in 1996 and in that time have focused on six areas of activity:

The first is finding, fixing, assessing the nature of the problem, which is a widespread and complex problem, but one which requires in-depth assessment and evaluation;

Second, work to remediate software and hardware applications and systems which support them;

Third, to tackle the so-called embedded microchip problem. These are chips primarily found in control systems, buildings, and machinery, that sort of thing;

Fourth, to address the electronic data interchange or interface problem where data from one source crosses a boundary and exchanges information with another, with the potential to corrupt that other system;

Fifth, business continuation plans or figuring out how to construct a plan which can be implemented to work around a given failure. Assuming a failure occurs, how can we continue our business even in the absence of support from a Y2K-vulnerable system?

And, finally, emergency preparedness measures, which Myra Lee, the head of OEM, will describe to you a little bit later today.

These are the six primary areas of activity. They are the province, to a lesser or greater degree, of all of the agencies and all branches of government, and all have been working on them steadfastly since 1996.

We are guided by three sources of authority that I think are useful for you to know about. First, the Department of Administrative Services, which is the central service agency of Oregon State government, issued a policy in 1996, November 1996, directing all agencies to find and fix the problem. That was followed in April 1997 by an executive order from Governor Kitzhaber which outlined further the responsibility of those agencies and which established the statewide Y2K office, the office, which is part of my organization, responsible for the coordination, monitoring, evaluation, and reporting activity. And that was followed by signing into law in July of the same year ORS 184.305-345 passed by the Oregon Legislature further outlining and detailing our responsibilities with regard to the Y2K problem.

The point that I make here is that virtually every branch of government has been involved at some level in developing its pronouncement, its policy, its law on the subject of Y2K, and these are largely well coordinated and have worked well together.

Oregon's efforts, like that of many other States, is supported by an organization of many departments, many agencies, and committees, and each one of them has a specific role to perform. And I have provided you with information attached to my testimony which describes graphically the organizational structure of our Y2K effort. It involves literally hundreds of people: decisionmakers, executive-level individuals, as well as folks who are working in the trenches to remediate the code that they find in computers that are non-compliant.

In addition to these efforts, the Joint Legislative Committee on Information Management and Technology, chaired by Dave Nelson, Senator Dave Nelson, the Senate Information Management and Technology Committee, chaired by Senator Vern Duncan, and the

House Commerce Committee, chaired by Jim Hill, have maintained oversight of Y2K issues, and we work closely with them and, in fact, rely upon them for not only our authority but guidance and good advice. And they have provided that.

Let me tell you where I think we are at in our effort. Notwithstanding attempts by a variety of authorities to simplify the problem to a single percentage expression of work completed—the problem doesn't admit to that kind of treatment—I need to tell you where we are with respect to each of these kinds of systems or each of these kinds of effort.

First, we have completed nearly 100 percent of our evaluation efforts of all systems, all hardware, all chips, all interfaces. That work is virtually done. The increment that remains is an increment which will be completed either this month or certainly before the drop-dead date, which is July 1.

Second, about 80 percent of all the correction work is underway for systems and the hardware part of our activity. And so we are on schedule—in fact, we are ahead of schedule. When I speak of rewriting lines of code, we are ahead of schedule with our systems.

With regard to testing, about 70 percent of all of our software and hardware systems have now been tested. Where problems have been found, those problems have been corrected. None of this which have failed any tests have been put back into service. They will be retested after further work is done.

And in terms of returning to service, a little more than 60 percent of the software systems, large-scale applications, and hardware which run them, about 63 percent are now back in service. That means that except for interfaces they are probably invulnerable to Y2K problems. And as I reported to you, we are ahead of schedule.

Our embedded chip issue affects about 10 million square feet of space, maybe 36 million square feet additional that is privately leased space, and we have contacted all of our vendors, all of our landlords from whom we rent space, and confirmed or had them confirm the fitness of their buildings, their structures, their control systems. And we have verified the control systems of all of those which are part of the Facilities Department of the Department of General Services and are satisfied that we have found virtually all of them microchip process systems. In those cases where there is any kind of uncertainty, security systems, for example—and they are particularly vulnerable to Y2K—we know how to work around them. We know what will happen should there be failures, and we have plans in place to secure buildings and the like should that occur.

Our greatest vulnerability and the greatest vulnerability of virtually any large-scale organization dealing with Y2K, including the Federal Government, are interfaces. These are the data exchanges where complex data, bits and bites, cross boundaries between partners, sometimes many partners, and if I take data from you and that data has Y2K problems in it, it is possible for me then to be corrupted by your data, much like a virus can be spread. And in that sense, this is our greatest point of vulnerability.

Any organization that has more than 50 interfaces is judged to have a 95 percent probability of failure of some part of that system,

and we have on the order of 17,000 interfaces, we believe, that have been documented at this point. Maybe 700 of those have been confirmed as a subject of Y2K problems, and now we are working on each of them. It requires also that we contact all of our trading partners to make sure that they have Y2K-fit systems, and if they don't, we will have to cease trading with them or cease communicating with them.

We are not at that point yet, but I expect we will get there by July. We will know where we stand, and there will be parties, all types of parties, whether it is private business, other governments, or even internal exchanges, that will be prohibited, and we will have to take that action.

A final point that I would make—and then I would be happy to answer any questions you might have—we have recently gone to a real-time reporting and reading system for our Y2K status. This is done in response to a Wall Street Journal article which said that we had completed zero work in Oregon. Nothing could be further from the truth, and I am embarrassed for the Wall Street Journal and the report that was provided.

Putting that aside, however, we have identified 78 systems which are critical to the continuation of our government in Oregon, State level. That is reported on our Web page every day, and it is updated every day. Of those 78 systems, 39 systems are now what we call green, meaning no problem, on schedule, work done, or ready to be completed. Thirty-four of them are yellow, which means in a caution stage, on schedule in general, documentation is there and satisfactory, and we are reasonably comfortable that we will hit the July 1 deadline for those. Five systems are red alert systems, and those are held by a variety of agencies. I have in my own division one of those red alert; it is the telecommunications system. And we are working very hard to fix the problem, but it is not a simple one and not one that we will be done with until September, which gives us a good deal of indigestion but that is the way it is. We have to pull five very large switches using overhead cranes and the like out and replace them with new ones that cost millions of dollars. And so that work is underway now and will be completed on time.

We are working closely with Mr. Koskinen. Frankly, it is a useful dialog, but it also has its limitations. We don't have a single point of contact in the Federal Government, and that would be highly useful to us. Although Koskinen attempts to play that role, he plays that role largely for the White House and not necessarily for the independent regulatory agencies or other entities, and it would be useful to be able to turn to a single source and communicate with a single source.

The second thing—and I called this to the attention of your staff yesterday, and I included it in my testimony—like so many organizations who have been told that they need to report back to somebody of greater authority on the status of a problem, in their haste they frequently oversimplify the nature of the problem. The report may portray a picture that is inaccurate. I think the GSA is in that process now.

We have been working closely with the General Services administration to respond to their questioning on the status of our interfaces with the Federal Government, and we have told them repeat-

edly that we have a policy of complete reporting. They want us, Senator, to report in the boxes that they have provided to us, and those boxes do not allow for complete reporting. And so should you hear that Oregon is in some way defective on the interface side, I would ask you to ask more questions, ask for the full documentation that we have provided to them, which is not necessarily going to be part of their report.

I call this to your attention because it is not unusual as we deal with Federal agencies who frequently have left-hand, right-hand coordination problems. I don't want to suggest that it is only the Federal Government. Respecting the fact that you in part, however, are our principal way of communicating with them, I wanted to call that to your attention.

In the final analysis, it is my judgment that Oregon State government will complete all of the scheduled Y2K actions by September 1. That will afford us time to retest where necessary to make all other preparations that are necessary. There is certain to be some failures. There will be failures. We are assuming that. We are assuming perhaps a 72-hour period of failures of one kind or another. We have teams in place to fix those problems should they arise. I intend to be watching the Rose Bowl on January 1, and I think that other people can, too.

I appreciate very much the opportunity to present this testimony.

Senator SMITH. Thank you very much, Don. Very helpful, and I will see if we can't—I will take back to Chairman Bennett the idea of a single point of contact. That is a very good suggestion.

Mr. MAZZIOTTI. Thank you.

Senator SMITH. And I hope as we go along, if there are other things you see that the Federal Government needs to do to get the left and the right working together, please holler. We will help.

Mr. MAZZIOTTI. Will do.

[The prepared statement of Mr. Mazziotti can be found in the appendix.]

Senator SMITH. Vera Katz.

**STATEMENT OF VERA KATZ, MAYOR, CITY OF PORTLAND, OREGON, ACCOMPANIED BY DICK HOFFLIN, YEAR 2000 PROJECT MANAGER**

Ms. KATZ. Senator, good afternoon, and it is nice to have you back.

Senator SMITH. It is nice to be back.

Ms. KATZ. Would it be all right if I called my expert from the city of Portland, Dick Hofland?

Senator SMITH. Of course.

Ms. KATZ. Thank you. I can operate the e-mail, but I am not sure I can explain all the intricate details if you have any questions.

Senator SMITH. OK.

Ms. KATZ. You have a copy of our draft plan and the analysis that was prepared by Mr. Hofland and the progress of all of our bureaus and departments. That will be updated, and we will forward that to you as soon as it is completed.

The situation that is facing us at the local level, the phone calls and e-mails and letters certainly represent the fact that there is a lot of misinformation. There are a lot of rumors. There are a lot of

predictions. There is also speculations about a total social breakdown, a lot of concerned citizens, and my fear is that whatever paranoia and panic is out there could increase if we don't do what you are doing here this afternoon and if we don't pass along the hard work of our State government as well as the Federal Government and local municipalities.

I see the role of the largest city in this State is to be prepared to err on the side of caution to safeguard the community. We do an annual survey of all of our citizens, and we found to the question, Are you prepared if there would be a natural disaster?—we were really referencing floods and volcanic eruptions and earthquakes. And we discovered that more than 50 percent of the citizens in the city of Portland are not prepared, don't know what to do. So I see this as a wonderful opportunity to prepare for an emergency. That doesn't mean that it will happen, but there is always the possibility. It is like buying fire insurance or car insurance or life insurance. Be prepared just in case.

Senator SMITH. That is good advice, with or without Y2K, isn't it?

Ms. KATZ. Exactly. And so we see this as our opportunity to educate citizens about what their responsibility is in the community, not only to prepare their families but to prepare their neighbors.

What we want to share with the citizens is the kind of contingency plans we are making in the city, to explain to them the fact that there probably won't be any problems with getting their funds out of the ATM machines, or when they switch on the light, the light will be there, when they turn on their gas or electric stove, the power will be there to heat their food.

We also want to tell our citizens what they can do for themselves, and many of our citizens have already exhibited the willingness to help their neighbors in time of natural disasters and what they can do with the community and for the community.

They expect us, the local leaders, the people that are on the line, to show that kind of leadership in responding to whatever may or may not happen, and they will hold us accountable. So it is very nice to hear that the State and the Federal Government are our partners in this because we can't do it ourselves.

We have analyzed what we need to do in all of our service areas, specifically 911 and communications, our public safety needs, both fire and emergency medical needs, police needs, our water and sewage systems, traffic signals, street lights, our own financial systems, and whether our vendors are ready. With Mr. Hofland's help, we are following a rigorous project management review. We have told all the bureaus that I am going to hold them accountable, and I have told my city council that I will hold their commissioners and their bureaus accountable to make sure that we are all Y2K compliant.

It is important, though, that our private partners do the same. It is important that our county, State, and Federal partners continue that kind of same work plan.

What is next for us? We have worked hard internally. There is still work to be done. Mr. Hofland can tell you when we think we will be ready with all of our systems and have all the back-up systems prepared and ready to go.

But what we now want to do is go out into the community. We have citizens who are ready to receive the information and, quite frankly, I have spent a couple of days on the Internet, and there isn't very much there yet that will calm people and will provide them the information they need. So I hope that we will be able to produce that work as well.

We will distribute materials to every household—I hope we can do it more than once—and discuss with them in the event of a potential interruption of service. We will use the existing community infrastructure to reinforce our message—churches, schools, our 92 neighborhood associations, and our global action plan partners who we have already contracted on environmental issues to work with families and train them, who will then train others, to discuss and to plan what they can do on January 1, or before January 1 to get ready for January 1, 2000.

We will then coordinate with other governments to clearly understand where their vulnerabilities are, as well as our utility companies, our telephone, cellular, and page services, our emergency management teams, public safety medical services, and our financial institutions.

Our message will be the following: This is how our infrastructure works, this is how technology is involved in the workings of the infrastructure, so they clearly understand the nexus between the service we provide and the technology bug that we have been talking about for years and years.

We will discuss with them what happens if something fails. We will also tell them that we are testing all of our systems, and we will fix them before our deadline. And we continue sharing with them the status of our work.

What still needs to be done is understand where our partners are: the port, our metro government, the county, and the State. We need to also take a look at existing emergency plans and see if they are enough or do we need to build contingency plans. We need to decide what our workforce needs are going to be for December 31. I know where I am going to be. I will be at the emergency center, but we need to make sure what message we send to our workforce.

We will be conducting city Y2K simulation drills in April, and my hope is that we also invite the media to come along so that they can provide that information to our citizens that things are OK, because I fear, just like the Governor fears, that the media could be either a very important help or a problem.

We will complete our materials that we want to distribute to the community. We will create a Web page on Y2K readiness. And it is my intent to call the media together and ask them to be partners with us and help us share the information that we have developed with the rest of the community as well as with the rest of the State.

We will be ready. Thank you.

Senator SMITH. Thank you, Ms. Mayor. We appreciate all that you are doing. It is a remarkable story that Portland is developing.

I wonder if in your contact with other cities in Oregon, do you find an equal sense of urgency and efforts being done to prepare? I mean, you can't speak for them, but does it give you confidence that local officials take this seriously and are taking steps to fix it?

Ms. KATZ. Quite honestly, it is uneven. In the last two conferences with mayors, other issues have been discussed, some discussion on Y2K. There are some communities that have experienced natural disasters that are taking this very seriously and see this, especially in California, northern California, see this as an opportunity to educate their citizens and get them ready for the 72 hours, which is the norm for emergency services.

Senator SMITH. I appreciate that response. I think it points out one of the vulnerabilities in all of this, simply that our whole system is interconnected, and it is no stronger than the weakest link. And so that is why it behooves everyone with a public responsibility to help their neighbor here, whether that is a city or a county or the State or the Federal Government.

I hope, Vera, that you will not be shy about pointing out areas where you think the Federal Government is missing in its contacts with you on this issue, or any other, for that matter.

Ms. KATZ. Nobody has ever accused me of being shy. [Laughter.]

Senator SMITH. I certainly wouldn't begin.

Ms. KATZ. I will be more than happy to do that. One of the things that I always like to look for are best practices. Some communities are giving the local municipalities as well as the State report cards, some kind of measurement to share with the community. There may be other examples of best practices around the State. It would be nice if that information would be available to the Federal Government as well. And the only thing that I would urge you to do is make sure that the Federal Government is ready so that recipients of Medicaid and Social Security and our electric grids are functioning so that major disruptions don't occur.

Senator SMITH. Thank you so much.

Speaking of electric grids, I guess we should hear from Joan Smith now, unless you have something you want to add to what the mayor said.

Mr. HOFLAND. For the record, I am Dick Hofland. I am the Year 2000 project manager for city of Portland.

The testimony offered thus far from Governor Kitzhaber and Don Mazziotti, of course, and for sure Mayor Katz, I just need to amplify that. The story you are getting here is that a lot of responsible people in responsible organizations are doing a lot of work on this stuff. This isn't something that has just come up on our view screen. All of us, I think, in these organizations, have been spending a lot of time on it, and it is now time to give the public more access to the information about why it is we feel content.

We don't feel content just because that is the way we want to feel. We have a base of information that causes us to feel that way. It is now our job to make sure we communicate that well to the public so that they, too, can share in that contentment.

Senator SMITH. Well said. Thank you both very much.

[The prepared statement of Ms. Katz can be found in the appendix.]

Senator SMITH. Joan, we welcome you, and thank you for participating. Obviously, if we don't have energy, we don't have jobs or the ability to have light at night or heat in the winter. So we are anxious to hear how our electrical and other services will fare under Y2K.

**STATEMENT OF JOAN H. SMITH, COMMISSIONER, PUBLIC  
UTILITY COMMISSION OF OREGON**

Ms. SMITH. Thank you, Senator. Good afternoon. I am Joan Smith from the Public Utility Commission of Oregon, and we really appreciate the opportunity to get this story out as well.

If our utilities ignore the Y2K problem, we could have a major crisis on our hands. They haven't, and we won't.

OPUC staff began discussions with investor-owned energy companies about 2 years ago, and those companies include Portland General Electric, Pacific Power and Light, Idaho Power, the gas companies Northwest Natural, Cascade Natural Gas, and WP Natural Gas. And over a year ago, we began discussions with the investor-owned telecommunications and water utilities, and the telecommunications utilities include U.S. West, BTE, Century Tel, Sprint United, and 30 smaller companies.

The commission has held three special public meetings to review reports and discuss progress toward Y2K remediation with all the companies. We have also invited the Bonneville Power Administration, the Western States Coordinating Council, which, as you know, is the grid assurance outfit in the West, and the interstate natural gas pipelines serving Oregon. Those pipelines are Williams, Northwest Pipeline, and PG&E Transmission Services.

The commission tracks and evaluates the utilities' testing, remediation, customer education, and business continuation plans. Water utilities are not computer-dependent, by and large, and are not expected to encounter difficulties, except, as you noted, if there are troubles with the electric grid. We have invited publicly owned utilities to participate in our Y2K process and share information with us, if they wish. And they have.

The PUD's—we have heard from the People's Utility Districts—say that they can deliver power and communications to their customers as long as they receive it upstream.

To my testimony I have attached a report from January 1999. This is the kind of summary report we have been putting out based on the information we get from the utilities. There is a page for each system. There is a gas utility, electric utility, and telecommunications. And if you and the audience want to see specifically how folks are doing, all they have to do is look down and they will see the dates when we have expectations of things being done, and things that have already been completed are on the list.

But we do have a schedule going into the future as well. Three items. We have asked the utilities to coordinate customer education in two phases, that is, coordinate utilities-wide, no matter whether it is electric, telephone, or natural gas, and the first phase of that coordination will end in June and the second in October.

I must point out that many utilities are way ahead of that. PGE sent out a bill stuffer in September and another one in January. I think they are excellent. And the other utilities have done that or are going to do that shortly.

To date, all utilities have made significant useful efforts, and for their larger customers, they have been in personal contact.

PGE, as I mentioned, has used the monthly bills, and as I also said, everybody is going to do that if they haven't already. All these companies have Y2K Web sites that can be accessed through the

commission's own Web site. We keep our reports up on the Web site and notices of our next meetings on Y2K on that Web site. I will mention it, but if anybody wants to know it, I would be glad to tell them afterwards. Our Web site is [www.puc.state.or.us](http://www.puc.state.or.us).

All of the final testing results are due at the commission by March 1st, and continuation of business reports are due in the spring quarterly report. We will probably have a meeting on that sometime in April or early May.

If you look at the matrix, you will find that virtually every company that we know of and that we have worked with should be done with about everything no later than August. And if things are going south by August or July, we will know that, and there will be time to fix it.

Customer preparedness. Each utility has committed significant resources to Y2K issues. Utility reports suggest that it is highly unlikely that there will be any disruption of services, unless, of course, the New Year's holiday is accompanied by severe wind or ice storms. Utilities have begun to advise their customers that their Y2K plans should be similar to those that they might make for a plan for a winter storm, and I think you have heard a little bit about that already. As a consequence, customers should check that whatever emergency preparations they usually have in place for such events are in place. And as Mayor Katz said, watching out for your neighbors and helping neighbors is always a good idea. But we in Oregon are used to wind, rain, floods, and ice storms.

What government actions are going on or should go on? The PUC has taken a collaborative approach and found excellent cooperation among all the utilities. We have neither the authority nor the resources to certify Y2K programs, nor should we. We thought at first we might want to go ahead and do that, but we were advised early on—back in 1997, I believe—that by certifying we were putting the Good Housekeeping Seal of Approval on and, therefore, opening not only the utilities up but ourselves as well to all sorts of litigation.

We recommend that the legislature and the Congress take whatever steps are necessary to reduce Y2K liability exposure for utilities and for their vendors and for their downstream customers. The "Good Sam" law that was passed in the last session of the Congress helps. In fact, that made things speed up significantly. The SEC's requirement for Y2K readiness reports is also helpful.

But the fear of litigation can be a very real barrier to keeping Y2K solutions on track. I would recommend that the Congress and anyone else who keeps track of these things, especially your committee, Senator Smith, check back about June 1999 with all of us. And if anything is going wrong, we will know it by then, and there will also be time to fix it.

Finally, public leaders, like Mayor Katz and the Governor and you, should use the bully pulpit to inform, educate, prepare, and assure constituents that the Apocalypse is not arriving along with the new millennium.

Senator SMITH. Thank you, Joan.

Can you tell me, are there any legal or regulatory impediments that are in your way federally that we need to get out of the way?

Ms. SMITH. None.

Senator SMITH. OK.

Ms. SMITH. And I might point out that the FCC and the FERC have been very active using their bully pulpits as well in coordinating the interstate energy services and interstate communications. I would point out that communications especially has been very, very active in making sure 95 percent of their systems are where they need to be with Belcor's help.

Senator SMITH. Very good. Do you notice any difference in small versus large utilities focusing on this and preparing for this? Do small ones lack funds and, therefore, are lagging behind?

Ms. SMITH. We don't find that any utility lacks funds to remediate Y2K problems. However, we were initially very concerned that some of the smaller telephone companies were not progressing or were as aware as they might have been with the problem. But I suspect and I expect, by the second quarter of this year and no later than the third quarter, that all of their systems should be Y2K ready. They were just a little bit slower off the mark.

Senator SMITH. Could you say at this point that electricity versus gas versus telecommunications, is there some part of what you oversee that is weaker than another part at this point?

Ms. SMITH. I can't say that any is weaker than another, but gas is a more mechanical utility and is the least likely of the three to have computer-generated problems.

Telecommunications, since things are changing so quickly, except, as Don pointed out, with the switches that need to be removed in the State, most utilities themselves have very state-of-the-art equipment because that is how they will compete. It is entities like the State that own some fairly old stuff that are most at risk, but the utilities themselves are much less at risk.

Finally, electricity is probably the No. 1 thing to watch. If electric power is there, most of the rest of this is not as worrisome.

Ever since the blackout in 1968 in New York, there has been nationwide a Reliability Council, and it has divided the country up into a number of regions. Ours is the Western States. And that council, its utilities, public and private, have for years made the reliability of the grid their first priority.

This is no different. As someone just said, it may not be weather this time or trees falling on lines. It may be something computer-related. But they do have ways to choke off that piece of the grid and bypass it and still deliver electricity, and that goes for Bonneville as being a key player in the grid as well.

Senator SMITH. And they give me assurance, and I assume you, too, that they are on top of this and they are going to be OK.

Ms. SMITH. And, remember, hydro is a pretty old-fashioned technology, and they are planning to use hydro resources here for back-up.

Senator SMITH. Well, I think we would find out—should there be a problem, we would find out what dam removal really means to this State. [Laughter.]

Senator SMITH. And it doesn't mean good things, folks.

Ms. SMITH. It doesn't mean good things.

Senator SMITH. I wonder, Joan, if you can give assurance to the people that if—and I really do focus this on you because you are at ground zero on Y2K. If you lose energy, you pretty much begin

losing it all. If everything checks out September 1, or when we check back with you in July and you say OK, are you going to still take some precautionary measures to get at this if there is an embedded chip somewhere along the line that you can quickly correct it? Are you going to have forces and resources in play to respond quickly?

Ms. SMITH. Each utility—the answer is yes. Each utility and the commissions, especially in this region but throughout the country, all have Y2K working groups, teams. They are used to being in touch on a daily basis. If we see anything that looks problematic in the summer, of course, there will be heightened attention. But we are not just going to say, gosh, I think everything looks good, we will get back to you about Thanksgiving and hope for the best.

Our first test will probably be September 9, 1999. Some people fear that 9/9/99 is the date. But we will be——

Senator SMITH. Isn't that in the Bible somewhere? Just kidding. [Laughter.]

Ms. SMITH. Well, I mentioned the Apocalypse, but I wasn't going to go for Revelations.

We will be in constant contact. No one wants to leave anything to chance in this regard. And our history of cooperation throughout the region and throughout the country in reliability will have stood us well in that regard.

Senator SMITH. You have been very helpful, and thank you very much.

[The prepared statement of Ms. Smith can be found in the appendix.]

Senator SMITH. With that, we will call up our next panel, and our next panel consists of Ms. Myra Lee, director of the Office of Emergency Management; Ms. Adella Martell, executive director of the American Red Cross; Mr. Roger Harris, the controller for KOB-TV in Medford. We welcome you all.

We will begin with Ms. Lee.

**STATEMENT OF MYRA THOMPSON LEE, DIRECTOR, OFFICE OF EMERGENCY MANAGEMENT**

Ms. LEE. Thank you. Good afternoon, Senator Smith. For the record, I am Myra Thompson Lee. I am the director of Oregon State Police Office of Emergency Management, and I am really pleased to be here today to provide you with an overview of our agency and also some of the activities that have been occurring related to the Y2K problem.

This issue has had a significant impact on the State and local agencies as well. It has given rise to many concerns about the communications and electronic systems and power source, and most of those questions have been answered and are continuing to be answered as we go along. A lot of the routine work efforts of agencies have been redirected to be able to deal with this issue and to mitigate any potential consequences that we can identify of what may happen.

The Oregon State Police is following the risk management guidelines for business continuation planning. Contingency plans for all of the division within the department are being consolidated into a single plan, and those will be centralized in a Y2K project file.

The process includes mission-critical systems that have already been identified by the Department of Administrative Services. The business continuation plans for these functions will be completed this month, and those for the non-critical systems will be completed in June of this year. So things are moving along very well.

Oregon Emergency Management is a division of the Department of State Police, the Intergovernmental Services Bureau. The department as a whole has taken this very, very seriously. The diverse services provided by this department are critical to the safety of the citizens of Oregon, and they must be viable at all times. They are not things that we can just let drop. They have to be there.

The role of the division is to coordinate the consequence management planning activities by providing technical assistance and consultative services. These activities include providing training on developing consequence management plans and developing exercises to test those plans.

There is a difference between business continuity planning and consequence management planning. As Don Mazziotti indicated, the business continuity plans are really for working around a lot of the technical problems. Consequence management plans are those plans developed to actually deal with the impacts on people if services aren't there. The ones that we are most concerned about are those that if the services weren't there, a life-threatening situation could occur. So that is where a lot of our efforts are going, to develop plans to deal with those.

We are one agency in the State that uses an emergency operations plan probably most of the time. That is unlike most of the other State agencies, which is probably good. But that will serve both as our business continuation and our consequence management plan.

Our emergency operations plan is constantly being reviewed and updated. It is just a living document, we work on it all the time. When we make improvements in the system, then we enhance our plan and continue to change it so it meets the needs.

Emergency coordination and operations are primary functions. We would, in fact, be able to operate the State's Emergency Coordination Center even under emergency conditions with limited capabilities.

The communications and other electronic systems in OEM are Y2K ready. If they fail for some reason, we do have procedures to utilize all available means to communicate among the various agencies. Certainly one of the things that we do is to congregate key agencies in the Emergency Coordination Center at any time that a major emergency happens, and we communicate face to face. If it got down to that, we would be hand-delivering messages to people, but we do not think that the systems are going to be in that kind of shape.

There would be really little difference between this and other emergency situations in which similar conditions exist. If there were a winter storm that is as severe as some of the ones that we get, it could cause exactly the same kinds of things that we would encounter for Y2K. So it doesn't really matter whether we have an outage related to a storm of some kind or Y2K. It is an outage, and

it is something that people have to deal with. In this particular case, it would be an outage during the middle of winter, and we have already had those kinds of situations in the past as well.

All of our technologies have either been proven or certified as Y2K operational. We can provide some communications and coordination activities in the absence of any support from telephone and power company utilities, and we have a wide variety of radio services to be able to work with.

As far as external utility threats, we do not believe them to be very likely with all of the information that we have been able to glean from the utility and telecommunications companies. And, again, if we have other systems that are affected, we have back-up systems to take their place.

The National Guard has also completed the required internal and external threat assessments, and they have identified all the computers and computer applications and facilities that have some type of embedded chip problem. They are in the process of fixing those that they have found need to be fixed. At this point, none of the items that are affected by Y2K and the Guard will degrade their ability to provide essential service. They will be able to do that.

All of the units of the Guard are ensuring that their radio systems are functional, and they have radios in the armories; and while they still have a few gaps there, they are going to have those filled in the next 60 days.

The National Guard does have a plan that can and will be adjusted based upon current events or needs which are presented, and all planning activities are routinely coordinated between our agency and their agency. So we don't have any doubt that we will be able to function well together.

Again, I think the thing to stress, particularly in a situation where people do anticipate the Guard to be ready and available for response, is that they would respond in exactly the same manner that they do currently for any major disaster. It wouldn't change. We follow the same process, and they are very available to us now. We would continue to be ready in this event. We will all be on standby. We will all have our facilities open. So we are going to be ready to go.

Senator SMITH. So Y2K is factored into the Guard's preparation?

Ms. LEE. Absolutely. Absolutely.

Senator SMITH. Could I ask you on that issue—there is a rumor on the Internet right now that the Federal Government plans to impose martial law in response to Y2K breakdowns. I am wondering, how do you respond to such things?

Ms. LEE. Well, that is a myth that has been around for so long I don't respond to it much anymore. We have seen and heard those kinds of things for many, many years. Unless there is something happening that we don't know about, we certainly don't believe that that is a possibility, and it is not their purpose.

Senator SMITH. Well, if there is, it is news to this Senator.

Ms. LEE. Yes. They are here to serve the citizens of their State, and that is what they do, and they do it extremely well.

In coordination with other efforts of the Oregon Year 2000 Project Office, OEM is the lead for activities related to the con-

sequence management, and we fully support all of the activities of Don Mazziotti and his staff on taking care of the other issues related to Y2K.

We have developed and conducted five of 6 day-long training sessions on consequence management, and this two-part training provides a methodology and assistance for the development of agency plans as well as guidance for the development of exercises to test those plans. To date, we have trained 194 mid- and upper-level management personnel. We have stressed that the management personnel are the ones that need to be involved in this because they need to understand the total impact of what could happen if systems did go down, and they need to be ready to deal with how their agency is going to handle that.

The planning phase for State agencies is expected to be completed by July 1, and the plans will focus on the specific life/safety-threatening consequences that could occur if the systems fail or are disrupted in some way. Each agency will identify the consequences that could occur for the people that they serve, and they will develop their plans around what they identify those impacts would be.

OEM cannot develop the individual agency plans. We can coordinate their activities. We can provide guidance and consult with them, and we can help train them. But every agency has the specific expertise that they need in-house to be able to develop those plans.

We do expect that all of the mission-critical agencies will develop their consequence management plan and exercise it within the next few months. We also are planning—in June of this year that Don Mazziotti and I will be working with the Governor's Cabinet and conducting a table-top exercise. And that is really to get at additional policy issues that maybe we have overlooked for some reason. So we are looking forward to that.

In addition to that, we are working with FEMA on the planning activities and coordination activities that they have underway, and there will be a regional meeting in March in the Seattle area that will bring a lot of the State and Federal agencies together.

Senator SMITH. Myra, are you satisfied with FEMA's efforts and contingency plans?

Ms. LEE. I think they are doing very well. They have involved a lot of the State agencies, State emergency management agencies in that effort, and they have taken to heart our concerns and our expressions of modifications that they need to make. And we will continue to work with them.

We don't think that what is available right now is all that needs to be available. They have been very open to working with us and making sure that they are being able to provide what we need.

Senator SMITH. Would you alert me if they cease being open?

Ms. LEE. I certainly will. We have not had that problem.

Senator SMITH. I would appreciate that.

Ms. LEE. I will do that.

Many of the other State agencies that are key to our operation also are very active, and there is the Office of Energy, the Health Division, Department of Agriculture. The Department of Transportation is very aggressively seeking to make sure they do not have

problems, and they are very good about developing plans to deal with emergency situations. They will also be testing their plans during this summer. So those are all very good signs. They do this really on a regular basis as well. They keep their emergency capabilities right at top-notch.

Local government, as you heard, is in various stages of this, and we will be providing guidance to them, and also trying to find resources that they believe that they might need ahead of time and making sure that they can reduce any potential impacts that they might have.

We do not have a good assessment yet of how far along their consequence management plans are, but we do anticipate that we will know by early summer about where they stand on that.

One of the things that I do want to address, too, is that in all of this there really is a personal responsibility for everybody, every person. The millennium bug problem is well-known around the globe. It is probably one of the better known hazards, if you want to call it that. And there is more information available from more sources than probably any other of the hazards that we have to deal with. So there is information readily available to help them in their individual and family planning and agencies that are also very willing to help with that.

It is really incumbent upon every person to prepare themselves and their families and their friends for any of these possible impacts. There is plenty of time to do that. There is lots of good information. It is not expensive to do that.

Each family, each individual needs to take the time to identify what they believe to be important and prudent for their safety and what they think they need in the way of provisions and to start getting ready for that. We would really like to see that stressed as much as possible.

All of us, individuals and families, whether we work for government or whether we work for business, we all need to take that step and make sure that we are individually prepared for these things.

The fact that an emergency might occur that could be related to a Y2K problem is really no more relevant than an emergency caused by anything else. You have the same types of things to deal with. And if people are prepared, then they will not have to depend upon emergency services—community services, that might not be available as soon as they need them. So we hope that people will take that to heart and be ready for this.

Oregon is very aggressively addressing this issue and has made great strides in determining their overall capability for emergency and disaster response. The Y2K problems presents some unique conditions that have already provided tremendous opportunities for us to ensure general readiness of government, businesses, and the public, and this can only be good for the State as a whole and ultimately for the Nation.

If you have any questions, I would be happy to answer them.

Senator SMITH. You have answered them all. I thank you very much, Myra, for your presentation.

[The prepared statement of Ms. Lee can be found in the appendix.]

Senator SMITH. Adella, please, tell us whether the Red Cross is going to be ready.

**STATEMENT OF ADELLA MARTELL, EXECUTIVE DIRECTOR,  
OREGON TRAIL CHAPTER, AMERICAN RED CROSS**

Ms. MARTELL. Well, everything Myra said I would like to reiterate.

My name is Adella Martell. I am executive director of the Oregon Trail Chapter of the American Red Cross. I am going to speak today on behalf of all of the Red Cross chapters in the State of Oregon.

With all the talk about Y2K, the American Red Cross programs in community education and preparedness have become very visible. Our challenge, like everyone else's here today, is that the effect is unknown. So it runs from annoyance to Armageddon and everywhere in between.

Like everyone else, we can't predict the future. But we do know our mission. And we are using Y2K as an opportunity to further that mission, which is to help individuals prevent, prepare for, and respond to emergencies. And I want to share my comments in that context and talk about Red Cross response plans, our preparedness activities, and, finally, just make a couple of recommendations.

For more than 120 years, the Red Cross has responded to disasters. We have heard about them here today—floods and earthquakes and wind storms and fires—and all of those caused major disruptions in people's lives, and they caused major disruptions in the delivery of services to the community. Red Cross delivers disaster services in three stages.

The first is called emergency mass care, and that is, immediately after a disaster, Red Cross provides immediate needs for large groups of disaster-affected people, including emergency shelter, food, medicine, and first aid.

Then beyond that, say within several days of an emergency, we expand our service to include emergency assistance to individuals and families. This is in an attempt to get people back to their normal life, so it may include temporary housing, groceries, new clothing, emergency home repairs, transportation, basic household items, medicine, and tools.

Finally, we step in for long-term recovery for individuals and families when all other sources, such as insurance benefits and Government assistance, are not available or adequate to meet disaster-related needs.

We don't do this in a vacuum. We maintain collaborative relationships with emergency management, other officials, and other social service agencies. It is a large network that we work within.

I am giving you this as background because our response planning for Y2K is the same as our planning for other disaster events. As in every emergency, we also encourage families to prepare to take care of themselves for at least 72 hours. We have a name for this. We call it sheltering in place. In the event of prolonged disruptions, Red Cross is prepared to open what we assume at this point would be warming shelters. And as we always do, Red Cross chapters have prepositioned disaster supplies and sheltering supplies throughout the State.

Importantly, we continue to build our numbers of volunteer responders. We are working with local organizations such as churches, businesses, and other organizations to increase the number of available trained volunteers.

A lot has been said in this line, and I am going to get sort of specific about preparedness.

We believe that the first and best line of defense is individual and family preparedness. The best way communities can recover is when individuals are ready to take care of themselves. Because of the concern over Y2K, we have stepped up our community education efforts to meet the demand for relevant, practical preparedness information. Chapters in the State are educating community members on how to prepare for and stay safe in any kind of emergency, including Y2K-related events.

We brought two documents with us today. One is specific to Y2K. The other is called "Before Disaster Strikes." And everyone has said be prepared. This says how to be prepared for families and individuals.

Our key message in these publications and elsewhere is that individuals and families can control their own level of preparedness to respond and cope with any emergency.

The Y2K issue has been used to hype news coverage. We have heard this a couple of times today, and as a result, people are starting to panic and prepare sort of for the end of time. We get calls every single day from people who absolutely do not know what to do. We believe this is the worst thing that they can do. Our long experience tells us that general home preparedness, outlined in our printed materials, should be enough to support families during any service interruption or disruption. And I have just a couple of recommendations, having been asked, always willing to comply.

We find that in any emergency situation, the most vulnerable populations are at the greatest risk. Additional attention and resources need to be directed to programs that assist the elderly, disabled, and other special needs populations in their preparedness activities. I am talking specifically about group homes, adult foster care, subsidized or other assisted living facilities.

Second, I think that there needs to be a stronger effort to coordinate activities between the many organizations that are planning for response. Everyone needs to understand their own relationships in these circumstances to one another—agencies, municipalities, cities, States, counties.

Finally, Joan said it before me, but all government agencies need to make a concerted effort to reassure the public that by working together everyone can survive Y2K or any other disaster.

Preparedness is the key, and as you get to the end of this hearing, you keep hearing it and hearing it. But prepare yourself, prepare your family, help prepare your neighborhood, and then look around your community and volunteer to help somewhere else. It is not difficult, and we know that the results of small efforts make a tremendous difference on the other ends of any big disaster.

As I said when I started, the Red Cross knows our mission and will fulfill our mission. But we want everyone to know what they can do to help themselves prevent, prepare for, and respond to emergencies.

Senator SMITH. Adella, I appreciate your testimony very much. I wonder as you think of preparedness, while you don't speak for the medical community, you clearly have an overlay with the medical community, doctors and hospitals. do you have any fear that they will be ready in a Y2K sense?

Ms. MARTELL. My sense is that they will be ready because they are the institutions that participate regularly in large-scale planning exercises for back-up power generation, evacuation, and helping their patients. I think they are very alert and in tune and ready.

Senator SMITH. At this point you have alerted us to be careful with the elderly, disabled, special needs communities. Is enough being done in those small business sectors, large business sectors that service these people that we need to redouble our efforts to the most vulnerable?

Ms. MARTELL. I think that would be a very good idea. I think that there are a lot of small activities going on in group homes where people are receiving medical attention and oxygen and other things where not just Y2K but any large power outage situation or ice storm or anything like that has a tremendously exaggerated impact on those people.

Senator SMITH. I know we are all trying to foster responsible responses to this, and I am told that the Red Cross put out one of its things to be prepared to buy gas on New Year's Eve and then withdrew that publication. Do you know anything about that? Was that thought better of after it went out?

Ms. MARTELL. I think that the message was that you should have gas in your car.

Senator SMITH. That is a good idea.

Ms. MARTELL. Probably the message was don't wait until New Year's Eve.

Senator SMITH. All right. Well, thank you very much. I appreciate your testimony.

[The prepared statement of Ms. Martell can be found in the appendix.]

Senator SMITH. Roger, good to see you again.

#### **STATEMENT OF ROGER HARRIS, KOBI-TV, MEDFORD, OREGON**

Mr. HARRIS. Thank you, Senator, and thanks for letting me come here to testify.

My name is Roger Harris. I am with KOBI television in Medford, Oregon, and I am going to speak to the potential impact and the role of the news media, specifically the broadcast news media, although I feel many of my points I will make would apply to print, radio, and all forms of news media.

The first question I am going to address is the potential impact of the news media on public perception about the Y2K problem. I contend the broadcast news media has had a tremendous impact on the broadcast perception as to the magnitude of the Y2K problem. But we are already seeing the tenor of many of these stories be changing right now.

About a year and a half ago, a lot of the real extreme preparedness people got a lot of news, and that is still happening. But that is changing, and I will use an example. We are an affiliate of the

NBC network, and we are in the process right now of running a two-part news series regarding Y2K. And I found it very interesting. The first part deals with people who are at different levels of preparedness from moderate to extreme. The second part talks about all the people who are planning these exotic trips, flying, cruises, et cetera, because they feel that this New Year's of the year 2000 is a one-time event and they want to have something special, and the travel agencies are actually overbooked in many places, which I found kind of fascinating.

The "sky is falling" type stories that started at first did serve a purpose, and the public became very energized and concerned, and the private business sector responds to public demand much as elected officials. And I would say that right now we are hearing from both government and private businesses who have stated here today that positive strides are being reported toward Y2K compliance activities, and many of the first thoughts, fears, probably will not come to pass.

For the news media, the most important element is the availability of information so that we can disseminate the process and progress toward Y2K compliance. As January 1, 2000, gets closer, it will be vitally important for providers of vital services to continue to be open and honest in regards to what the public should expect. Misinformation will be quickly discovered come New Year's Day.

I would summarize as far as the potential impact of the news media on this issue. It will be dictated by two issues: the commitment and the discipline of the news-gathering organizations to cover the facts; and, second, the ability to receive timely and accurate information from providers of vital services.

The second point, the role of the news media in Y2K emergency preparedness within local communities. I said in my statement that broadcasters have two responsibilities in Y2K emergency preparedness. The first is a broadcaster must be Y2K compliant to be able to react should it be necessary after New Year's Eve the year 2000—like every entity, we all have to be compliant ourselves before we can help any others—and also must cover stories which are of import to our communities. There may be specific issues, and we must be diligent in covering the ones that are the most important to our communities. But I would state that the role will be limited by the information that is available and the validity of the information.

The news media responds to emergency situations. When early warnings are available, preparation can be effected that will improve the coverage and information as the emergency unfolds. And this, of course, will lessen the impact of any emergency.

The type of activity that broadcasters can provide as far as dissemination of information and options has been demonstrated many times in the course of natural disasters, such as floods and hurricanes, and others have addressed this often today also, that should something come, it will be much like any other emergency needs we have had before.

Specifically regarding Y2K, information, or the lack thereof, will drive the emergency preparedness in the broadcast news media. One example would be if a local power company were to report,

say, for some reason there was some small area—I will use that analogy—was going to have a power outage, brief, what have you, Y2K or otherwise, the news media is able to gather information, what options, are there going to be churches or armories available for these people to move into. But the important thing is that if a situation is known, we must know it beforehand before we can really help the public in this regard.

Conversely, an information vacuum would create a significantly different story. If we do not receive information from Federal or State agencies of concern, Social Security, different State agencies, power companies, if we are unable to report the status toward Y2K compliance, that will become a story in itself, the lack of information. And I contend this is a dangerous situation. It was the lack of information that started some of the more threatening stories initially.

Finally, the potential role of broadcast news media in facilitating communications to the public in the event of Y2K-related problems. Broadcasters have repeatedly demonstrated the ability and willingness to facilitate communications to the public. It is actually what broadcasters do best. If we think of most natural disasters, we have learned a lot about it through TV. It would be difficult for me to state specific applications at this time for a number of reasons. The analogy I use is that we are like watching an approaching hurricane. We prepare for what may be the worst. We are prudent, and we prepare for it. But if it hits, hopefully we are prepared, but if it doesn't and sails off to sea, it is kind of an interesting non-event. So I can't really say this is exactly what broadcast news can do.

Rest assured, though, that broadcasters are well prepared to react, if necessary, and will if we have the information. We are more than willing as broadcasters to provide the necessary information to our respective communities. We have a social contract between the communities that is constantly open to scrutiny.

I can't reiterate enough that news reacts to information or lack of it when it comes to something like this. And we have heard from different people the concern on how the media will respond to the Y2K issue. Well, we just need a steady stream of good, solid, open information, good and bad. That is the only way we can really serve the communities. And that is what I would like to leave with you, is anything that you could help do to ensure that open, honest communication remains available to the public and the news media, that is where we can serve the best.

As far as steps, I was asked to make a couple suggestions. The first step is every entity, government or private, must ensure they are Y2K compliant. Open and honest information. The truth will be very visible January 1, 2000. Monitor government and non-government compliance activities, prepare contingency plans, and also make this information available.

Thank you.

Senator SMITH. Roger, there is news, and then there is tabloid news. I wonder if you would critique your own station. Are you news or tabloid on this issue?

Mr. HARRIS. On this issue?

Senator SMITH. Yes.

Mr. HARRIS. I would say it is news. We have covered information. We have covered a couple of big gatherings of people that could be extremist, you know, buy a cabin out in the desert. But when there are a couple hundred people in a local community attending this, this is news.

Senator SMITH. Yes.

Mr. HARRIS. We didn't create this environment for them to come, but we did cover that. But we have gone a long ways toward having people on, power companies, officials of agencies, and we are running a lot of ongoing series trying to show both sides of this issue. And I believe the hype is coming down.

You know, Americans are pretty optimistic. I think we believe we are going to handle it and get by it. Sometimes we are at our best in bad situations. I fear for complacency in that regard.

Senator SMITH. I just hope peas grow after this year. [Laughter.]

Senator SMITH. I have asked you to be honest critiquing your station. Let me give you a shot at your competitors. Are there some out there that you think border on the tabloid? You may not want to identify them, or you may.

Mr. HARRIS. Well, on a local news basis, I see primarily just the local stations, and they have been covering a lot—I mean, if it is news for us, typically it is news for them. There have been some specific maybe syndicated programs that have been somewhat on the tabloid side. But there is a lot of following for this.

Senator SMITH. Oh, there is.

Mr. HARRIS. I mean, I really sat down and thought about this, and I thought it is not a case of people making this news up. These activities are taking place. And without the lack of information such as has been disseminated here today and the statements of preparedness, those sorts of fear-driven activities will only get larger.

Senator SMITH. Thank you. You have been very helpful. All of you, I am grateful for your participation today.

[The prepared statement of Mr. Harris can be found in the appendix.]

Senator SMITH. We do have some time left. There may be some who have come who have a strong feeling and would like to make a comment for this Federal record we are creating. I would invite you to come up. We are going to call it off at 3:15. We will have to call it off, but we are delighted that you are here. We would ask that you state your name and where you are from in Oregon and your feelings about this.

**STATEMENT OF SHERRY PATTERSON, DIRECTOR, OREGON  
EARTHQUAKE PREPAREDNESS NETWORK**

Ms. PATTERSON. Senator, thank you for having us. I am Sherry Patterson. I am director of the Oregon Earthquake Preparedness Network, and I have been working on Y2K a long with additional multi-disaster emergency planning. I am also an elected water commissioner with a small water district, the River Grove Water District. I am not here representing the board, but I am here just as an individual expressing some concerns about the lack of oversight by the State for water districts.

The PUC oversights about eight small water districts, and other than that, when I contacted the Oregon State Water Resources Department to try and get some idea if they had any written guidelines on their minimum preparedness efforts for Y2K, they said virtually no, you are on your own. Fortunately, our water district does belong to the American Water Works Association, and this February issue has done a wonderful job on Y2K preparedness. Also, the American Water Utilities, Metropolitan Water Utilities, they both have Web sites.

But when I have been interviewing a lot of water operators throughout the State, my concern is this: that many of these operators do not belong to AWWA or the other professional groups. Many of them do not understand the necessity of even preparing for Y2K, let alone planning on contingencies. And it is the level of contingency planning that is really critical because most of us have enough water with our reservoirs that we can operate for a week or so. But after that, we need electricity to fill those reservoirs. Our water source is from two wells. So we are dependent on electricity to fill those wells.

I have been asking for an emergency generator for years now just as part of our earthquake preparedness, and they have always been putting it off because it is too expensive. With this Y2K issue, this is now more in the forefront, so we are now evaluating this. Water districts very much need financial assistance from the Federal Government for emergency preparedness items, and emergency generators are a very high ticket item. Even in order to install the ability to use an emergency generator, we are talking anywhere from \$15,000 to \$18,000 just to get a quick couplet set up.

One of my concerns also in helping the elderly is that they have not had the ability to have some additional medications that are critical to them because their medical insurance will not cover this. We need this, and individuals should be able to have a tax write-off for emergency preparedness, whether it is for flood or Y2K or earthquakes.

The other message is that in Y2K information, public information, there is a huge void in making sure that people secure their resources so that they are not lost if we have an earthquake and we have to deal with Y2K.

Senator SMITH. Thank you for your input. We are grateful to you.

Please, state your name, your organization, if you have one, and where you are from.

**STATEMENT OF LYNN PEABODY, PROGRAM MANAGER,  
GLOBAL ACTION PLAN FOR THE EARTH**

Ms. PEABODY. My name is Lynn Peabody, and I am the program manager for Global Action Plan for the Earth, which is the organization that is in contact with the city of Portland to assist in the neighborhood-based community preparedness plan for the city. And we are also in a position where Portland is the pilot project for what we would like to make available at a national level. We are a nonprofit organization that has been around for about 10 years, and we do community organizing at a level that is unparalleled in terms of actually moving people beyond just having the information and actually acting on it.

I realize that you are in a tricky position as a leader and a spokesman because, on the one hand, you want to absolutely reassure people that everything is being done to take care of potential breakdowns due to Y2K; on the other hand, what we could use at the city level is a level of legitimization that this is something, in fact, to prepare for. And that sort of leadership from the Federal level will go a long way to making our job easier to actually have people open to us knocking on their doors and inviting them to join a neighborhood team.

Senator SMITH. You stated our dilemma very well.

Ms. PEABODY. Yes.

Senator SMITH. It really is summed up. We are trying to urge that this is a legitimate problem. We are trying to say don't panic, set about preparing. And I think you are saying the same thing.

Ms. PEABODY. Very good. And the other piece in that is what we find is to communicate at the level of opportunity, which I hear a lot of in this room—and it is wonderful to hear; it makes me really proud to be a citizen of this State—is to present it as an opportunity way beyond year 2000; that as many people have said, it is just a good idea to be prepared should there be weather problems or economic fallout from Y2K or any of the other possible crises, environmental crises that we will be facing over the decades to come; that being prepared personally, but then also to have resilient communities that are in communication person to person and government to citizen is so key; and that that can be included in the message which will, in fact, inspire people not from a place of fear or panic, but, wow, we have an incredible opportunity here, and what are we going to do with it.

Senator SMITH. Thank you. Very helpful.

#### **STATEMENT OF CAROLYN PALMER, SPECIAL CONCERNS MINISTRIES**

Ms. PALMER. Carolyn Palmer, Special Concerns Ministries, and we deal with the elderly and disabled and low-income working families on different issues.

Y2K preparedness is certainly an issue that churches have been talking about, both preparedness for our buildings, in-home cell groups where we could have—moving people that have alternate heat sources.

There are three areas that maybe you can assist us with: how to reassure elderly and disabled that Social Security payments are really going to be in the mail come January 1, 2000.

Senator SMITH. I can tell you Social Security is, yes.

Ms. PALMER. OK.

Senator SMITH. It is yes now.

Ms. PALMER. You don't think there is going to be a glitch as far as down to the local banks?

Senator SMITH. I have asked a lot of anchors that question, and they tell me they are Y2K compliant. I already checked out my bank.

Ms. PALMER. I have been doing that, too.

Senator SMITH. I actually heard a horror story at lunch of a fellow who was told, you know, pull out some cash, and he pulled out \$30,000. Somebody knew he did it and robbed him. And so you may

think you are safe to pull it out. You may be just a lot less secure than you realize. So check with your bank and make sure you are comfortable with it. But some people are getting burned by responding to some of the alarmist messages that are not wise.

Ms. PALMER. Yes. Well, in connection with that, do you have particular advice, like how much cash a person should have? A month's income, say, to cover emergencies?

Senator SMITH. I think I would want you individually to make that choice. I would hate to be your financial advisor and be wrong. [Laughter.]

Ms. PALMER. Well, we were asking because we are trying to find a way from doomsday and a way from kind of smoke in the wind to a middle ground and recommendations. We feel responsible to make some kind of recommendation, but must be careful in how we do that.

Senator SMITH. I think it is fair to say that—and I don't think I am telling a secret. When the bank gets your money, they lend it out. If everybody goes and pulls out \$1,000, there is not going to be enough money there to cover that. There will be cash shortages. But that is the nature of our economy, and it is working, folks. It won't work if everybody goes into a panic.

Ms. PALMER. Right. We have advised strongly against that, and yet just sensible like you would have to have for a natural disaster.

The other aspect is that in-home care in the State of Oregon, currently we have about 11,000-plus who are receiving in-home care. They have a lot of fears and concerns, and I am not comfortable right now believing that for every in-home care person that they are fully provided for by their families. A lot of them don't have families, and social agents, that is still in process and not totally in place.

I don't know how you could possibly facilitate, but if you could be checking with State or other agencies and make sure that this is not falling through the cracks?

Senator SMITH. We will do that.

Ms. PALMER. OK. One other, and that is, I want to agree with the previous person. A great concern and difficulty is having a 30-day emergency supply of medications. We are concerned about—I have checked with Medicaid. There is not still the OK to do this. Pharmacies are trying to encourage this. The best we have at the moment is like a 5-day supply. You can fill 5 days early. That is not sufficient if there was going to be, say, 2 or 3 weeks, which could easily happen.

Is there some way the Federal Government can facilitate—I don't know. I hope you don't have to go to a mandatory kind of thing, but we would like some assurances this could happen.

Senator SMITH. We are talking to the right people, I think, on those issues, and we will keep pushing and take whatever necessary steps there are.

I am afraid we are running out of time. We want to hear from the last two that are up here, and I apologize if I am cutting anyone off. But we are pleased to have the mayor of Grant's Pass with us. Gordon, please.

**STATEMENT OF GORDON ANDERSON, MAYOR, GRANTS PASS,  
OREGON**

Mr. ANDERSON. Thank you, Senator. I would caution you to take——

Senator SMITH. You might state your name and——

Mr. ANDERSON. Gordon Anderson, mayor of the city of Grants Pass. Thank you, Senator, for coming out here.

I would caution you to listen carefully to the testimony you have heard here because of some this that was before your committee in the last hearing just about a week and a half ago. The gentleman who is the farm director for the Arizona Farm Bureau came and spoke, essentially saying that in 1988 they started checking their systems, got full compliance and certification of compliance last year. And yet when they turned the switch for 2000, they just fried a bunch of the electronics on much of their major irrigation equipment.

His point was that no matter how much we did, there are going to be some breakdowns, and the interfacing of all of our cities and counties and State and Federal Governments, we are going to have breakdowns. And what I heard today was individually we are OK, everything is going fine. There was some mention of networking being a problem. And that is the problem, I think.

We have got to be careful that there are going to be some glitches and breakdowns, and if it is global, over the State, over the Nation, we are going to have more problems than we heard here today.

Therefore, I think we need to be very careful that we don't just say we individually are taken care of, our computers are OK, and everything is going to be fine, when, in fact, we may, in fact, have some major problems. It is a little like me saying, well, you know, I have taken care of all my wiring at the house, everything seems to be fine, I don't think I am going to have a fire so I won't get any fire insurance.

What I would ask of you is, we need to tell people—and I thought Ms. Martell from the Red Cross was excellent. We need to be talking to people about taking self-sufficiency, self-preparation on an individual basis. Our Neighborhood Watch groups, our churches, our schools need to start getting this information out that each individual, each family needs to be getting some food or some water or what they think is necessary for a week, 2 weeks, or whatever they think.

Along that line, we have talked in the past a little bit about seeing that the USDA actually gets food out to different areas. I think the Willamette Valley, the metro area, southern Oregon, eastern Oregon needs to have maybe in the hands of the Red Cross supplies so that if there were to be a fire in our house, we would have something for those people that cannot prepare for themselves, because Access Food Share and many of the volunteer programs that feed the homeless, the transients, and those who have fallen on hard times, they depend on volunteer-given food. That food may not be there if we, in fact, did have a major catastrophe.

Thank you for your time.

Senator SMITH. Thank you, Mr. Mayor.

**STATEMENT OF MICHAEL CROSS, CITIZEN**

Mr. CROSS. Good afternoon, Senator. My name is Michael Cross. I am not representing anyone in particular. Nice to see you again this afternoon.

Senator SMITH. Nice to see you, Mike.

Mr. CROSS. Thank you. I heard—and I don't know if it is true—that Canada as well as some other governments are openly, publicly advising people to store food, and that is not happening yet in this country. So I just—had you heard anything about that?

Senator SMITH. I have not. I just hope peas are what they are recommending.

Mr. CROSS. Me, too. [Laughter.]

Senator SMITH. No, seriously, I think everybody has some food storage irrespective of Y2K. But, you know, I think that is up to your family to make the judgment as to how much. But it shouldn't have anything to do with Y2K. You just ought to have some.

Mr. CROSS. Yes, but depending on where you live, from what I understand, you could be breaking the law in what is considered hoarding food. Are you familiar—

Senator SMITH. Well, let me put it this way: Most cities in this country have a 72-hour supply of food for their populations on their shelves. Seventy-two hours. That is how vulnerable, potentially, the food supply is because most food processors and retailers operate on a just-in-time inventory. So the way you make profits in the food industry is to turn it and turn it a lot. And they don't keep a lot real close to you. It is on the way to you. So that is why transportation, refrigeration, electricity, all of these things are so fundamental.

So whether or not there is Y2K or not, you ought to have some food supply. You have to have enough for your family to last for a little while. But we don't want to create a run on the grocery store, though the grocers might like it. We don't want you to panic.

Mr. CROSS. Right. And I watched a program a week ago, "Louis Rukeyser Report," and one of their guests stated that assembly line, anything that is produced on an assembly line is most susceptible to these types of things. And that could be food.

But, you know, what Don Mazziotti said I thought was interesting. Each department could be completely 100 percent compliant, but yet it is the interface that could bring the whole thing down like a virus. That scares me. But probably more than that is public fear. You know, that scares me a little more.

In 1968, when New York had the power outage—I thought they had one a couple years ago, too, but depending on where you live in New York, the power outage was between 4 and 24 hours. And in that time period, there were 200 businesses—or 2,000 businesses were looted. There were 200 fires, lots of problems going on, people panicking, and just in a small—you know, so that probably is more of a concern for my family, as I think it is for a lot of people. You know, what will people do if something like that, you know, even a minor issue, say a run on the bank could, you know, create something?

Back to the media, I think what they could do to alleviate a lot of these fears would be to, you know, get regular—perhaps on a weekly basis—reports from these different agencies at this level,

and then it kind of gets away from the tabloid type of reporting, more of the hard—you know, “this is where we are at” type of situation.

Also, generally—and I want to congratulate you on your vote of conscience with regards to President Clinton. A lot of people don’t trust the guy, you know, and I think that is probably where, you know, maybe some of those things—I am a Republican. We have some Democrats in the office, but—

Senator SMITH. Let me just say, whether you trust him or not, I hope we will all forgive him and then do our duty and get back to the work—

Mr. CROSS. Exactly. It is our job to pray for him.

Senator SMITH. I am being told I need to leave. I wonder if you have a comment you want to make.

Mr. CROSS. That is all I have.

Senator SMITH. Thank you.

#### STATEMENT OF PETE ZAMBETTI, CITIZEN

Mr. ZAMBETTI. I just wanted to say one thing, Senator Smith. I am Pete Zambetti, and I am representing myself. Basically, I was running the dry pack counting for our Mormon Church. I know how important it is for people to have food storage. We have been in a problem where people haven’t done enough. We can’t supply it all. I look to the government, either the State or Federal Government, both to get together and set up some type of systems where food can be gotten. I know there is food in the fields and food on the trees and stuff that isn’t being picked because we can’t send it to Asia and other countries, or it isn’t being sold.

I think it is time for the State and county and the Federal Government to come together and try to set up some storehouses in some way for people to be able to receive some of this food or to be able to get help in putting together some type of food storage program. I have heard a lot today about preparation, but I think it is important, also.

The other thing is water storage. That is another thing that is important, to have good water and good drinking water for our families.

Senator SMITH. I thank you, sir, and all of you who attended. I think you are here out of concern, and I appreciate your civic-mindedness, and just know that we are anxious at every level of government to make sure that if there is a bump in the road, it is a small one, not a big one, and you are a part of making sure it is small.

Thanks so much. We are adjourned. [Applause.]

[Whereupon, at 3:15 p.m., the committee was adjourned.]



## APPENDIX

### ALPHABETICAL LISTING AND MATERIAL SUBMITTED

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#### PREPARED STATEMENT OF ROGER HARRIS

*The potential impact of the news media on public perceptions about the Y2K problem.*

The broadcast news media has had a tremendous impact on the public perception as to the magnitude of the potential problem that Y2K may create. Already we are seeing the tenor of the stories beginning to change. Broadcast news is driven by public interest—if the public is interested in a subject it has news value. The nature, and content of news stories, following the Y2K story the past eighteen months has followed a well-trodden path. This path is simply an education process. Initially the nature of the problem was dramatically overshadowed by the doomsayer prophets that were getting exposure. The worst case type stories that began early last year were largely due to the lack of public knowledge about the problem, the correction process, and the lack of information. The “sky is falling” stories did serve a purpose in that the public became energized and concerned. Private business responds to public demand much like elected officials. Currently both government and private business are reporting positive strides towards resolving the potential problems that could result from the Y2K computer bug. More importantly, for the news media, is the availability of information for dissemination on the process and progress. As January 1, 2000 gets closer it will become vitally important for providers of vital services to continue to be open and honest in regards to what the public should expect. Misinformation will be quickly discovered come New Years Day. Summary: The ability of the news media to impact public perception will be dictated by two issues: 1. The commitment and discipline of the news gathering organization to cover the facts as the new century approaches. 2. The ability to receive timely and accurate information from providers of vital services.

*The role of the news media in Y2K emergency preparedness within local communities.*

Broadcasters have two primary responsibilities in Y2K emergency preparedness.

1. Insure that the station stays on the air and can cover stories important to the communities they serve. This requires much more than it seems at first blush—as is the case with most business entities.

2. Be diligent in covering stories that are important to the community. Journalists are limited by what information is available, and then must make a decision as to the validity of the information provided. The news media responds to emergency situations. When early warnings are available, preparation can be effected that will improve the coverage and information as the emergency unfolds. This type of activity has been demonstrated many times in the course of “natural disasters” such as floods, hurricanes, etc.

Regarding Y2K; Information, or the lack of it will drive emergency preparedness. A couple examples: Should a provider of vital services, such as the Social Security Administration release information that checks are going to be late; or the local power company report that outages are likely to occur, the news media will respond. Local news organizations will research options available and this information will air accordingly. The flip side that could result in stories of concern would be a lack of Y2K information from vital service providers. An information vacuum will be a significant story and will trigger action on the part of news organizations—this is a dangerous situation.

*The potential role of the broadcast news media is facilitating communications to the public in the event of Y2K related problems.*

Broadcasters have repeatedly demonstrated the ability and willingness to facilitate communication to the public—this is what broadcasters do best. It would be difficult for me to state specific applications at this time for a number of reasons. Y2K

is like an approaching hurricane, if it hits a populated area a disaster will occur—if it turns out to sea it will be an interesting non-event. We will monitor the progress and direction then provide information of what preparatory actions the public should take based on the information that is available. However, rest assured broadcasters are well aware of the potential consequences of misinformation regarding Y2K.

Summary: Broadcast news will be more than willing to provide the necessary information to our respective communities. The social contract between the community and the broadcaster is constantly open to scrutiny.

*Steps we believe the State Legislature, the U.S. Congress, or others should take to help minimize the risks for Year 2000 Disruptions.*

The most important step for any entity, government or private is to insure your own house is in order. At the very least all “vital” services must be Y2K compliant.

Provide honest, and complete, information as to level of compliance and/or expected consequences. The truth will be visible January 1, 2000.

Monitor government, and non-government, compliance activities and prepare contingency plans. Provide this information to the news media.

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PREPARED STATEMENT OF VERA KATZ

Chairman Bennett, Senator Smith, other members of the Committee.

Thank you very much for the opportunity to speak with you here today.

The Year 2000 presents significant challenges for the City of Portland and for other local, state and federal government organizations.

These challenges are, as you know, at their root, a technology problem.

But it has become apparent to me that the challenges we now face with Y2K are actually more *social* in nature than technological.

But before I focus on the social nature of the Year 2000 situation, and offer what I hope you find to be some constructive observations about how both the State Legislature and the federal government can help with these challenges, let me spend a moment to describe for you the City of Portland's own Year 2000 situation.

City staff has been working on internal Year 2000 issues, literally, for years.

In the mid-1990's we began replacing financial systems that were already bumping up against the Year 2000, such as lien accounting and internal systems in the Bureau of Environmental Services.

By 1996 we determined that we needed to have a concentrated citywide effort to make sure absolutely everything possible was evaluated, repaired as necessary and tested.

As I speak with you here today, we are confidently optimistic that all of our internal systems will continue to function through and well after the century date change.

We intend to remain “The City That Works.”

While that does not mean that we are ready *today*—because we are still very hard at work—we know where our issues are, have plans and priorities, and have staff devoted to finishing work on all critical systems.

And, as a City we are also investigating the Y2K status of our business partners and providers of other critical community infrastructure.

As you know, critical community infrastructure is provided by an overlapping network of government agencies, non-profit organizations and private businesses. What that means is that everybody has to do their part of this to work.

The power companies, phone companies and other utilities must do their part, and we are well aware of the tremendous work the Oregon Public Utility Commission and this Committee have been doing in following Y2K issues on this front.

The banks and financial institutions must do their part, and we are similarly thankful for the help and leadership this committee and the federal government has exercised in this area to make sure Y2K issues are being adequately addressed.

And last but not least we recognize that State Agencies must do their part, and we are similarly grateful that Governor Kitzhaber has made sure that Y2K is a priority for all State Agencies.

Someone observed to me recently that Y2K may not be the end of the world as we know it, but it is sure going to show us how we are all connected.

But despite all our discussions, investigations and preparations, what if we are wrong, or haven't done our job as well as we should have?

I want to assure the public that the City of Portland does have contingency plans, as do our partners.

Before the public gets the wrong idea here, though, I want to remind them that the city has *always* had contingency plans. We are in the *business* of planning for

the unexpected, whether that is a windstorm, a flood or any other sort of event that could potentially disrupt public services.

What we are doing in the City is reviewing those *existing* contingency plans to make sure they are adequate for the kinds of events that could be triggered by Year 2000 failures. The City's emergency managers are working very hard on this right now.

But contingency planning is more than something that only organizations like the City need to do. Our best hope as a community for weathering any kind of public service disruption is to have residents who are prepared to take care of themselves for a period of time.

With only 315 days to go before Y2K, while we inside City government believe the turn of the century will not be a significant disruption to our citizens, we also recognize that the public needs to have the same information we have.

For example, in the City we advocate—and not just because of Year 2000—that every resident be prepared, in his or her own household, for at least 72 hours. We think that makes good sense; we think that is part of what makes us a resilient community.

If people have all the facts, it has been my experience that they make responsible decisions and take responsible actions. My fear is that if people do *not* have good information, they will fill that void with fear and inappropriate activity.

I am proud to announce—and you may have seen some advance news of this in the New York Times last week—that we are moving forward with a comprehensive community preparedness strategy for our residents.

We are putting materials together now that explain how Portland's community infrastructure works, how technology is involved, what we know about potential Y2K impacts, and what has and is being done about it.

These materials, however, will also include reminders about what we think residents should do to be prepared for ANY disruption of services; steps we think they should take with or without any thought about the Year 2000.

We will try to get those materials into, literally, every household in Portland.

We think that when the public has the same information we have they will come to the same basic conclusion: cautious optimism that the services they rely on will continue to work.

Here are some steps I would like to see State and Federal governments taking to help us all in this effort to both squash the Y2K bug, and to help make sure the public understands we have done that.

1. Do *your* part in fixing your own systems. Make sure this work remains a priority, as we have done. *Remember*, we rely on you and we are counting on you. We are all in this together.

2. Recognize that it is local government that is on the firing line here. If anything fails, it is local officials who will bear the brunt of public unhappiness, and it is local police, firefighters and maintenance personnel who will have to keep order and clean up.

3. Provide visible leadership and encouragement for responsible Y2K preparedness actions by individuals, businesses and communities. Help carry the message that community preparedness makes sense *with or without* Y2K, and that it is just good insurance in an uncertain environment.

4. Encourage collaborative partnerships among all the infrastructure providers in communities to communicate about Y2K issues. The public needs to know comprehensively, and will, I think, appreciate consolidated efforts that combine information from all of the different organizations that provide the infrastructure they rely upon.

Fund compilation and distribution of "best practices" for community preparedness and technical assistance to local governments.

Thank you for your time.

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PREPARED STATEMENT OF JOHN A. KITZHABER

Good afternoon Mr. Chairman and members of the Subcommittee. I am John Kitzhaber, Governor of the State of Oregon.

Senator Smith, I want to thank you for chairing this even on behalf of the citizens of Oregon. Thank you for inviting me to appear before you today to discuss the efforts that we have undertaken to address the Year 2000 problem. I would first like to commend the Senate Special Committee on the Year 2000 Technology Problem for its efforts to investigate the effects of the Year 2000 problem. I think this Committee has done a good job of raising awareness of the issue among businesses, governments, the news media and the American public.

Three years ago we knew in state government that it would take thousands of hours of work and millions of dollars to adequately prepare for the consequences of moving from 1999 into the Year 2000. We set targets and budgeted carefully for the costs of doing what was necessary to get ready for the century date change.

What we didn't know was how rapidly the nature of the project would shift from a simple but time-consuming technology problem into that of a business management problem. In Oregon state government we have added resources and redoubled our efforts to ensure that our citizens receive the critical state services they depend upon.

But now, in 1999, with only 315 days left to go, the Year 2000 problem promises to become society's problem. And that is why this hearing is so important. Talking about and preparing for the Year 2000 problem, or Y2K, is in our collective community interest.

The more people learn about Y2K, the more they come to understand that our computers are largely connected to other computers. Increasingly, our home computers share electronic information with Internet Service Providers, with online catalog stores, with automated banking services, even with the IRS. Similarly, the computers that help run state government share electronic information with cities, counties, federal agencies and businesses. In order to address your own Y2K problems, you need to be concerned about the other guy's Y2K problem as well.

The way computers interact can serve to remind us that we too must interact with our neighbors to solve problems. The Y2K problem is actually a tremendous opportunity.

From a business point of view, because of Y2K hundreds of dedicated public employees are replacing older inefficient computers with faster, more secure information technologies. They are creating a better way to do business that will not just handle the Year 2000 issue for our state's systems, but will also serve the citizens of Oregon well beyond January 1, 2000.

On the individual's perspective, Y2K presents an opportunity to come together and create safer, friendlier communities. Every year, some part of our state must deal with the disruptions caused by wind, ice, floods or some other natural system that goes awry. And we deal with it. I should say: the brave men and women whose job it is to repair power lines and roads and the other things we depend on . . . who come out in the dead of night, in the worst of weather, leaving their families behind on holidays . . . whose job it is to restore our normal way. They deal with it for us.

In the coming months we are facing the possibility that a technology system may cause things to go awry. But I do have confidence that the people whose job it is to prevent such disruptions will succeed. I also have confidence that Oregonians will deal with any problems resulting from Y2K the same way we deal with ice storms or temporary brown-outs . . . quickly and calmly.

Senator, as you well know, earlier in this century a great president told the American people, "The only thing we have to fear is fear itself." Then, as now, knowledge is the antidote to fear. People need the facts about the situation whether you are running a business or providing a public service.

As governor, I am committed to informing Oregonians of our readiness for the Year 2000. Since 1997, when I issued an Executive Order that directed each agency of the state to find and fix the Year 2000 problem in their essential systems, we have reported our progress regularly to the people via their elected representatives in the Legislature. You will hear more about the state's Year 2000 Project from Don Mazziotti, our state's Chief Information Officer, who oversees the Statewide Year 2000 Project Office, and from Joan Smith, a member of Oregon's Public Utility Commission.

I am committed to working with our state's cities and counties to help them prepare their communities for the consequences of Y2K.

And I am committed to cooperating with the newspapers and television media who play an extremely important role in educating the public about Y2K. Depending upon how the media choose to play that role, they can either fan the flames of fear or encourage people to take positive action in their communities. I encourage the media to consider very carefully the importance of the message they carry to our citizens in the coming months.

By sticking to the facts, we can build trust among people, the kind of trust that builds stronger communities: working together for the best quality of life, yet prepared for the worst when emergencies come our way.

## PREPARED STATEMENT OF MYRA THOMPSON LEE

Senator Smith, I am Myra Thompson Lee, Director of the Department of State Police, Office of Emergency Management. I am pleased to be here today to provide you with an overview of our Division and our activities related to the "Year 2000 Problem". This issue has had a significant impact on all state and local agencies. It has given rise to numerous concerns about emergency power, communications, and electronic systems. Most routine work efforts in many agencies have been reprioritized in order to dedicate time to mitigating the potential impact and preparing for the consequences if mission critical systems fail.

#### **Oregon State Police**

The Oregon State Police [OSP] is following the Risk Management guidelines for business continuation planning. Contingency plans for all divisions of the Department will be consolidated into a single Business Continuation Plan. This process is already underway. These plans will be fully documented and included in a centralized Y2K project file.

The process will include the mission critical systems that have already been identified by the Department of Administrative Services Year 2000 Project Office. The business continuation plans for these functions will be completed this month (February 1999). Contingency planning for non-critical systems will be completed in June 1999.

#### **Oregon Emergency Management**

Oregon Emergency Management [OEM] is a division within the Department of State Police [OSP], Intergovernmental Service Bureau. The department as a whole has taken this issue very seriously. The diverse services provided by the department are critical to the safety of citizens in Oregon and must be viable at all times. The role of the division is to coordinate Consequence Management planning activities by providing technical assistance and consultative services. These activities also include providing training on developing Consequence Management plans and exercise to test the plans.

#### **OEM—Technology Impacts**

The State of Oregon Emergency Operations Plan [EOP] will serve as both our business continuation and consequence management plan. The EOP is constantly being reviewed and updated. Emergency coordination and operations are primary functions. We would be able to operate the State's Emergency Coordination Center even under emergency conditions with limited capabilities.

The communications and other electronic systems in OEM are Y2K compliant. If they fail for some reason procedures exist to utilize all available means to communicate among the agencies. These include congregating key agencies representatives in the Emergency Coordination Center to deal with conditions in order to coordinate resources of state agencies, and to assist their response efforts. This would entail using amateur radio, hand-delivering messages, etc. There would be little difference between this and other emergency situations in which similar conditions exist. The Y2K technology impacts appear minor in their impact on our primary business operations.

All of our technologies have either been proven or certified as Y2K operational. We can provide some communications and coordination activities in absence of any support from telephone and power company utilities. Our facility has a wide variety of radio services, government radio channels, and Amateur Radio Emergency Services [ARES] capabilities. The facility is powered by 150KW emergency generator with contracted fuel truck(s) available to keep the generator running for extended periods of time. The generator and our facility UPS will keep our radios and local network computers operational.

External utility threats, however unlikely, may impact wide-area network services. These threats appear to be minimal from the information provided by US-West, AT&T, GTE, and Sprint telephone carriers regarding their services. Bonneville Power Administration initiated efforts in the 1980's to have the Pacific Northwest Grid services operable for Y2K by the first years of 1990.

Absence of electric power to radio sites, and absence of telephone utility, could impact wide-area data and communications networks. The emergency management facilities supporting the 9-1-1 centers have standby electrical power capability and coordination radio capability that is independent of any telephone and electrical power utility service.

- Capitol Mall Wide Area Network
- CSEPP Wide Area Network

- CSEPP/OSP/WPUD Microwave Network
- Oregon Fire Coordination Network
- Oregon 9-1-1 Telephone Services
- Oregon EDNET Cable Services

The local computer networks at each of our strategic emergency services locations have been proven Y2K operational and/or Y2K certified. There are radios and standby electrical power capabilities at each of these sites for emergency coordination in absence of power and telecommunications services.

#### **Capitol Mall Wide Area Network**

This network provides inter-agency e-mail access and internet service access. We can still coordinate critical emergency issues via radio if the State of Oregon Capitol Mall Wide Area Network fails. Our local computer networks can be quickly configured to operate in absence of the Capitol Mall Wide Area Network.

#### **Eastern Oregon Wide Area Network**

This network is primarily to support the FEMIS (Federal Emergency Management Information System) and is used as a chemical incident hazard decision support tool. FEMIS is **not** the primary means of notifying the public and emergency managers of an incident at the Umatilla Army Depot. It is a redundancy that is built into the system to ensure a higher degree of safety. We have a radio network with full stand-by power at all repeater sites that can be used during complete utility failures.

#### **OSP/WPUD Microwave Network**

In the unlikely event that a failure occurred related to contracted telephone links from the local telephone companies that provide access to the microwave network it could potentially affect a timely activation of sirens and highway reader-board signs. However, emergency services can still be contacted via radios that are independent of any utility power and telecommunications. All end-nodes and intermediate microwave radio repeater nodes have full environmental and standby power capability to service the radios and digital network relay services. All equipment at these sites has been determined to be Y2K operational.

#### **Oregon FireNet**

In the unlikely event of a failure of the Oregon Department of Transportation [ODOT] microwave system and T1 telecom data services between Oregon Emergency Management and ODOT headquarters in Salem, we can still relay communications via radio to the emergency services agencies.

#### **Oregon 9-1-1 Telephone Services**

These services are strictly dependent on the Y2K operability of the local telephone companies and the telephone call-routing switches amongst the telephone carrier networks. The emergency services dispatch capability is done via radio, and the 9-1-1 centers are serviced by alternate standby electrical power.

#### **Oregon EDNET Cable Services**

These services are used during emergencies for the reception of TV media broadcasts, but we also have a satellite downlink that feeds news to EDNET cable for other state government agencies.

#### **National Guard**

The Oregon National Guard [ONG] has completed the required internal and external threat assessments. They have identified all computers, computer applications, and facilities that have some type of embedded chip problem and are in the process of fixing these items. At this point none of the items that are affected by Y2K in the Oregon Guard will degrade their ability to provide essential support. All units of the Oregon Guard are ensuring that the High Frequency/single Side Band [HF/SSB] system is functional with power generation equipment. This is a type of radio that uses radio waves to bounce off the ionosphere and has capability to travel long distances. The National guard is coordinating with the National Guard Readiness Center in Arlington, Virginia, and neighboring states during initial tests. One of these radios has been deployed to all but four armories, but this is also being worked on to ensure this need is filled within next 60 days. Additionally, all units will monitor the status of equipment to ensure readiness. The National Guard has a plan that can and will be adjusted based upon current events or needs which are presented. All planning activities are routinely coordinated between OEM and the ONG.

#### **Coordination between OSP/OEM and the National Guard**

It is anticipated that the events for which National Guard resources would be needed would be very similar to other situations to which they respond under a

Governor's declaration of an emergency. Although multiple isolated system failures could occur, it is unlikely that all systems would fail at the same time. OEM and ONG will continue to work together in the same manner that we would for any other major event that requires the coordination of the diverse resources of the state.

#### **Interagency Coordination Efforts**

In coordination with the Oregon Year 2000 Project Office, OEM is the lead for activities related to the Consequence Management planning and fully supports the IRMD Year 2000 Project Office in the execution of their Y2K lead agency responsibilities. We have developed and conducted five of six day-long training sessions. The two part training provides a methodology and assistance for the development of agency plans as well as guidance for the development of exercises to test the plans. The last scheduled class will be conducted on February 24th. To date 194 mid and upper level management personnel have received the training.

The planning phase for state agencies is expected to be completed by July 1st. The plans will focus on the specific life/safety-threatening consequences that could occur if systems fail or are disrupted. Each agency will identify the consequences that could occur if their particular services were not available for *any* length of time and a coordinated approach to response will be developed. For example, if traffic lights did not work a coordinated approach would address how the traffic flow would be managed, what information would be given to the public, and there would be an agreed upon interface with public safety agencies to provide for emergency response by police, fire and medical personnel. OEM cannot develop such plans for individual agencies, but we can provide guidance and assistance to the agencies to do so. The agencies have the expertise and the contacts necessary to both identify impacts and to develop a plan to manage them.

All mission critical agencies are expected to develop a Consequence Management Plan and to exercise that plan within the next few months. In June of this year the IRMD and OEM directors will co-host a cabinet level tabletop exercise to identify and address any remaining policy issues.

#### **Office of Energy:**

"David Stewart-Smith is the technical operations coordinator for the Petroleum Emergency Response Plan. He is working with USDOE and the Petroleum Industry and is confident that all are doing what needs to be done to identify and eliminate or minimize potential Y2K interruptions. The Oregon Office of Energy Fuel Allocation Plan addresses long term shortages coming into the state. The biggest problem would be related to a widespread topping off of fuel tanks late in the year or during the final few days of the year and thus causing a shortage at service stations. This could reduce in-state reserves. Keeping a fuel tank full should be a continuous individual preparedness activity in keeping with the policy of each person being prepared for any emergency, not just Y2K."

#### **Health Division**

The Health Division has assigned two people to oversee its Y2K efforts. They will review the existing Health Division Emergency Plan for application to Y2K response. Both are being trained and have begun reviewing the Emergency Plan. The Health Division is also reviewing its computer systems to ensure compatibility. The Health Division also plans to have a Y2K tabletop exercise late in the summer, but no date has been set for it. In addition to this, the Health Division has assigned a third person to the Governor's task force on Y2K. Other personnel will be contributing to this effort as needed.

#### **Department of Agriculture**

The Department of Agriculture is coordinating efforts through the state headquarters office and Barbara Jensen, at DAS IRMD. She's coordinating the preparedness of those systems and the readiness efforts of office systems. The Business Office manager has indicated that all departmental systems are "Y2K Ready".

#### **Department of Transportation [ODOT]**

ODOT management has determined that the ODOT Emergency Operations Plan dated October 1998, will serve as the agency's Business Continuance and Consequence Management Plan. The plan is currently being reviewed and an update will be issued in June 1999 to address Y2K specific concerns. The revision will include a cross reference to ODOT Critical Business Functions to show where the functions are addressed in the Plan. Training for agency staff on the Emergency Operations Plan is scheduled for March through June 1999. The Plan will be tested in a series of tabletop exercises in June through August 1999. ODOT plans to conduct a tabletop for each of the 16 ODOT Districts in the State. Several tabletops

also will be conducted for Salem headquarters staff. Each tabletop will focus on a special annex to the ODOT Emergency Operations Plan that will deal with managing potential consequences.

#### **Local Government**

Local government is in various stages of preparation for the potential impacts. They are following much the same process as is state government. Several are fairly advanced in their efforts and some of the smaller jurisdictions are still identifying the problems they anticipate will occur. Training and exercises will be conducted throughout the year.

#### **Personal Responsibility**

The "Millennium Bug" problem is well known around the globe. There is more information available from more sources for this potential hazard than exists for almost any other hazard of which the public is more familiar. The times for possible system failures has been identified, as have potential impacts. With all of the information that is available it is incumbent upon each and every person to prepare themselves and their family and friends for these possible impacts.

Each person/family needs to determine what they consider to be the most important and prudent means to protect themselves, ensuring they have sufficient provisions to meet those needs. There is ample time to make most of these preparations. It is a benefit to individuals and to the community for such preparations to be made in advance of *any* emergency that threatens the citizens of Oregon. The fact that the origination of an emergency could be due to Y2K system failures is no more relevant than the need to be prepared for any other emergency.

#### **Closing Comments:**

Oregon is aggressively addressing this issue and has made great strides in determining overall capability for emergency and disaster response. "The Y2K Problem" presents more unique conditions that have already provided tremendous opportunities to ensure general readiness of government, businesses, and the public. This can only be good for the state as a whole, and in this case for the nation.

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PREPARED STATEMENT OF ADELLA MARTELL

#### **Introduction**

Good afternoon, my name is Adella Martell and I am the executive director of the Oregon Trail Chapter of the American Red Cross. I am speaking today on behalf of all of the Red Cross chapters in the state of Oregon.

In light of potential Y2K service disruptions, the American Red Cross has emerged as a leader in community education and preparedness. The challenge is that the effects of the Year 2000 technology problem are essentially unknown, running the gamut from annoyance to Armageddon.

Like almost everyone, we can't predict the future. But we do know our mission. We consider Y2K an opportunity to further that mission which is to help individuals prevent, prepare for, and respond to emergencies.

In that context and, in the time I have allotted this afternoon, I want to share Red Cross' response plans, our preparedness activities, and finally make a few recommendations to the committee.

#### **Red Cross Disaster Services**

For more than 120 years, the American Red Cross has responded to disasters—floods, earthquakes, wind storms, and fires—all of which result in major disruptions in people's lives and the delivery of services to the community. Red Cross disaster relief is delivered in three stages:

1. *Emergency Mass Care:* Immediately after a disaster, Red Cross may provide for the immediate needs of large groups of disaster-affected people, including emergency shelter, food, medicine, and first aid.

2. *Emergency Assistance:* Within several days of an event, Red Cross expands service to include emergency assistance. This individual assistance is geared toward meeting specific, immediate needs of families. The goal is to support individuals in returning to a more normal and independent living situation. Assistance may include temporary housing, groceries, new clothing, emergency home repairs, transportation, basic household items, medicines, and tools.

3. *Long-term Recovery:* Red Cross also helps when all other sources, such as insurance benefits and government assistance, are not available or are inadequate to meet disaster-related needs.

While Red Cross is a leader in disaster relief, we don't respond in a vacuum. To effectively and efficiently support a community in recovery it takes the resources of

government, social service agencies, and individuals. To enhance service delivery during times of emergency, Red Cross maintains collaborative relationships with emergency management officials and other social service agencies active in disasters.

#### **Red Cross Y2K Response Plans**

Our planning for Y2K is the same as our planning for other events that may cause some localized disruptions of limited duration. Red Cross is working cooperatively with emergency management officials in every community to assess the potential problems and to prepare to assist individuals and families. As in every emergency, we encourage families to prepare to take care of themselves for at least the first 72 hours. In the event of prolonged service disruptions, Red Cross is prepared to open warming shelters. As we always do, Red Cross chapters have pre-positioned shelter supplies around the state.

In addition to positioning supplies, we continue to build our capacity of volunteer responders. Red Cross is working with local organizations such as churches, businesses, and other organizations to increase the number of available trained responders.

#### **Red Cross Y2K Preparedness Activities**

While we are committed to continually increasing our response capacity, we strongly believe that, as in other disasters, the first and best line of defense is individual and family preparedness. The best way for communities to recover is by having individuals ready to take care of themselves.

Because of the interest and concern over Y2K, Red Cross has stepped up its community education efforts to meet the demand for relevant, practical preparedness information and will continue to encourage general disaster preparedness throughout the year and beyond the year 2000. Because the effects are unknown, concerned community members are turning to Red Cross for answers. In this capacity, Red Cross chapters around the state are educating community members on how to prepare for and stay safe in any kind of emergency, including Y2K-related events.

Red Cross Y2K-related preparedness activities include creating a fact sheet, checklist of preparedness tips, speakers' bureau, participation in symposiums, forums, and town hall meetings, and responding to public inquiries.

Red Cross' key message in educating the community is that **no one can fully predict the effects of the Year 2000 problem, but individuals and families can control their own levels of preparedness to respond and cope in any emergency.**

Because the effects of Y2K are unknown, because the issue has been used to hype news coverage, some people are starting to panic and to prepare for the "end-of-time." We believe that this is the worst thing that they can do. We have no reason to believe that Y2K-related disruptions will last beyond a few days. General home preparedness outlined in our printed material should be enough to support families during any service disruption.

#### **Recommendations**

As in any emergency situation, the most vulnerable populations are at greatest risk. Additional attention and resources must be contributed to support focused programs to assist the elderly, disabled, and other special needs populations in their preparedness activities. Existing regulatory controls are in place. Enforcing compliance is vital. This commitment will not only ensure response during any Y2K-related service disruptions, but will enhance the state's overall disaster response capacity.

Secondly, the government needs to take a stronger leadership role in coordinating activities between the many organizations and agencies working on this issue. There are many planning activities taking place in silos. Municipalities need to clearly understand their roles and relationships in these circumstances.

Finally, all government agencies need to make a concerted effort to reassure the public that by working together everyone will survive Y2K or any other disaster that is thrown our way.

Preparedness is the key. Prepare yourself. Prepare your family. Help prepare your neighborhood, and then look around your community and volunteer to help somewhere else. It's not difficult and the results of small efforts make a tremendous difference on the other end of any disaster.

The Red Cross will fulfill our mission. But, we want everyone to know what they can do to help themselves prevent, prepare for, and respond to emergencies.

## PREPARED STATEMENT OF DONALD F. MAZZIOTTI

Good afternoon, Senator Smith. My name is Don Mazziotti. I am the State of Oregon's Chief Information Officer, responsible for managing the state government's overall Y2K-related problems. I am here today to briefly describe the status of Oregon state government's Y2K efforts and activities.

The state government's Y2K efforts have, since 1996, focused on six areas of activity:

- Condition assessment, planning, project and situation management, monitoring and reporting;
- Remediation of software applications and systems and the hardware which supports them;
- Embedded microchips found primarily in control systems, buildings and machinery;
- Interfaces or electronic data exchanges, where data from one source crosses a boundary with another;
- Business continuation alternatives and plans; and
- Emergency preparedness measures.

These six areas of activity are the province, to a lesser or greater degree, of all agencies and branches of state government.

They have been guided by statutory law, executive order and policy, beginning the November 1996 policy of the Department of Administrative Services and further defined by ORS 184.305–184.345, enacted by the Oregon Legislature in July of 1997.

Executive Order 97–13, issued by Governor Kitzhaber in April of 1997, established the Statewide Y2K Project Office within the Department of Administrative Services. It is that office for which I have direct responsibility and it is that office that coordinates the overall Oregon state government effort to find and fix Y2K-related problems.

Oregon's efforts, like that of many states, is supported by an organization of departments, agencies and committees, each with a specific role to perform in the completion of our Y2K plan. This includes a statewide advisory council with liaison relationships established with all key sectors of the state's economy: health care, transportation, utilities, banking, county and local government, communications and business. Oregon's Y2K organization (see chart) has been in-place and operating for nearly two and one-half years.

In addition to these efforts, as noted in the organization chart, the Joint Legislative Committee on Information Management and Technology, the Senate Information Management and Technology Committee and the House Commerce Committee have maintained oversight of the state's Y2K activities and have received status reports on those efforts for nearly two years in the case of the JLCIMT and during this session for our current legislative committees.

There are a number of notable activities that operate in parallel with state government's Y2K efforts:

1. The Secretary of State's Audit Division has evaluated the performance of the Statewide Y2K Project Office.
2. Two independent consulting teams from Prodx and Testmasters conduct independent assessments of condition status as reported to the Statewide Y2K Project Office, to assure a check on the accuracy of our monthly reporting system; and
3. Each month, the Oregon Y2K Interest Group, consisting of a broad mix of government agencies and Y2K coordinators, meets to discuss key issues and to provide problem-solving support.

We estimate that 500 state employees are working full-time on various aspects of the Y2K problem within their organization. This number has been supplemented by 300 contract consultants. Most agencies have delayed, cancelled or re-scheduled information technology projects since 1996 in order to concentrate on finding and fixing the Y2K problem.

Oregon state government, working closely with executives of the agencies, has identified **78** systems deemed to be critical to the continued operation of government and, therefore, the highest-priority for purposes of remediation. Another **190** systems, identified as critical to the mission of agencies, are also being given high priority for completion and are being monitored by the statewide office.

Oregon has instituted a real-time condition status reporting system which is accessible on the World Wide Web. This system, based on reports and on-site visits—then verified by independent checks—provides an up-to-the-day condition report on the 78 critical systems, ranking conditions red for *alert*, yellow for *caution* and green for *on-schedule*. As of this morning, five systems are red, 34 are yellow and 39 are green. By July 1, we anticipate all but three systems will be green, with those being condition green by September 1.

At the present time, we are completing a 100% survey of all electronic interfaces. When complete, we will prioritize interfaces and begin systematic testing of those that are critical to the continued operation of essential government transactions and activities.

Our agencies have been directed to contact all of their data exchange partners, including federal agencies, to make certain that their interface with the state is Y2K-ready. Where an interface partner is unable to assure that they are Y2K-ready, we will cease doing business with that partner until readiness is demonstrated. This effort is being coordinated by the Statewide Y2K Project Office.

At the present time, we believe that the operation of data exchanges or electronic interfaces is our greatest vulnerability. This is so because such exchanges involve trading or exchanging data with external partners over whose Y2K problems we have much less control.

Also at the present time, all state agencies are in the process of completing individual agency plans for the continuation of business in the event of a Y2K failure. This means that all government agencies must have in-place, by July 1, a plan which allows them to continue their service support and activities without the assistance of electronic systems, should that be necessary. This effort is being coordinated by the Risk Management Division of the Department of Administrative Services.

As will be reported to you later today, the Office of Emergency Management, under the management of the Oregon State Police, is coordinating the state's emergency planning activities as they relate Y2K. Most-recently, OEM has completed day-long emergency and consequences management training for agencies of state government.

In short, Oregon state government has taken deliberate steps since 1996 to address the Y2K problem. It is an effort that spans all agencies and all three branches of government. It is an effort that will require as much as \$125 million in budgeted resources for finding and fixing the problem.

Perhaps my greatest concern with regard to Y2K is the proliferation of inaccurate, misleading, incomplete and poorly researched reporting by many sources. We have encountered and continue to encounter Y2K surveys and reports that oversimplify the nature of the problem and the measures being taken or appropriate to be taken in addressing various Y2K problems. On December 29 of last year, the *Wall Street Journal*, without consulting with our offices, published a graphic which showed Oregon's Y2K efforts as "0," although this is clearly incorrect. The *Journal's* information was based on the results of a survey conducted by the National Association of State Information Resource Executives which would not, because of format restrictions, provide complete reports from the states. I can tell you that at least one federal agency, the General Services Administration, is conducting surveys of the states on the interface issue, using report formats which are misleading and incomplete. While we seek to cooperate with all legitimate efforts to report on Oregon's status, we refuse to submit information which is incomplete or which, if published, will mislead our citizens.

This is why your committee's efforts and this hearing are so important to the State and people of Oregon.

In the final analysis, it is my judgement that Oregon state government will complete all of the scheduled Y2K actions by September 1, affording us time to re-test where necessary and to make all other preparations necessary.

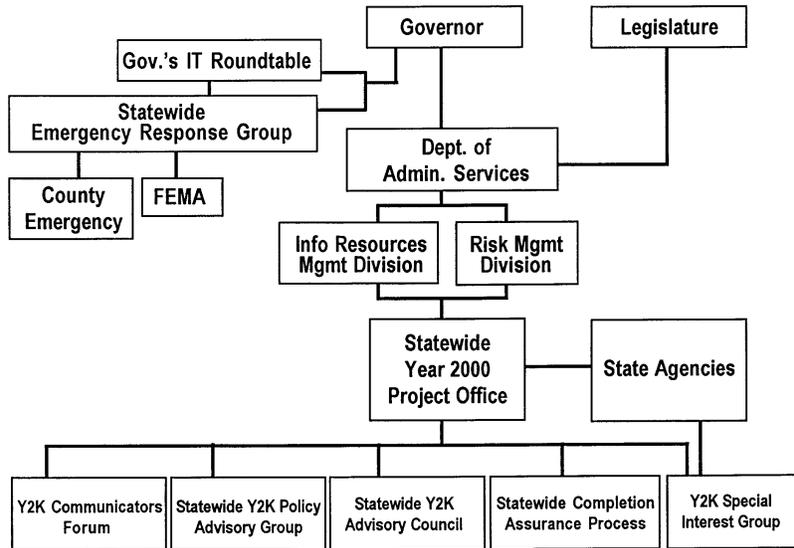
There are certain to be some system failures and Y2K-related problems; however, we continue to believe our ability to provide the essential services of state government will not be affected and that we will successfully manage the consequences of any emergency which arises.

Thank you for the opportunity to provide testimony to the committee.



State of Oregon  
**Statewide YEAR 2000** Project Office  
 Organization Chart

*January 1999*



This is a year 2000 Readiness disclosure pursuant to the Year 2000 Information & Readiness Disclosure Act, PUB.L.No 105-271 (1998)

PREPARED STATEMENT OF SENATOR GORDON SMITH

Good afternoon and welcome to our State Capitol for the first 1999 field hearing of the Senate Committee on the Year 2000 Problem. I would like to discuss a problem with you today that could affect all Oregonians—the readiness of Oregon’s state and local governments and how their emergency services may be affected by the Year 2000 technology bug.

To begin, I would like to thank all the distinguished witnesses who have prepared reports to present today. Each person here plays a vital role in finding a solution to the year 2000 computer problem. It is only through the combined efforts of the federal government and the citizens of this great state that Oregon will be insulated from the widespread impact of the Y2K problem.

As many of you know, the problem I refer to is a technology "bug" found in embedded chips. The bug may cause many computers to shut down when we reach the year 2000, ultimately affecting many segments of our society.

To assess the potential impact of the bug, the Senate Year 2000 Committee was formed almost a year ago to help the government better understand and prepare for its inevitable problems. As a member of the committee, I have participated in several meetings in Oregon and in Washington, D.C. to determine the preparedness of our state and of our nation.

While awareness is growing, research by the Senate Committee indicates that many organizations critical to Americans' safety and well-being are not fully engaged in finding a solution.

While the Senate Y2K Committee has assembled no data to suggest the United States will experience nationwide social or economic collapse, the challenges posed by the year 2000 problem are numerous and daunting, both at home and abroad. Therefore, our committee concludes that disruptions will be significant. Those who suggest that it will be nothing more than a "bump in the road" are misinformed.

The Internet is bursting with rumors. Web pages and chat rooms assert that Y2K will be TEOTWAWKI, cyber-speak for "the end of the world as we know it." Others claim the problem is a hoax designed to sell information technology.

The bad news is that the Y2K problem is real, caused by an outmoded, two-digit dating system in computer software and hardware that may knock vital systems offline on January 1, 2000. The good news is that it is far from the end of the world.

But Y2K is about more than the failure of an individual's personal computer or incorrect dates on a spreadsheet. The complexities surrounding the problem and the lack of serious national assessments are indicative of larger, looming issues. The interdependent nature of technology systems makes the severity of possible disruptions virtually impossible to predict.

There are reasonable steps individuals may take to prepare for the Year 2000. Consumers should keep copies of financial statements and ask local banks what efforts are being made toward Y2K compliance. Employers, local elected officials, and utilities should be contacted. Individuals should also research companies' level of compliance before making investment decisions. Above all, Americans should prepare for Y2K based on facts and reasonable predictions about the problem's effects on vital services.

Let me briefly outline our findings to date. I am now more optimistic than I once was, but a lack of data in numerous areas leads me to continue to be wary of the unknown. Nearly all affected industries and organizations started the Y2K remediation too late. Even the sectors that started early and appear to be in the best shape, such as the financial services sector, include individual companies that lag in their Y2K planning. There are exceptions to both good and bad, and we can only speculate what will actually happen. The details of what our Committee has learned so far are contained in a report we plan to issue publicly by the end of the month. Our work, however, is far from over, and hearings will continue through the end of the year.

Due to the lack of assessments about the status of certain industry sectors, we are not yet sure of the scope or the nature of Y2K disruptions. I suspect that we will have a better idea as time goes on, but we will not know for certain what the difficulties will be until they are actually upon us.

As of today, there are only 316 days remaining until January 1, 2000.

With this in mind, I want to express my confidence that we will continue to progress in every major sector in preparation for the Year 2000 problem over the next 10 months. It will take the efforts of responsible leaders at every level of government to engage in planning for such an event. At this point, it appears that there is a greater likelihood of small, diffuse disruptions than large-scale shutdowns. Nevertheless, we must be prepared for every type of scenario.

Unfortunately, there is a misconception pervading corporate boardrooms that Y2K is strictly a technical problem and that executive attention is unwarranted. On the contrary, we must ensure the participation of executives at all levels of business and government. This problem will not simply go away. Each of us must do our part to make certain that this problem is adequately addressed.

Overall, I am optimistic about our progress in solving the Y2K problem. I believe that we can meet our goals and prepare effectively for the coming year; however, we must all recognize that we have significant work to accomplish in the coming months. As we work together, I am sure that we will develop a greater understanding of this problem and forge effective solutions. It is our cooperation which will bring us together and allow us to reach our final goal.

Again, I appreciate the opportunity to chair this hearing in Salem and look forward to all of the information that our distinguished witnesses have to share.

Our discussion today will focus on the Y2K emergency preparedness of the State of Oregon. The preparedness of state and local governments are vital because their services will most directly impact most Americans.

I appreciate all of the efforts these distinguished witnesses have dedicated toward this problem. I look forward to their comments, and I want to thank them once again for their contributions.

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PREPARED STATEMENT OF JOAN H. SMITH

If our utilities ignored the Y2K problem, we could have a crisis on our hands. They haven't and we won't.

**PROCESS:**

OPUC staff began discussions with investor owned energy utilities in 1997 and with investor owned telecommunications and water utilities in 1998. The Commission has held three Special Public Meetings to review reports and discuss progress toward Y2K remediation with all the companies. Bonneville Power Association, Western States Coordinating Council, and inter-state natural gas pipelines serving Oregon also presented their status reports.

The Commission tracks and evaluates the utilities' testing, remediation, customer education, and business continuation plans. Water utilities are not computer-dependent, by and large, and are not expected to encounter difficulties. We have invited publicly-owned utilities to participate in our Y2K process and share information with us, if they wish.

**SCHEDULE:**

We have asked the utilities to coordinate **customer education** in two phases with the first phase ending in June and the second in October. To date all utilities have made significant, useful efforts. Some have already begun to include Y2K preparedness information with monthly bills. All company Y2K web sites can be accessed through the Commission's own web site.

All final **testing** results are due by March 1.

**Continuation of business** reports are due in the Spring Quarterly Y2K reports.

**CUSTOMER PREPAREDNESS:**

Each utility has committed significant resources to Y2K issues. Utility reports suggest it is highly unlikely there will be **any** disruption of service, unless of course the New Year's holiday is accompanied by severe wind or ice storms. Utilities have begun to advise their customers that their Y2K plans should be similar to plans for a winter storm. As a consequence, customers should check that whatever emergency preparations they usually have in place for such events.

**GOVERNMENT ACTIONS:**

The PUC has taken a collaborative approach to working with the regulation utilities to encourage Y2K readiness. We have neither the authority nor the resources to certify Y2K programs. Nor should we.

We recommend that the Legislature and Congress take whatever steps are necessary to reduce Y2K liability exposure for utilities. The "Good Sam" Law helps. Fear of litigation can be a very real barrier to keeping Y2K solutions on track.

Finally, public leaders should use the bully pulpit to inform, educate, prepare, and assure their constituents that the Apocalypse is not arriving along with the new Millennium.

GAS UTILITIES JANUARY 1, 1999, YEAR 2000 QUARTERLY REPORT

RESPONSE ITEM	WPNG		CNG		NWN	
	Start	Finish	Finish Date	Start	Finish	
<b>Compliance Path</b>						
• Awareness	Fall '96	1/2000	Began several years ago.	Ongoing	Ongoing	
• Assessment	8/97	9/98	Complete	1/97	5/98	
• Repair/Replace	2/98	6/99	8/99-9/99	7/97	6/99	
• Testing/Validation	3/98	6/99	Between 12/98 and 7/99.	7/97	6/99-12/99	
• Implementation	4/98	6/99	8/99.	7/97	6/99	
<b>1998 Customer Info Activities</b>	Y2K bill stuffer, brochure to all customers. Presentation to city of Grants Pass. Klamath Falls large-customer meeting. Web site.					
<b>1999 Customer Class Info Frequency</b>	Y2K presentations as requested. Two presentations for Rogue River Valley Y2K Task Force.					
<b>Y2K Preparation Suggestions</b>	No specific Y2K preparation plans. However, emphasis is on some level of personal preparedness.					
<b>Collaborative Utility Info</b>	Yes, with BPA, and Washington and Eastern Washington utilities. Sharing of Y2K compliance info with Washington Utilities.					
<b>Percent Inventory of Basic Utility Service Computer Systems</b>	No electronic devices within gas distribution control functions.					
<b>Repair/Replacement of Basic Utility Service Systems</b>	Not necessary due to absence of computer/electronic equipment.					
<b>Replacement/Repair Dates of Basic Utility Service Systems</b>	Not necessary due to absence of computer/electronic equipment.					
<b>Y2K Testing Plan</b>	Multi-step plan for each business system.					
<b>Y2K Testing Methodology</b>	Baseline testing at test facility. Future date testing. Lab and field testing.					
<b>Y2K Validation Strategy</b>	Defined expected results. Compare actual results to results expected.					
<b>Y2K Final Acceptance Procedures</b>	Yes, disclosure document summarizing each system.					
<b>Y2K Test Results</b>	Out of 113,000 potential embedded systems, fewer than 10 needed repairing/replacing. Testing done on 10 business systems.					
			Y2K newsletter, bill insert, 500 letters to vendors, suppliers, and gas marketers.	Web site, 300 letters, letter to large-business customers in Washington.		
			Bill insert on Y2K status update for residential and commercial classes for January, May, September, and December.	Bill insert in March/April 1999. Possible supplemental inserts later in 1999.		
			No suggestions, but customers are encouraged to contact Cascade	Yes.		
			CNG is receptive to working with other utilities. Attended NW Gas Assoc. Y2K preparedness meetings.	Believes a collaboration would be beneficial. Have not initiated discussions for joint info. Would be willing to participate in effort.		
			All systems are through the assessment phase.	Assessment complete. Supply & distribution systems have a few electronic components. IT systems unlikely to cause gas disruption.		
			Yes, nearing completion.	Yes, Info. Tech systems in progress.		
			SCADA, PCs, and ITRON by Aug. 1999. Legacy system by June 1999.	High-risk systems replaced by 6-30-99. Currently on schedule.		
			Testing and validation occur simultaneously with conversion and installation phases.	Y2K certification strategy with detailed steps. Includes vendor-supported products.		
			Future date testing. Comprehensive system test. Unit testing. Parallel testing.	Date testing, system testing, production testing.		
			See above.	Staff review and approval.		
			See above.	Independent vendor testing, staff sign off.		
			Testing on schedule. No major problems reported.	Testing on schedule. Y2K tests reveal errors and are resolved prior to implementation.		

Jan. 1999

TELEPHONE UTILITIES JANUARY 1, 1999, YEAR 2000 QUARTERLY REPORT

RESPONSE ITEM	U S WEST			GTE		OTA
	Network	Info. Tech. Organization	Business Units' Internal Equipment	Start Date	Finish Date	Finish
<b>Compliance Path</b>						Companies expect to be compliant 2 <sup>nd</sup> to 3 <sup>rd</sup> quarters 1999.
<b>Awareness Assessment</b>	6/97	6/97	3/98	1996	Ongoing	
<b>Repair/Replace</b>	12/97	12/97	Complete	1996	Complete	
<b>Testing/Validation</b>	N/A	9/98	4/99	1996	12/31/98	
<b>Implementation</b>	95% complete	60% complete	6/99	1996	6/30/99	
<b>1998 Customer Info Activities</b>	50% complete	12/98	7/99	1997	6/30/99	
<b>1999 Customer Class Info Frequency</b>	Web site, switch self-test feature. Y2K education, customer call center.	Best efforts to share Y2K info. Ongoing basis for 1999 and 2000.	Y2K education, customer	Letters, presentations, focused mailings, Web site, bill inserts.	See above.	Bill inserts, letters, no formal outreach, TV Y2K program, media interviews, customer meetings.
<b>Y2K Preparation Suggestions</b>	Yes, customers could verify internal communication equipment is Y2K ready. Congestion on 12/31/99 due to holiday volume, not Y2K problems. Letter addressing 911 service.	Yes, through Telco Year 2000 Forum.		No plans for preparation suggestions.	Yes, customer actions related to telecommunications equipment, e.g., analysis of their own telecom. equipment.	Yes, collaborating among OTA and one or more national telecom. organizations.
<b>Collaborative Utility Info</b>	Yes, through Telco Year 2000 Forum.			Yes, through Telco Year 2000 Forum.	Assessment complete.	Majority have analyzed and assessed computer/control systems.
<b>Percent Inventory of Basic Utility Service Computer Systems</b>	PSTN - complete. Information Technologies - complete. Business units internal equipment - Approx. 95% complete.			Yes, along with other generic fixes.		Yes, switch systems, system upgrades, replacements.
<b>Repair/Replacement of Basic Utility Service Systems</b>	PSTN - 95% complete for testing. N/A for the PSTN for technical reasons. Information technologies - 95% renovated. Business units - 20% renovated. 7/99 for PSTN.			Y2K compliant rollout by June 1999.		End of second quarter for central office switches around the state.
<b>Replacement/Repair Dates of Basic Utility Service Systems</b>	Y2K lifecycle & methodology. Two-part program - Bellcore and ATIS.			Century compliance approach consisting of four criteria.		Telco Year 2000 Forum.
<b>Y2K Testing Methodology</b>	Certification testing. Interoperability testing. Lab testing.			Satisfy four criteria: general integrity, implicit century, date integrity, and explicit century.		Sharing results from some preliminary tests.
<b>Y2K Validation Strategy</b>	See above, including production testing.			General date, impact analysis, technology specific, and domain specific.		Discussing testing issues and procedures.
<b>Y2K Final Acceptance Procedures</b>	See above.			Yes, depends on test procedures.		Various procedures.
<b>Y2K Test Results</b>	PSTN - 95% complete. No major problems reported.			None provided. To be published 1 <sup>st</sup> quarter 1999.		Some preliminary results are available.

ELECTRIC UTILITIES JANUARY 1, 1999, YEAR 2000 QUARTERLY REPORT

RESPONSE ITEM	PGE		PACIFICORP		IDAHO POWER	
	Start	Finish	Start	Finish	Start	Finish
<b>Compliance Path</b>						
• Awareness	Fall 1996	Ongoing	6/96	Ongoing	5/97	Ongoing
• Assessment	Pending	12/97	8/97	12/97	1/98	8/98
• Repair/Replace	5/98	6/99	8/97	12/98-6/99	3/98	7/99
• Testing/Validation	7/98	12/99	8/97	12/98-6/99	5/98	7/99
• Implementation	9/98	6/99	8/97	12/98-6/99	6/98	7/99
<b>1998 Customer Info Activities</b>	Web site, bill inserts, 6 public presentations, 600 customer requests for info, 1 large customer informational exchange.					
<b>1999 Customer Class Info</b>	More of the above. One FTE in the future.					
<b>Frequency</b>	Outreach plan by 1 <sup>st</sup> quarter 1999.					
<b>Y2K Preparation</b>	No Y2K customer guidance at this time.					
<b>Suggestions</b>	Yes, plans to collaborate. Members of NW Power Pool and Gas Association Task Force.					
<b>Collaborative Utility Info</b>	Initial inventory developed, validated, expanded, and prioritized. Computer/control systems are constantly reviewed.					
<b>Percent Inventory of Basic Utility Service Computer Systems</b>	Some systems have been replaced.					
<b>Repair/Replacement of Basic Utility Service Systems</b>	6/30/99. Follows guidelines of the NERC.					
<b>Replacement/Repair Dates of Basic Utility Service Systems</b>	Most systems tested by end of 1 <sup>st</sup> quarter 1999.					
<b>Y2K Testing Plan</b>	See above.					
<b>Y2K Testing Methodology</b>	See above.					
<b>Y2K Validation Strategy</b>	See above.					
<b>Y2K Final Acceptance Procedures</b>	Software testing in progress. Hardware testing has not started.					
<b>Y2K Test Results</b>	To date, no business application has failed Y2K testing. Generation control system with wrong version of software. Most embedded systems not impacted at all by Y2K.					