

EMERGENCY FUNDING FOR YEAR 2000 (Y2K)
COMPUTER CONVERSION ACTIVITIES

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REQUEST TO CONGRESS TO CONSIDER EXPEDITIOUSLY THE REQUEST FOR \$3.25 BILLION IN FY 1998 CONTINGENT EMERGENCY FUNDING FOR YEAR 2000 (Y2K) COMPUTER CONVERSION ACTIVITIES



SEPTEMBER 11, 1998.—Referred to the Committee on Appropriations and ordered to be printed

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THE WHITE HOUSE,
Washington, September 2, 1998.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I ask Congress to consider expeditiously the enclosed request for \$3.25 billion in FY 1998 contingent emergency funding for year 2000 (Y2K) computer conversion activities.

My FY 1999 Budget requested more than \$1 billion for known requirements associated with Y2K computer conversion. In addition, the budget anticipated that requirements would emerge over the course of the year and included an allowance to provide flexible funding to address emerging needs. In fact, additional needs for immediate one-time funding have been arising, as anticipated. As more is learned about how to address the Y2K problem, it will be essential to make the necessary resources available quickly.

I support the Senate Appropriations Committee's action to create a contingent emergency funding provision for Y2K computer conversion requirements. This is consistent with my budget. This supplemental request would create a funding mechanism that is consistent with the Senate Appropriations Committee's action to provide the resources and the flexibility necessary to respond to critical unanticipated requirements.

The details of this request are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Sincerely,

WILLIAM J. CLINTON.

Enclosure.

Estimate No. 13, 105th Cong. 2nd Sess.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, September 2, 1998.

The PRESIDENT,
The White House.

Submitted for your consideration is a request for an FY 1998 supplemental appropriation that would provide \$3.25 billion in contingent emergency funding to address needs associated with year 2000 (Y2K) computer conversion activities.

As you have directed, your Administration is committed to ensuring that computer systems Government-wide correctly process the year 2000. The FY 1999 Budget requested more than \$1 billion for Y2K computer conversion. In addition, the budget anticipated that additional requirements would emerge over the course of the year and included an allowance for emergencies and other unanticipated needs. As we learn more about how to address the critical Y2K problem, ensuring Government-wide compliance will require flexibility to respond to unanticipated requirements. To the extent such unanticipated requirements are identified, it will be essential to make that funding available quickly. Accordingly, this proposal for a contingent emergency funding mechanism would provide the resources and the flexibility necessary to respond quickly to unanticipated Y2K conversion requirements.

The funds would be made available only upon your transmittal of official budget requests to Congress designating the specific amounts requested as emergency requirements pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. This proposed supplemental would also require that OMB prepare and submit reports to Congress on the proposed allocation and plan for each affected Department and Agency to achieve year 2000 compliance for technology information systems before funds could be released to the affected Departments or Agencies.

The Senate Committee version of the FY 1999 Treasury and General Government Appropriations Bill contains a similar contingent emergency funding provision for Y2K computer conversion requirements that is consistent with the allowance included in your budget request. The proposed FY 1998 supplemental is being requested now so that the emergency funding can be enacted promptly, thereby avoiding the risk of any interruption in Y2K work by the agencies and their contractors. This would ensure that the critical funding would be available promptly and avoid any delays or disruptions in agency efforts to address this problem in fiscal year 1999.

I have carefully reviewed this proposal and am satisfied that it is necessary at this time. Accordingly, I join the Chair of the Presi-

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dent's Council on year 2000 conversion in recommending that you transmit the proposal to Congress.

Sincerely,

JACOB J. LEW, *Director*.

Enclosure.

FY 1998 SUPPLEMENTAL REQUEST

EXECUTIVE OFFICE OF THE PRESIDENT—UNANTICIPATED NEEDS

Information Technology Systems and Related Expenses (Including Transfer of Funds)

For emergency expenses related to year 2000 conversion of Federal information technology systems, and related expenses, \$3,250,000,000, to remain available until September 30, 2001. *Provided further*, That the funds made available shall be transferred, as necessary, by the Director of the Office of Management and Budget to all affected Federal Departments and Agencies for expenses necessary to ensure the information technology that is used or acquired by the Federal Government meets the definition of Year 2000 compliant under Federal Acquisition Regulations (concerning accurate processing of date/time data, including calculating, comparing, and sequencing from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations) and to meet other criteria for the year 2000 compliance as the head of each Department or Agency considers appropriate. *Provided further*, That none of the funds provided under this heading may be transferred to any Department or Agency until the Director of the Office of Management and Budget has submitted to the House and Senate Committees on Appropriations and the Senate Special Committee on the Year 2000 Technology Problem a proposed allocation and plan for that Department or Agency to achieve year 2000 compliance for technology information systems. *Provided further*, That the transfer authority provided in this paragraph is in addition to any other transfer authority contained elsewhere in this or any other Act: *Provided further*, That funds provided under this heading shall be in addition to funds available in this or any other Act for year 2000 compliance by any Federal Department or Agency: *Provided further*, That the \$3,250,000,000 shall be available only to the extent that an official budget request that includes designation of the entire amount of the request as an emergency requirements as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to Congress: *Provided further*, That the \$3,250,000,000 is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

This request would provide the resources and the flexibility necessary for the President to respond quickly to unanticipated requirements associated with year 2000 (Y2K) computer conversion activities.

The FY 1999 Budget requested more than \$1 billion for Y2K computer conversion. In addition, the budget anticipated that addi-

tional requirements would emerge over the course of the year and included an allowance for emergencies and other unanticipated needs. It is expected that ensuring Government-wide Y2K compliance will require flexibility to respond to unanticipated requirements. To the extent such unanticipated requirements are identified, this request for contingent emergency funding will enable the resources to be made available quickly.

