

The enemy has demanded surrender at discretion, otherwise, the garrison is to be put to the sword, if the fort is taken. I have answered the demand with a cannon shot, and our flag still waves proudly over the wall. I shall never surrender or retreat. Then I call on you in the name of Liberty, of patriotism, of everything dear to the American character, to come to our aid with all dispatch. The enemy is receiving reinforcements daily and will no doubt increase to three or four thousand in four or five days. If this call is neglected I am determined to sustain myself as long as possible and die like a soldier who never forgets what is due his honor and that of his country—VICTORY OR DEATH.

WILLIAM BARRETT TRAVIS, *Lt. Col. Commander.*

What American, Texan or otherwise, can fail to be stirred by Col. Travis' resolve?

In fact, Colonel Travis' dire prediction came true—4,000 to 5,000 Mexican troops laid siege to the Alamo. In the battle that followed, 184 brave men died in a heroic but vain attempt to fend off Santa Anna's overwhelming army. But the Alamo, as we all in Texas know, was crucial to Texas' independence. Because those heroes at the Alamo held out for so long, Santa Anna's forces were battered and diminished.

Gen. Sam Houston gained the time he needed to devise a strategy to defeat Santa Anna at the Battle of San Jacinto, just a month or so later, on April 21, 1836. The Lone Star was visible on the horizon at last.

Each year, on March 2, there is a ceremony at Washington-on-the-Brazos State Park where there is a replica of the modest cabin where the 54 patriots laid down their lives and treasure for freedom. Each day on this day, I read Colonel Travis' letter to my colleagues in the Senate, a tradition started by my friend, Senator John Tower. This is a reminder to them and to all of us of the pride Texans share in our history and in being the only State that came into the Union as a republic.

Mr. President, I am pleased to continue the tradition that was started by Senator Tower, because we do have a unique heritage in Texas where we fought for our freedom. Having grown up in the family and hearing the stories of my great great grandfather, it was something that was ingrained in us—fighting for your freedom was something you did.

I think it is very important that we remember the people who sacrificed, the 184 men who died at the Alamo, the men who died at Goliad, who made it possible for us to win the Battle of San Jacinto and become a nation, which we were for 10 years before we entered the Union as a State.

I might add, we entered the Union by a margin of one vote, both in the House and in the Senate. In fact, we originally were going to come into the Union through a treaty, but the two-thirds vote could not be received and, therefore, President Tyler said, "No, then we will pass a law to invite Texas to become a part of our Union," and the law passed by one vote in the

House and one vote in the Senate. Now we fly both flags proudly—the American flag and the Texas flag—over our capitol in Austin, TX.

I am very pleased to, once again, commemorate our great heritage and history. Thank you, Mr. President.

INCREASING FUNDING OF THE SPECIAL COMMITTEE ON THE YEAR 2000 TECHNOLOGY-RELATED PROBLEMS

The PRESIDING OFFICER. Under the previous order, the hour of 2:15 having arrived, the Committee on Rules and Administration is discharged from further consideration of S. Res. 7, and the Senate will proceed immediately to its consideration.

The clerk will report.

The bill clerk read as follows:

A resolution (S. Res. 7) to amend Senate Resolution 208 of the 105th Congress to increase funding of the Special Committee on the Year 2000 Technology-Related Problems.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. Under the previous order, the time for debate on the resolution shall be limited to 3 hours, equally divided between the Senator from Utah, Mr. BENNETT, and the Senator from Connecticut, Mr. DODD.

PRIVILEGE OF THE FLOOR

Mr. BENNETT. Mr. President, I ask unanimous consent that for the duration of this debate, the following members of the staff detailed to the Special Committee on the Year 2000 Technology Problems be granted the privilege of the floor: Frank Reilly, John Stephenson, Paul Hunter, J. Paul Nicholas, Ron Spear and Tom Bello.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT

Mr. BENNETT. Mr. President, I ask unanimous consent that the consent agreement with respect to the consideration of S. Res. 7 be modified to allow one technical amendment to the resolution, to be offered by myself and Senator DODD.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 30

(Purpose: To make a conforming change)

Mr. BENNETT. The technical amendment is now at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Utah [Mr. BENNETT], for himself and Mr. DODD, proposes an amendment numbered 30.

The text of the amendment follows:

On page 1, line 5, strike "both places" and insert "the second place".

Mr. BENNETT. Mr. President, I ask unanimous consent that the amendment be agreed to and that the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 30) was agreed to.

Mr. BENNETT. Thank you, Mr. President.

As I have said somewhat facetiously, today is "Y2K Day in the neighborhood." We have had a series of events with respect to Y2K legislation, starting with the debate this morning on the Small Business Administration bill offered by Senator BOND of Missouri. We then went into a closed session where it was my privilege, along with Senator DODD, to make a presentation to Members of the Senate with respect to the impact of Y2K on our national defense and our intelligence capabilities. And now this afternoon, we have 3 hours to discuss the funding request for the Special Committee on the Year 2000 Technology Problems and, in that process, take the opportunity of the debate to lay out for the Senate and for the television public exactly what we are dealing with.

To summarize "Y2K in the neighborhood," I have a single chart that we used in the press conference earlier that outlines what it is we are talking about.

Specifically, as you see, Mr. President, it says, "Y2K—What is it?" There are some who think it is a rock band and we will make that clear. And then, Why are we vulnerable? Where are the greatest risks? What is being done? What should we be doing next? And what can we expect? It is in the framework of those questions that I will be making my presentation today.

In the closed session, we talked about national defense issues, international assessments country by country and the preparedness of the U.S. intelligence community. I report to the Senate as a whole, for those Senators who were not able to be there, that we announced these conclusions to the Senators who were there and, I might say, Mr. President, we were very gratified by the number of Senators who did appear. The room was full, and the Senators were very attentive, which I think is appropriate given the significance of this issue.

We believe that there is a low-to-medium probability of exploitation of Y2K by any terrorist groups. People in the press conference asked me, "Well, can you be specific?" And the answer is no. We know of no intention on the part of terrorist groups to exploit Y2K uncertainty, but these groups are there, they are up to mischief, and so we say there is a probability, but it is at the low end of things.

There is a low probability of a nuclear launch coming by accident as a result of Y2K. Again, we cannot rule it out absolutely, but we think the probability of it is very low.

There is a medium probability of economic disruptions that could lead to civil unrest in various parts of the world, and we will discuss that here in the open session as we outline for you how vulnerable some parts of the world may be to Y2K interruptions.

There is a high probability of an economic impact with consequences unknown. Here we can only guess, but I think there is a high probability that Y2K will, in fact, produce some kind of economic dislocation that we will feel.

As far as U.S. preparedness is concerned, the U.S. Armed Forces will not lose their mission-critical capability, their war-fighting capacity. The United States will remain the world's superpower, and the U.S. intelligence community will not lose its capability to carry out its duties.

To go to, first, the question—What is Y2K?—in case there is anyone who really doesn't understand what we are talking about here, it goes to the inability of a computer to recognize the difference between 1900 and 2000 as a date if that computer is programmed for only two digits for the date field for years. This goes back to the 1960s, maybe even the 1950s when memory space was very, very expensive, very, very crucial and, in order to save space, programmers said, "Well, we can just drop the '19' off the year and go to '69' for 1969, '70' for 1970, and so on. And when someone said, "Well, what happens when you get to the year 2000 and you get two zeros and the computer will think it is 1900?" The answer on the part of those programmers was, "This program will be obsolete and abandoned long before we get to the year 2000."

They didn't realize the ingenuity of programmers. They figured out a way to preserve those ancient programs and to lay other layers of programming on top of them in such a fashion that the old programs look like the new ones, but deep down in the bowels of all of that programming, you have programs that are scheduled to fail when they get to the crucial time when they go over from 99 to 00.

There are many other manifestations of it, going down to embedded chips, computers no bigger than my little fingernail that nonetheless have in them the capacity to fail over this issue. But basically that is the issue. That is what Y2K is. The failure of computers, when they have to transition from 1999 to 2000, those computers that are programmed with two digits for the annual date may fail—some of them certainly will fail—and that is what Y2K is all about.

By the way, people ask, What does "Y2K" stand for? "Y" stands for year, "2" stands for 2—that is fairly easy to follow—and "K," from the Greek, standing for kilo, meaning 1,000. It is computer speech for the year 2000. My wife says to me, "Why do you use that acronym? You just confuse people. Why don't you say 'year 2000' instead of 'Y2K.'" And I say, "Well, it's quicker." She says, "'Y2K,' 'year 2000,' you only save one syllable. What is the point? You just do it to confuse people." But I guess I have been in Government long enough now that confusing people is part of the program.

So what is Y2K? I think that is the answer to the question.

Why are we vulnerable? We are vulnerable because at virtually every point of importance in the modern economy and modern activity there stands the computer—whether it is on a chip or in a huge mainframe—with the capacity to fail.

Let's take an event that we hope never happens to any of us, but that is a demonstration of a true emergency—a fire in a building—and see what happens. Here is a picture of a burning building.

In order to muster the firefighting capability to deal with this emergency, you have a number of people and a number of systems that are involved. There is the computer-aided dispatching system to send the firefighter to where the challenge is. There is the telecommunications system where the telephone calls go back and forth to send the message from the dispatching system; the building security and fire detection systems that make the phone call back to the dispatching system.

The firefighters jump in their cars or their trucks. The trucks have to be filled with fuel. And the pumps that control the fuel supply that goes into the firetrucks all have computers in them—embedded chips. The traffic control system that controls the ability of the fire engine to get through town all has computers in it. The water supply, when they get to the hydrant, is regulated by computers. And, of course, the personnel management systems that get the firefighters into the fire station in the first place now are all managed by computers.

A single event we take for granted, all of the things that are done to bring to bear on this event—some firefighting capability, but there are computers at virtually every step of the way.

Now, just another example of how interconnected we are in this world. Let's take a single transaction that takes place this time across international lines. This will be, perhaps, a little hard to follow because the chart is relatively smaller and less dramatic than a burning building, but just let me walk you through this as to what happens when there is a commercial transaction that goes across national lines.

An import-export kind of transaction. Every red arrow that you see there on the chart, Mr. President, is a transmission of information by computer. Every single time something takes place with the purchase and delivery of an item across national lines—you start the contracts, the negotiations by the Internet, a checking of credit, the contract by the Internet—all the way through. The white arrows on the chart are where something physically moves, when you are moving a piece of merchandise out of a factory onto a ship or out of the truck into a retail store or whatever.

Without going through all of the steps, I just point out that there are more red arrows than there are white ones. There are more opportunities for

computer failure to ruin the ability of this transaction to go forward than there are physical opportunities for it to fail. We are so heavily interconnected in this world now that we are completely vulnerable to a computer failure. And at every red arrow on that chart right now there is a computer with a potential Y2K problem.

Someone once said to me, This problem is really very simple. You just get into the computer and find out where the date is and fix it; change it from two digits to four digits. And I say, yes, that is very simple, very simple problem, very simply solved. The only problem is, you do not know where that date field is, particularly in those old programs that I talked about.

It has been likened to this kind of a challenge: Suppose someone said to you, Mr. President, the Golden Gate Bridge has some bad rivets in it, and if you do not replace those faulty rivets, the Golden Gate Bridge will fall down. All you have to do is very simple: Knock out the bad rivet, put in a good rivet, and the bridge is made secure.

Now, one out of seven of those rivets in the Golden Gate Bridge is bad, and we cannot tell you which ones they are. You have to go through the Golden Gate Bridge and check every rivet to see which seventh rivet has to be fixed. And by the way, if you do not get every single one, the bridge will collapse, and you do this remediation work at rush hour while the bridge is being used. That is roughly comparable to the challenge that we face here. And that is why we are vulnerable. OK.

The next question is, Where are the greatest risks? Well, we can answer that two ways. On our committee, we have decided to rate the greatest risks in terms of which sectors of the economy have the greatest importance to us. And when you rank risk by importance, No. 1 immediately leaps to the top of the list; and that is power.

If the power goes off, it does not matter if your computer works otherwise. The only computers that will work in the world, if the power goes off, will be those that have batteries, and that is about 2 or 3 hours, and they are all gone. So we have put our first focus on power.

Second, telecommunications. If the telephone goes off, the power grid fails, because many of the signals that keep the power grid functioning go over telephone lines. So once again, everything stops.

Third, transportation. If transportation fails, you cannot get coal, for example, from coal mines into power-generating plants. If the switches on all of the railroad lines fail—and they are controlled by computers—there is no coal in the powerplants. The power grid fails, everything fails.

You begin to see, again, how interconnected everything is.

Fourth, finance. If the banks cannot clear checks, if there can be no transfer of funds, if the financial system collapses, then business collapses. Once

again, the chain starts, and you end up ultimately with no power, all the rest of it.

Then, general government. We are so dependent on government services to keep the economy running that if the general government services were to fail—in the Federal Government, for example, if the Health Care Financing Administration were to fail and be unable to make any Medicare reimbursements, it would ultimately destroy the health care industry, because 40 percent of the health care reimbursements are Medicare reimbursements. And you simply could not keep a health care facility going if you cut their cash by 40 percent and left it that way for a while.

Finally, general business.

Those are the ranks of importance that we have looked at in our committee.

Let me take this opportunity to make this statement about what we found. The committee has been operating for roughly a year now, and in that process people who have looked at the list I have just recited have gotten very excited. Indeed, they have begun to create a cottage industry of panic.

You can get on the Internet and you can look up any kind of web site, and they will take the possibility of computer failure in any of the areas I have just outlined and translate that into what has come to be known in the world of Y2K hyperbole as TEOTWAWKI. Now, TEOTWAWKI is the acronym that stands for "The End Of The World As We Know It." They use that phrase so often, they created an acronym. Now you can get on the Internet and they will talk about TEOTWAWKI.

Mr. President, I am here to announce that TEOTWAWKI is not going to come to pass. We are satisfied, as a result of the hearings we held, and the interviews we held, and the investigations we have undertaken on the Senate Special Committee on the Year 2000 Technology Problem, that the world is not, in fact, going to come to an end over this problem—certainly not in the United States. We will have problems. There is no question, given the ubiquitous nature of the problem, that it will cause interruptions and difficulties in the United States, but it will not bring everything to a halt. It will not cause the shutdown of vital services. In our opinion, it will be a bump in the road for the United States.

Now, people say: What does that mean? How serious a bump and how long will it last, Senator BENNETT? I don't know, and I don't know anybody who does, because this is a moving target, there are so many potentials for challenge, that we cannot quantify it with the kind of accuracy that the press always searches for when they ask you these questions. It will have an impact. It will be felt. But how long it will last and how deep it will go I don't know. That is why the committee is going to continue, so that we can continue to study it, and as we get closer

to it, we will be in a better position to make that kind of assessment.

Now, if we ask the question, Where are the greatest risks?—not in the pattern of the impact on the economy that I have talked about, but on our current state of readiness—we find that the greatest impact, based on what we now know in the committee, is probably going to be in the health care field. This is the field that we think is the least prepared to deal with the year 2000 problem in the United States.

One of the reasons for that is it so fragmented. There are so many hospitals. There are so many separate doctors' offices. Some of them have done nothing to prepare for the year 2000. Frankly, some of them can solve their problem in an afternoon. Some of them that are operating off of a single PC can get a patch downloaded from the Internet that can solve their problem. Some of them are going to require substantially more than that. And some of them, frankly, are far enough behind the curve, if they are not on top of it by now, it is too late and they ought to start thinking about contingency plans. We simply do not know. What we do know causes us to believe that health care is vulnerable.

Senator DODD, I am sure, will be addressing this in greater detail because he is the one who has focused on this to a greater extent than any other member of the committee.

Another area of readiness that we are concerned about is local government. I gave this Y2K speech at a Rotary Club meeting in a small town in Utah and people asked me, "What should we do to get ready for Y2K?" I gave them the same answer I always give them, which is, you should take charge of your own life; you should check with your own bank to make sure they are going to be Y2K compliant; you should check with your own employer to be sure he or she is getting things under control; and, among other things, I said, call your mayor to make sure your water system is going to be all right in your local community.

I have done that in Salt Lake City. I have had some long discussions with the mayor of Salt Lake, and she assures me it will be safe for me to be in Salt Lake on New Year's Eve because the water system will work.

After I gave the speech, a man came up, shook my hand, and said, "You have caused me some problems." I asked why, and he said, "I am the mayor." I said, "Mr. Mayor, is your water system going to be all right?" He said, "I don't have the slightest idea but I am sure going to find out." He said, "It never occurred to me that we had computer problems in our water purification plant."

We have held hearings on this issue. I have been in a water purification plant. While I think most local governments are responsible enough and will be on top of it, I am concerned that there will be local governments where there will be critical emergency re-

sponse systems that will fail—fire departments, ambulances, and so on, water systems, federally funded services. Many of the federally funded services are administered at the local level. Welfare checks are mailed out by county governments, not by the Federal Government, in many instances. And in these communities, there can be serious disruption even while the Nation as a whole is doing fine.

In the economy as a whole, the area that is at the greatest risk is where we find medium-sized businesses. The big businesses are probably just fine. Citigroup announced when we first got into this they were going to spend \$500 million fixing their year 2000 problem. That went up to \$650 million by the time we got around to drafting the report. Now, the day the report is issued, we are told they are spending closer to \$800 million to get this solved. But Citigroup will get it solved. They have the money and the muscle and the will to get it taken care of.

The very small businesses will probably get it solved because, again, for them, they are dealing with a single computer that runs their payroll and maybe does their taxes, and they do everything else by hand. They can solve that problem in a short-term period of time. The middle-sized businesses that don't have the money of a Citigroup and that have a much bigger problem than a mom-and-pop store are running into difficulty. The surveys we are conducting tell us that these companies are where the problems are going to be.

Now you may say, so what? We should really care if an individual business here or an individual business there should fail or should have serious problems. In today's economy, we live in a world of outsourcing and just-in-time inventory. That means that General Motors has literally tens of thousands of suppliers. General Motors does not make everything themselves; they outsource. That is a fancy name for buying it from somebody else. They are dependent on these medium-sized businesses for their parts. One of the scary things is that many of these medium-sized businesses on which General Motors and other big manufacturers are dependent are overseas.

I used to run a very small business, so small that it wouldn't really attract anybody's attention, but the key component of our business, without which we had no product, was manufactured in Taiwan, and if we were unable to get that from Taiwan because of Y2K problems in Taiwan, we were out of business. We sold our product to a much bigger company. They were dependent upon us. They could have all of their computers Y2K compliant and be unable to get product from us and therefore have to drop a major product line for them. We couldn't supply it because we couldn't get this product from Taiwan. You see the chain of suppliers that runs throughout the economy in this just-in-time inventory world.

When I say I am concerned about medium-sized firms as an area of high

risk, it could affect big firms and could affect the economy as a whole.

Now, the next question after where is the greatest risk: What are we doing about it? What is being done? Here, I think, it is time for the Senate and the Congress, if I might, to be a little bit self-congratulatory. When this problem first came to the attention of the Congress, Senator BURNS of Montana has said he held hearings on this issue, or had been involved in hearings on this issue back in the early 1990s. He said we couldn't get anybody interested; nobody paid any attention. He was on the Commerce Committee. He said the thing just kind of dropped without a trace.

We first became aware of this on the Senate Banking Committee in 1996. That is where Senator DODD and I became zealots on this issue, and we began to work on this with respect to the financial services area. The more we got into that, the more we realized that it encompassed all of the things that I have described here this afternoon.

One example demonstrates what I am talking about when I say that Congress can be a little bit self-congratulatory about the question of what is being done. My son-in-law works for one of the major banks in this country. He said at a family gathering, "You know, I don't know what's happened, but the bank examiners from the Federal Reserve who come into our bank now have only one thing on their minds, and that is Y2K, and they have made it the top priority in the bank." I thought, you know, we have finally done something in Congress that has produced a result because, at Senator DODD's suggestion, we got the bank regulators before our subcommittee of the Banking Committee and we raised this issue with them; we discovered several things. No. 1, they were not raising it as part of the safety and soundness examination they were doing in banks. No. 2, their own computers weren't going to work in the year 2000. They would not be able to conduct their regulatory activities if we didn't get it fixed. The mere act of holding a hearing and bringing these people forward produced a salutary result that actually got out into the economy and changed the way things are being done.

Well, now, I think we can take some credit for having raised that alarm. Senator MOYNIHAN wrote to the President and urged him to appoint a Y2K czar or coordinator. The President did not respond. I wrote to the President after we had our hearings in the Banking Committee and recommended it. He did not respond to me, either. But in February of 1998, he did, in fact, appoint a Y2K coordinator. I think the track record says it is the Congress that possibly spurred that. And we now have a President's Council on the Year 2000 Conversion, headed by John Koskinen, working very diligently to make sure the Federal Government and

the economy as a whole is ready for this. We are doing everything we can to create awareness of the challenge. At the same time, we want to be sure, in words that we have used before, that while we are "Paul Revere," we are not "Chicken Little." We have to get everybody aroused to the fact that the British really are coming. They have to get out of their warm beds and pick up their muskets and get ready for this; but the sky is not falling and it will not be TEOTAWKI; it will not be the end of the world as we know it.

Well, I see that the vice chairman of our committee, Senator DODD, has come on to the floor. Soon I will reserve the remainder of my time and give him an opportunity for a statement about this.

Other members of the committee have expressed an interest to come to the floor and talk about this issue. I want to acknowledge the tremendous support we have had on this committee. This is a unique kind of committee in that we have had tremendous bipartisan support. My staff and Senator DODD's staff function almost as one on this committee. We have made every effort to keep any kind of partisanship out of it. We go out on field visits together. Senator DODD has been indefatigable in his effort to keep this thing going, and he prods me in areas where I need it and keeps the committee focused in areas where sometimes I stray in other places. It has been one of the most satisfying legislative experiences that I have ever had.

Other members of the committee, the same way. Senator MOYNIHAN was into this issue before we even discovered it and came onto the committee with great enthusiasm. Senator SMITH of Oregon, who came to the Senate as a businessman, took charge of dealing with business and Y2K's impact on business and has been tremendously helpful. We have had Senator BINGAMAN, who we have asked to focus on the national defense issues. Senator COLLINS, as a representative of the Governmental Affairs Committee, has held hearings in that committee based on what she has come up with out of our committee. Senator KYL did all of the heavy lifting on the committee for last year's bill on disclosure and has been enormously valuable.

And then we have, unlike any other committee in the Senate, two ex officio members, TED STEVENS of Alaska and ROBERT C. BYRD of West Virginia; and the fact that the Federal Government received literally billions of dollars in emergency funds in the last supplement, which, I think, have dealt with the true emergency. I think we are responsible for our being where we are in many of the government agencies. I don't think that would have happened if the chairman and ranking member of the Senate Appropriations Committee were not involved directly and particularly in the work of this particular special committee.

So, with that tribute to my fellow Senators on this committee and the

work that has been done, I will reserve the remainder of my time, Mr. President, to allow the vice chairman of the committee and the ranking Democrat, Senator DODD, to make his statement.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. MURKOWSKI. Without breaking into the colloquy, I wonder if I can have 5 seconds to introduce a bill.

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senator from Alaska be recognized for the purpose of introducing a bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. MURKOWSKI pertaining to the introduction of S. 501 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Thank you, Mr. President.

Mr. President, let me begin these remarks by seconding everything that my colleague from Utah has said about the other members of this committee. I will add, as I know he has expressed on numerous occasions, the tremendous work done by our respective staffs. They have done a tremendous amount of work in providing us with the kind of detailed information that we have been able to produce at this juncture in our interim report, which we released today.

Let me also, on behalf of other members of the committee, say to you and to our colleagues here that we have been truly fortunate to have BOB BENNETT lead this effort. I have said this on numerous occasions. He has literally been the leader on this in the Senate. He began early on and insisted that the Banking Committee have a subcommittee that would look at the implications of this year 2000 "bug," as it is affectionately referred to, on financial institutions. It was as a result of his efforts that my curiosity was piqued.

As a member of that committee—not as the ranking Democrat, but as a member of that committee—I attended a number of hearings we had on financial services, and I quickly learned through that process that this issue went far beyond the individual institutions that had to do their own assessments. What Senator BENNETT discovered very early on and what others of us who sat in on those committee hearings soon learned, was that it wasn't enough to be a financial service and have your own house in shape when it came to the Y2K issue, and that the bank, or the savings and loan, or the stock brokerage, or any other financial service, insurance agent, or company—if they were in good shape internally, that wasn't enough. They had to also determine whether or not suppliers and customers, all sorts of contractors with

whom they do business, would also have to be in good shape.

That obviously drew us to the conclusion that this was an issue that deserved broader attention than just looking at the financial services sector. As a result, Senator BENNETT and I went to our respective leaders and asked and urged them to support this special committee that has no legislative authority. We have no authority to pass any laws or do anything, but merely try to make an assessment as we now approach the millennium date 304 days from today.

As a result of those efforts, beginning last year, TRENT LOTT, our majority leader, and TOM DASCHLE, the Democratic leader in the Senate, supported our efforts to form this committee. We owe them a great debt of gratitude, as well, as leaders for giving us the kind of support that has been necessary to do our jobs.

Today, at the conclusion of this discussion, there will be a vote on a matter that would provide an additional \$300,000 over the next year for us to complete our work as we now enter this second phase of this assessment of how the Nation and the world is responding to this issue. So we hope that our colleagues will be supportive of that effort to allow us to complete our work.

Again, at the outset, I want to thank my friend and colleague from Utah whose own background in business—and a successful business, I might add—has brought some wonderful awareness and knowledge to all of this. It has been truly enjoyable to work with him and his staff over these past number of months which has brought us to the place we are today.

The Senate special committee, which formed in April, as I have said, has been working hard to assess a variety of industry sectors. Some sectors have been very cooperative. We should tell you that in this kind of effort so much information and so much news is focused on what is wrong. We need to take some time to tell you about what is right, too.

There is a lot that is going on that is right when it comes to this issue. It doesn't get the same attention. The old axiom that the media doesn't report about planes that fly is certainly true in the Y2K issue. The headlines are going to tell you about where the problems are. That is the nature of the news media and what gets covered. But there are a lot of planes that are flying, if you will, both literally and figuratively when it comes to the year 2000 issue. Those that have been doing the work getting the job done deserve to be recognized as well. Others have needed more persuasion, unfortunately. We will get to that.

After 10 months of research, we have now completed our report, which I have referred to already, which gives you the status on seven major sectors. It is not an all-conclusive list. But we came up with this list. Senator BENNETT did.

He came up with a list of seven critical areas that we thought most people would have questions about and legitimate concerns. I will get to that in a second. I know Senator BENNETT has already discussed that to some degree.

The report was intended to provide as comprehensive as we could an analysis, and described as thoroughly as we could in a single document how ready we are to face this millennium issue that is going to be upon us in 304 days; in some cases before.

Reflecting on what we have learned from our research and hearings, I think it would be an understatement to say that Y2K is an important issue. Expert opinions on the subject have ranged from denial to the coming of Armageddon.

While we don't foresee any major disruptions, anyone who hasn't begun to consider the ramifications of this problem should do so immediately, in our opinion. Some businesses within different industries have been extremely forward thinking in their year 2000 preparation efforts. George Washington Memorial Hospital, right in our own Nation's Capital in the city of Washington, began its remediation efforts a half a decade ago in order to be ready for the year 2000 issue. State Street, an international financial service in Boston, MA, began fixing its year 2000 problem 6 years ago and is projected to spend some \$200 million on remediation efforts. The cost has been significant. For some it will continue to rise as companies continue to discover problems and work through them.

Consider for a moment, if you would, Mr. President, the cost of not being ready, especially with regard to exposure to litigation. Projected litigation costs have ranged from \$500 billion to \$1 trillion. You can be sure that these costs in one way or another will be passed on to consumers in other groups.

Let me just mention the litigation issue. As my colleague from Utah knows, and others know, I have been a strong advocate of litigation reform. Senator GRAMM of Texas, Senator DOMENICI, myself, and others authored the securities litigation reform bill, and then last year we passed the uniform standards legislation to reduce the proliferation of computer-driven complaints where mere stock fluctuations would generate lawsuits. I think it was a good effort and was endorsed by the Securities and Exchange Commission, and overwhelmingly supported by our colleagues on both sides of the aisle. I am a supporter of litigation reform in this area, too. I think it is going to be very important that we do something in this area to reduce the potential costs of unwarranted litigation.

Having said that, however, Mr. President, I also want to say that there should be no mistake out there that this committee and this Congress are not about to create some firewall that protects businesses or industries when

they should have known better and done better and didn't do so. If you are sitting back and saying, I hear Congress is about to pass some legislation that is going to insulate me and protect me from consumers and businesses and others that would have a legitimate complaint against a company that did not do its Y2K work, you would be mistaken. I think I am speaking for most of us here who feel that way. That is not to say we will not be able to pass a bill. I hope we can. But we shouldn't leave the impression that this is going to be somehow an abolition of tort law in this country.

There is a reason why we call these problems bugs or viruses. Like a disease, this issue can corrupt the functioning of vital systems, can cause damage, shutdown, and can bring the flow of work to a halt. They can take a business out of business very quickly. They can stop the flow of information and communication.

As concerned as I am, let me make the point that we believe the United States is one of the most prepared nations in the world. We have the resources we need both in terms of economics and expertise. However, most countries lag behind the United States in the year 2000 preparation.

I cannot stress to you enough, Mr. President, the serious nature of this topic. This is not an imaginary problem just because we can't at this time quantify as exactly as we would like, or forecast as exactly as we would like, the extent of this problem. We don't know for sure what is going to happen, and where it is going to happen. So we must prepare, in our view, for a bad situation. We hope it doesn't occur. There is no information we have that it is likely to occur. But we don't know. We just don't know with the kind of certainty we would like to share with our colleagues and share with the Nation.

Some chief executive officers and government leaders assume because this is a technical problem and they lack technical expertise that their hands are somehow tied. This is not the case. There is no singlehanded resolution to this crisis. A successful resolution will call for cooperation across the board. This is not just a technology problem. It will require managers who are willing to get involved at all levels. It will take leaders in business, in the U.S. Congress, and at the executive branch level to take the initiative and find out where companies and organizations, nonprofits and for-profits, are in their Y2K remediation and contingency planning.

Large, medium and small businesses must cooperate to find solutions. Chief executive officers must be aware of the extent of their companies' Y2K exposure. Companies must develop contingency plans. In fact, this is a critical issue right now. It doesn't mean you ought to stop remediation, but if you are concerned that you are not going to be able to get ready in 304 days, you ought to be actively involved in looking at contingency planning.

If there were no other message I could leave our colleagues with, or others who may be following this discussion today, the most important point I would like to make is the need for contingency planning. I can't think of anything more important. You ought to know how important contingency planning will be.

They also must insist that vital suppliers and vendors resolve their own problems and have their own contingency plans in place. The true heroes on January 1, 2000, will be those organizations, private and public companies—small, medium and large—that have found a way to adapt to this potential problem. A business owner who wants to prosper in the new millennium must prepare for the Y2K problem in such a way that the business—that their business, his or her business—does not skip a beat come New Year's Day.

As of today, as I have said repeatedly now today, we have 304 days remaining, but much can still be done in that time, as short as it is.

If you have lived in the Southeast of our country where there are hurricanes on almost an annual basis, or the Midwest and South where tornadoes are common, you may have heard warnings that gave you little time to make survival decisions. The year 2000 is a storm on the not-too-distant future horizon. It is a disaster, in some cases pervasive throughout the First World and beyond, but is one for which we can prepare.

It is one that we can work to neutralize. We on this committee have been assessing all that we can to understand more about this coming storm, and we have learned a great deal. Small businesses do not have any compliance plans in place.

Preparation for the continued health of our Nation's businesses and industries is vital, but paramount is the health of our health care. It is not an exaggeration to say that lives could be lost as a result of this crisis. I point to disturbing examples of what could happen relative to health care and the Y2K issue not to be an alarmist, quite the contrary, but to shed light on something that needs the attention of everyone in this country. Sixty million people are dependent on medication for the treatment of health problems from cancer to heart disease. Some require daily doses of life-sustaining medicines to keep their bodies from rejecting transplanted organs or to prevent cancers from spreading.

Let me just cite one example of what I am talking about of which this committee has become keenly aware. Laurene West is a registered nurse and a computer expert. She brings together some wonderful talents. And if you were to meet her, you would see a seemingly healthy woman. Were it not for the fact that I tell you now, you would never guess that her state of health will put her more at risk than any of us when the year 2000 arrives. Ms. West had a tumor removed from

her brain and requires daily medication to prevent the regrowth of that tumor.

During her first of 13 surgeries, she developed a staph infection that does not respond to any known oral antibiotic. She is dependent on IV antibiotics which she cannot store because they have no shelf life. Any disruption to the supply of these antibiotics could be fatal to her. She knows health care. She knows computers. And she knows all too well the impact that the year 2000 could have on her health care.

Ms. West has been the most proactive voice calling upon us to take action. She worries that HMOs and physicians, to a certain extent, view the impending crisis with a degree of disbelief and apathy. Many health insurance organizations will not pay for the storage of even the most critical of drugs. We now are aware that as much as 80 percent—80 percent—of the ingredients of drugs manufactured in the United States of America come from overseas.

Let me repeat that. As much as 80 percent of the ingredients of drugs manufactured in this country come from overseas. Foreign companies account for 70 percent of the insulin market in the United States. Unfortunately, patients have been prevented from stocking lifesaving drugs because of restrictions placed on pharmacists by insurers and physicians who may not fully understand the magnitude of this problem. Ms. West has brought this to our attention. We applaud her efforts, and we are going to try to do something about her case and cases like it.

Health care is this Nation's single largest industry. It generates \$1.5 trillion annually. There are 6,000 hospitals in America, 800,000 physicians, and 50,000 nursing homes, as well as hundreds of biomedical equipment manufacturers, health care insurers, suppliers of drugs and bandages that may be unprepared for the year 2000. According to the Gartner Group, 64 percent of our Nation's 6,000 hospitals have no plans to test their Y2K preparedness. About 80 to 85 percent of doctors' offices are said to be unaware of the Y2K problem.

Struggling compliance efforts by the Health Care Finance Administration and unaddressed concerns about medical devices are major roadblocks to the industry's year 2000 readiness. In short, the health care industry is one of the least prepared with 304 days to go for dealing with the Y2K problem and carries, in my opinion, the greatest potential for harm at this juncture. Due to limited resources and a lack of awareness, rural and inner-city hospitals are particularly at high risk.

Each industry we have examined is critical to the functioning of our society. We have all heard the analogies about making a phone call on December 31 around midnight and getting the bill the next month with a charge for 100 years of long-distance calls. But what if the phone doesn't work at all; what if you lose contact with your work, your family doctor, your 911 dis-

patcher. Think what would happen if the ability to communicate was taken from governments, militaries, businesses and people.

The U.S. has never experienced a widespread telecommunications outage, yet the telecom network is one of the most Y2K-vulnerable systems. And while 95 percent of telephone systems are expected to be compliant in time, there is no industry-wide effort to test data networks, cellular and satellite communications systems or the Nation's 1,400 regional telecom carriers. Despite telecom infrastructure readiness, customer equipment and company switchboards may experience some problems, leaving no guarantee of getting a dial tone on January 1.

A forum that included the Nation's largest telecom companies was formed in 1997 to address the year 2000 concerns and was early, to their credit, in formulating a compliance plan. We are awaiting a final industry report which is expected early this year.

With all of our assessment, research and hearings, we have learned a great deal about many sectors of our infrastructure. We have learned who is compliant and who is making headway, who is lagging behind, and who has failed to disclose their status. We discuss and recommend legislation to move the process forward, and we must look hard into the mirror. The Federal Government should be setting an example, in our view, for the rest of our country in preparing for the Y2K issue, yet the Federal Government's Y2K preparations vary widely.

The Social Security Administration, for instance, got an early start and is well prepared—we commend them for their efforts—while other agencies such as the Department of Defense and the Health Care Finance Administration are lagging somewhat behind. The Federal Government will spend somewhere, we are told, between \$7.5 billion—and I apologize for the disparity—and \$20 billion. I would like to make that number more definitive for you, but we are getting wide-ranging cost figures here. Those are the numbers we are being told just for the remediation at the Federal agencies, but it will not be able to renovate, test, and implement all of its critical missions in time. After a late start, the Federal Emergency Management Administration is now engaged in national emergency planning in the event of year 2000 disruptions, but many State and local governments are not prepared to deliver critical services such as benefit payments, 911, and emergency services.

Both Senator BENNETT and I have had a particular interest in small businesses. This is because small businesses fulfill such a crucial role in our Nation's economy, providing 51 percent of the total private sector output. Small businesses are absolutely vital to the economic well-being of our Nation. There are approximately 14 million small businesses in the United States today and, according to the NFIB Education Foundation, nearly a quarter of

these 14 million businesses haven't spent a dime on year 2000 remediation. Fifty-five percent of them correspond with suppliers via electronic interaction and 17 percent say that they would lose at least half their sales or production if automated processes were to fail. Many of these companies are playing wait and see—in reality, gambling that the problems are small, or at least they will be able to repair the damage before they go out of business.

In our February 5 hearing, we heard testimony from Mr. Ken Evans, president of the Arizona Farm Bureau Federation. Part of the responsibility of his organization is to look out for a type of small business that is literally the bread and butter of our country—the family farm. Some reports have indicated that these small businesses may not be affected by the year 2000 problem since few of the systems used by family farms are automated. However, as Mr. Evans pointed out before our committee hearing, smaller farms rely heavily on vendors, telecommunications services, bankers, and transportation companies that are all highly automated.

I know the Presiding Officer in the Chair comes from one of our rural States and knows better than most about just what I have said here, that people have sort of a mythological perception about the family farm and how it works. But today to succeed as a family farmer you have to be connected with these other vehicles to provide the services you need and to get your products and produce to the consumers.

The smooth functioning, as Mr. Evans pointed out, of day-to-day business on the small farm requires that phones work, the refrigeration is in service, and the transportation services are available.

In general, we think the level of preparedness seems to be determined by the relative size of the business or by how much the business is regulated by State and Federal agencies. While the heavily regulated insurance, investment, and banking industries are the furthest ahead in the Y2K compliance efforts, health care, oil, education, agriculture, farming, food processing, and the construction industries are lagging behind.

The cost to regain lost operational capability for mission-critical failures will range, we are told, from \$20,000 to \$3.5 million per business, depending upon the size of your company. It is estimated that it will take an average of 3 to 15 days to fix the problems. Large companies with greater resources, of course, are better able to deal with the year 2000 problem. Small and medium-sized businesses, however, are the most vulnerable to the year 2000 disruptions. One survey shows that more than 40 percent of 14 million small businesses do not have any compliance plans in place.

Mr. President, I am only going to speak briefly about the problem of liti-

gation. I already mentioned my concerns about this and my desire for legislation. I think the price tag of \$500 billion to \$1 trillion speaks for itself. That would be a staggering cost to our Nation, not to mention to the individual businesses that may be the subject of litigation. It would be contrary, in my view, to our goal of preparation, to walk blindly into the next year without taking into consideration the question of litigation reform.

Any reform would have to be, in my view, specific. It ought to be bipartisan, especially considering this is a very unusual circumstance. There is no established precedent upon which to rely in making recommendations for reform. Reform would have to be narrowly tailored, in my view, for a very specific purpose. It would have to encourage businesses and organizations to seek solutions and disclose progress without fear of litigious retribution. At the same time, companies and organizations must not be allowed to choose to do nothing and escape responsibility. We will be looking at this in the coming weeks. Clearly, much is left to be resolved.

Again, Senator BENNETT has spoken about the interconnected relationships of governments, all organizations, all companies and people. To say that everything is connected is to put simple words to a very complex reality. To those chief executive officers who have told us that their Y2K exposure is non-existent, due to early planning and remediation efforts, I would only ask: What will you do if power is disrupted on the grids? What will you do if you cannot ship products? What will you do if your vendors are not Y2K compliant? To government leaders at the local and State level who have not planned for this, we would ask: What will you tell the people you serve if their government cannot function? To those HMOs and physicians who are not anticipating a Y2K-related problem, my question to you is: What will happen if you are wrong and you do nothing?

Even if our country solves this problem, the fact that many of our industry sectors are tied closely to international businesses and economies will have an unknown effect on all of us. Plants grown overseas affect the supply of pharmaceuticals here. America imports goods ranging from produce to electronic equipment. How will our economy be affected if some of these products do not arrive on our shores? The fact is, what I am saying here, and what Senator BENNETT has said over and over again, is we are all in this together. You are not protected by geographical boundaries, by political entities, or by lamenting what is not happening offshore.

There is a storm on the horizon. We have seen the warning signs. The question is, do we have the ability to weather this storm? We think we do, but we have to work hard and all of us need to work together. In weathering this potential storm, we need to con-

tinue to look closely at the sectors of infrastructure that we have reported on in this interim report. We need to work closely with our international neighbors who are of particular interest to the United States, both economically and politically, in order to better assess their problems and better anticipate the effect that problems in their countries will have on us.

Our list of priorities for the coming months include the following: We need to revisit the domestic industry and infrastructure sectors first examined last year. As I indicated, we need to place increased emphasis on international Y2K preparedness. We hope to identify national and international security issues and concerns, some of which we have been briefed on even as late as today, as Members of this body, by the respective agencies of our Federal Government. We will continue to monitor Federal Government preparedness, but also turn our attention more to State and local government preparedness. Evaluating contingency emergency preparedness and planning is a high priority for this year. We need to determine the need for additional Y2K implementation or delaying implementation dates of new regulations.

I should have made note, by the way, when speaking about our paying attention to local governments and to municipalities, our colleague from New York, who I think is going to come shortly to the floor, has raised the issue.

Here he is. He has already raised the issue of how we might help the municipalities and State governments, and I commend him once again for bringing to this chamber the kind of vision he historically has brought on so many other matters. I leave it to the Senator from New York to discuss his ideas in that regard, and I leave him to comment on those matters.

In closing, I want to reiterate the words of our colleagues when they said we must work together. We must not let our differences keep us apart. If we are going to cooperate, if we are going to keep this from becoming a larger problem than it has to become, then the finger-pointing and name-calling and recriminations that can often be associated with this kind of an issue need to be eliminated entirely.

Again, I commend my colleague from Utah who has led this effort so well over the past year or two—several years, now. I am very, very confident that, whatever else may happen, we will be doing our very best in these coming 10 months to keep our colleagues and the American public well informed about this issue, raising concerns where we think they are legitimate, not engaging in the hyperbolic kind of rhetoric that can create a panic which poses its own set of problems, but to be realistic with people, backup what we say with the kind of evidence we think is important for the American public and others to have as we try to work our way through this issue.

With that, I reserve the remainder of my time and am glad to yield to my colleague from New York. I apologize, I didn't see him come in earlier or I would have yielded to him earlier.

THE PRESIDING OFFICER (Mr. CRAPO). The senior Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise in the first instance to congratulate the chairman of our committee and his vice chairman for the extraordinary work they have done in less than a year. I make the point, it is a point of Senate procedure, that it is rare there is a chairman and vice chairman, not chairman and ranking member. This has been a wholly bipartisan effort from the first, and I think we can see that from the results in so brief a span.

The issue has been with us for some while, and it would be derelict of me not to mention that it was brought to my attention by a dear friend from New York, a financial analyst, John Westergaard, who began talking to me about the matter in 1995. On February 13 of 1996, I wrote to the Congressional Research Service to say: Well, now, what about this? Richard Nunno authored a report which the CRS sent to me on June 7 saying that "the Y2K problem is indeed serious and that fixing it will be costly and time-consuming. The problem deserves the careful and coordinated attention of the Federal Government, as well as the private sector, in order to avert major disruptions on January 1, 2000."

I wrote the President, on July 31 of that year, to relay the findings of the CRS report and raise the issue generally. And, in time, a Presidential appointment was made to deal with this in the executive branch, to which I will return. But last spring—less than one year ago—the majority leader and the minority leader had the perception to appoint this gifted committee, with its exceptional staff, and now we have its report before us.

Two points, followed by a coda, if I may. Shortly after the committee's establishment, Senator BENNETT and I convened a field hearing—on July 6—in New York in the ceremonial chamber of the U.S. Federal Court House for the Southern District of New York at Foley Square. We found we were talking to the banks, the big, large, international banks in the city, and the stock exchange. And we found them well advanced in their preparations regarding this matter. I think my colleague from Connecticut would agree. They were not only dealing with it in their own terms, they had gone to the Bank for International Settlements in Basel where a Joint Year 2000 Council had been established at our initiative. They were hard at work on their own problems. They were worried about others.

One witness told us that 49 Japanese banks planned to spend some \$249 million as a group on Y2K compliance; 49 banks are thinking of spending in combination \$249 million. Citicorp was

planning \$600 million, and it already expended a goodly share of that.

Indeed, it was not all our initiative, but certainly it was serendipitous, if I can use that term, that the security industry commenced massive testing just a week later—on July 13, 1998. The tests went very well. The industry was on to this subject. The point being, if you are on to this, you can handle it. It is those who aren't who will leave us in the greatest trouble. There will be another industry-wide test later this month. So much for private initiative.

We should be grateful for what we have learned, here and abroad. As the Senator from Utah and the Senator from Connecticut have made clear, there are countries that have understood this, as we have done, and are on top of this. But there are too many other countries that don't know the problem exists or might as well not.

As a sometime resident in India, I was interested to find that Indian enterprises, concentrated in the Bangalore area, are very much involved in doing the computer remediation. If you would like to know something about the world we live in, Mr. President, the work for the day is sent to them from San Francisco or New York or Chicago; they do it overnight, which is not overnight for them, it is the daytime, and it is back on our desks in the morning. It is that kind of world we live in.

Hence, to the second subject, which is the nuclear one. There is potential here for the kind of unintended disaster of an order we cannot describe in terms of medical care or financial statements or, for that matter, air travel at New Year's—which is to say that the failure of computer systems in Russia to give the correct information about early warning systems, such that 6,000 nuclear warheads still in Russia are not inadvertently launched. They could be, you know. They are in place—not all—but enough. A hundred would do. Three would be a calamity. Two were dropped on Japan and ended the Second World War. These are all huge weapons, far above the tonnage and of a different chemical composition than the early atomic bombs, as we have come to know them.

The Russians seem to know they have a problem—or they may have a problem. Or they don't know whether they do or they don't. In that situation, "we didn't quite catch it" could bring incomprehensible catastrophe just at the moment when we thought that long, dark half a century was ended, the half century that began in 1946, when the Soviets exploded their first nuclear device.

We have a danger here and we have an opportunity, and we ought to respond to the one and seize the other. We are given to understand that our Department of Defense officials have begun some negotiations, discussions in Moscow to invite a Russian team to Colorado Springs—where it happens our facilities in these regards are located—to let us watch each other's nu-

clear launches, nuclear alerts, false alarms.

We can think, Mr. President, that this was something behind us, surely a matter of passing. It wasn't. We have learned just recently that in 1983, one Soviet officer, a Stanislav Petrov, a 44-year-old lieutenant colonel, was in the Serpukhov-15 installation where the Soviet Union monitored its early warning satellites over the United States, and all of a sudden the lights began to flash "Start," because the warning time is very short.

He made a decision on his own: they only supposed that they had picked up a launching; the equipment picked up five ICBMs. Mankind was spared by one lieutenant colonel in the Soviet Army who knew enough strategic doctrine to know that the United States would never launch five. It might launch 5,000. So as the information went up, by the nanoseconds, through the chain of command, it was decided not to launch a counterstrike.

That is how close we came, probably never in a more mortal way. He is still alive and has told his tale. I ask unanimous consent that at the end of my remarks David Hoffman's account of this in the Washington Post be printed in the RECORD.

THE PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. MOYNIHAN. Mr. President, I suggest that we seek to reach an agreement for the Russians to come and bring with them all their codes and their classified communications modes, learn what our early warning system is, tell us what they will of theirs, perhaps be open about its own weaknesses, which are so great. These are the people who still have the fate of mankind in their hands, and they haven't been paid in 6 months. What they talk about, evidently, is the need for money. How in God's name we cannot provide it I fail to see. The maintenance of our nuclear system in the course of a half century cost \$5.5 trillion. I sometimes forget this, but in my years on the Finance Committee, I have learned that a billion minutes ago, Saint Peter was just 30 years dead. A billion is a large number. A trillion is beyond our capacity. They are asking thousands of millions. Very little.

I hope Beijing might want to join. I would invite Islamabad and New Delhi, places which are unstable and have nuclear devices. Out of that, Mr. President, out of this immediate crisis, we might find a longrun institution or institutions—they need not be here, exclusively—they can be in many places—in which we would monitor one another's nuclear activity while, pray God, we develop it down, and relearn the confidence-building measures that were so important in the cold war. That telephone between the Kremlin and the White House made more of a difference than we probably know. It is this kind of thing.

I note to my dear friends—and I will get complete agreement—this body has

known fewer persons with a greater understanding of the cold war than Senator Sam Nunn and the late Senator Henry Jackson who, in the early 1980s, brought up the concept of a joint early warning system. And then the MX was deployed, and we moved from essentially a deterrence position on nuclear matters, a second-strike, if you will, to a first-strike capacity, such that the Soviet systems had to be constantly alarmed.

Now, maybe that idea of Senators Nunn and Jackson will come, come at last. I would hope for two things. And I do not want to impose, and I do not want to presume, but I will do. This is not a time for too much delicacy.

I would hope that our chairman and vice chairman—I make that point: the Intelligence Committee and, I believe, the Ethics Committee have a chairman and vice chairman; all the rest is majority rule around here, which is fine, but this is bipartisan—if they might find it possible to visit Moscow and talk with members of the Duma there where the START II treaty, which we took all the 1980s to negotiate, lies unratified. And our plans for START III are, accordingly, on hold. They might go or they might invite—some action from the Congress, I think, is in order. And it would be no harm to point out to the Russian Government that they now have a legislative branch. And if it acts in ways that are not always agreeable to the executive, well, that is not an unknown phenomena. It has been going on for two centuries in the United States. It is an important and necessary initiative we ought to somehow pursue.

One final point. I hope my friends will not feel I am trespassing on their—our concerns, as I am a member and am honored to be a member of the committee—the Pentagon is too much disposed to discuss this matter in secret session. This is a time for more openness. This is a time the American people can be trusted with information which the Russian authorities already have.

One of the phenomenons of the cultural secrecy which has developed over the last century is that the U.S. Government is continuing to keep information from us which our adversaries know perfectly well. It is only we who do not know. This has done a perceptible harm to American democracy. We have no idea how distant it is from the beginning of the century when Woodrow Wilson could proclaim, as a condition of peace to conclude the First World War, “open covenants openly arrived at.”

Now, mind you, that same President Wilson, to whom I am devoted, in the day after he asked for a declaration of war, he sent a series of 17 bills, which were rolled together and called the Espionage Act. It provided for prior restraint, as lawyers call it, censorship of the press. First Henry Lodge, on this floor, the chairman of the Foreign Relations Committee, said, “Yes, I think that is a good idea.” The next day he

came back and said, “You know, I don’t think it’s a good idea. The press should be free in this country.”

President Wilson wrote the bill manager on the House side, and said, “Please keep it.” It was not kept. But it was assumed it was kept, so much so that when the Pentagon Papers were released, the executive branch of our Government just assumed that was a crime and proceeded to prevent their publication and find out more about the person who had released them. And the next thing you know, we had an impeachment hearing in the Federal Government—a crisis that all grew out of secrecy and presumptions of secrecy.

I would hope—I doubt there is anybody in the Pentagon listening, but I see the chairman and vice chairman listening—I would hope they would say we could have an open briefing. The American people will respond intelligently to dangers of which they are appropriately apprised. And this surely is one.

But, sir, I have spoken sufficiently. I beg to say one last thing. On the House side, our colleague and friend, Representative STEPHEN HORN of California, has been very active producing “report cards” on the status of the different departments of the Government and keeping it up regularly. As the Senator from Connecticut observed, the Social Security Administration got A’s all along. Others have not.

It would not be a bad idea for the chairmen and ranking members of our standing committees to review Representative HORN’s report cards and keep an eye on the departments that report to them.

Other than that, I think I have spoken long enough. I do not think, however, I have sufficiently expressed my admiration and at times awe of the performance of our chairman and vice chairman. The Senate is grateful, is in their debt. So is the Nation. The Nation need not know that; it just needs to pay attention to their message, sir.

Mr. President, I yield the floor.

EXHIBIT 1

[From the Washington Post, Feb. 10, 1999]

“I HAD A FUNNY FEELING IN MY GUT”—SOVIET OFFICER FACED NUCLEAR ARMAGEDDON

(By David Hoffman)

MOSCOW—It was just past midnight as Stanislav Petrov settled into the commander’s chair inside the secret bunker at Serpukhov-15, the installation where the Soviet Union monitored its early-warning satellites over the United States.

Then the alarms went off. On the panel in front of him was a red pulsating button. One word flashed: “Start.”

It was Sept. 26, 1983, and Petrov was playing a principal role in one of the most harrowing incidents of the nuclear age, a false alarm signaling a U.S. missile attack.

Although virtually unknown to the West at the time, the false alarm at the closed military facility south of Moscow came during one of the most tense periods of the Cold War. And the episode resonates today because Russia’s early-warning system has fewer than half the satellites it did back then, raising the specter of more such dangerous incidents.

As Petrov described it in an interview, one of the Soviet satellites sent a signal to the bunker that a nuclear missile attack was underway. The warning system’s computer, weighing the signal against static, concluded that a missile had been launched from a base in the United States.

The responsibility fell to Petrov, then a 44-year-old lieutenant colonel, to make a decision: Was it for real?

Petrov was situated at a critical point in the chain of command, overseeing a staff that monitored incoming signals from the satellites. He reported to superiors at warning-system headquarters; they, in turn, reported to the general staff, which would consult with Soviet leader Yuri Andropov on the possibility of launching a retaliatory attack.

Petrov’s role was to evaluate the incoming data. At first, the satellite reported that one missile had been launched—then another, and another. Soon, the system was “roaring,” he recalled—five Minuteman intercontinental ballistic missiles had been launched, it reported.

Despite the electronic evidence, Petrov decided—and advised the others—that the satellite alert was a false alarm, a call that may have averted a nuclear holocaust. But he was relentlessly interrogated afterward, was never rewarded for his decision and today is a long-forgotten pensioner living in a town outside Moscow. He spoke openly about the incident, although the official account is still considered secret by authorities here.

On the night of the crisis, Petrov had little time to think. When the alarms went off, he recalled, “for 15 seconds, we were in a state of shock. We needed to understand, what’s next?”

Usually, Petrov said, one report of a lone rocket launch did not immediately go up the chain to the general staff and the electronic command system there, known as Krokus. But in this case, the reports of a missile salvo were coming so quickly that an alert had already gone to general staff headquarters automatically, even before he could judge if they were genuine. A determination by the general staff was critical because, at the time, the nuclear “suitcase” that gives a Soviet leader a remote-control role in such decisions was still under development.

In the end, less than five minutes after the alert began, Petrov decided the launch reports must be false. He recalled making the tense decision under enormous stress—electronic maps and consoles were flashing as he held a phone in one hand and juggled an intercom in the other, trying to take in all the information at once. Another officer at the early-warning facility was shouting into the phone to him to remain calm and do his job.

“I had a funny feeling in my gut,” Petrov said. “I didn’t want to make a mistake. I made a decision, and that was it.”

Petrov’s decision was based partly on a guess, he recalled. He had been told many times that a nuclear attack would be massive—an onslaught designed to overwhelm Soviet defenses at a single stroke. But the monitors showed only five missiles. “When people start a war, they don’t start it with only five missiles,” he remembered thinking at the time. “You can do little damage with just five missiles.”

Another factor, he said, was that Soviet ground-based radar installations—which search for missiles rising above the horizon—showed no evidence of an attack. The ground radar units were controlled from a different command center, and because they cannot see beyond the horizon, they would not spot incoming missiles until some minutes after the satellites had.

Following the false alarm, Petrov went through a second ordeal. At first, he was

praised for his actions. But then came an investigation, and his questioners pressed him hard. Why had he not written everything down that night? "Because I had a phone in one hand and the intercom in the other, and I don't have a third hand," he replied.

Petrov, who was assigned to the satellite early-warning system at its inception in the 1970s, said in the interview that he knew the system had flaws. It had been rushed into service, he said, and was "raw."

Petrov said the investigators tried to make him a scapegoat for the false alarm. In the end, he was neither punished nor rewarded. According to Petrov and other sources, the false alarm was eventually traced to the satellite, which picked up the sun's reflection off the tops of clouds and mistook it for a missile launch. The computer program that was supposed to filter out such information was rewritten.

It is not known what happened at the highest levels of the Kremlin on the night of the alarm, but it came at a climactic stage in U.S.-Soviet relations that is now regarded as a Soviet "war scare." According to former CIA analyst Peter Pry, and a separate study by the agency, Andropov was obsessed with the possibility of a surprise nuclear attack by the West and sent instructions to Soviet spies around the world to look for evidence of preparations.

One reason for Soviet jitters at the time was that the West had unleashed a series of psychological warfare exercises aimed at Moscow, including naval maneuvers into forward areas near Soviet strategic bastions, such as the submarine bases in the Barents Sea.

The 1983 alarm also came just weeks after Soviet pilots had shot down Korean Air Lines Flight 007 and just before the start of a NATO military exercise, known as Able Archer, that involved raising alert levels of U.S. nuclear forces in Europe to simulate preparations for an attack. Pry has described this exercise as "probably the single most dangerous incident of the early 1980s."

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. I thank the Senator from New York for his generous remarks. He is always generous and gracious. I never deserve all the nice things he says about me, but I am always glad to have him say them nonetheless. I am grateful on this occasion as well.

PRIVILEGE OF THE FLOOR

I ask unanimous consent that Tania Calhoun, a detailee to the committee, be granted floor privileges for the balance of the debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENNETT. Thank you, Mr. President.

Mr. MOYNIHAN. Mr. Chairman, would you allow me to request a similar privilege of the floor?

I ask unanimous consent that Jason Klurfeld of my staff, a designee on the committee, have privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Utah is recognized.

Mr. BENNETT. Thank you.

In the list of questions I laid out at the beginning of my presentation, we are now at the point where we are asking the two questions: What should we be doing next and what can we expect?

The Senator from Connecticut talked about the liability bill. I agree with him absolutely that we cannot take this particular emergency and turn it into a stealth operation to slip through other legislation, even though I would be for it. The Senator from Connecticut would be opposed to it. I would love to do that. But I think that would be an inappropriate thing to try to do.

It has just come to my attention a demonstration of why we need some kind of limited liability relief tied to this. I had an interview with an individual who is following Y2K matters, and she said, "What are you going to do about insurance companies that are canceling policies over Y2K?" And quite frankly, I was skeptical. I said, "I don't know of any insurance companies that are canceling policies."

Well, she sent me one. And here it is; it arrived today. I think that is appropriate since this is the day we are talking about Y2K. Here—in an area that the Senator from Connecticut has pioneered, health care—is an insurance company that has sent out an endorsement on one, two, three, four, five, six, seven, eight different health care policies that they write.

They say:

The following exclusion is added to Section III [of these policies]:

This Policy does not apply to, and the Company will not pay any DAMAGES or CLAIM EXPENSES . . . arising out of, or in any way involving any actual or alleged failure of any . . . "equipment" . . . [relating to]:

(A) any date or time after September 8, 1999;

The reason for that, Mr. President, is because the 9th day of the 9th month of the 99th year could trigger four 9's in a computer program and cause it to fail.

(B) any date, time, or data representing or referring to different centuries or more than one century;

(C) the change of the Year 1999 to the Year 2000;

Or,

(D) the Year 2000 as a leap year.

The reason for that, Mr. President, is that the algorithm used in computers to compute dates—for reasons I won't take the time to explain—will not recognize the 29th of February, a leap year, in the year 2000; it recognizes it in every other leap year but it does not recognize it in the year 2000.

Here is an insurance company that says, "We will not pay any claims arising from these predictable Y2K kinds of problems." So you have that added burden to a company that is doing its very best to get the Y2K thing under control and suddenly finds that their insurance policy is being unilaterally canceled.

Now, as I have said on this floor before, I am unburdened with a legal education, so I don't know quite how to deal with this one, but I am sure this is something that ought to go in the mix of what we might do with respect to some kind of legislation this year.

Another thing we should be doing next—should be doing now—has to do

with more disclosure. Here we are working very closely with the SEC. Chairman Arthur Levitt of the SEC has been in close touch with the committee, with Senator DODD and me, as we have gone through this. The SEC is working very hard to get more disclosure. Unfortunately, we haven't had the kind of disclosure that I think shareholders are entitled to in this area. This is one thing we ought to keep pushing for. We ought to have more hearings. The Senator from New York talked about that.

The authorizing committees, committees of jurisdiction, should take up the burden of conducting oversight hearings of the Departments that they have responsibility for. This has already happened. The Armed Services Committee of the Senate held a very useful hearing last week with the level of preparedness of the Secretary of Defense. I won't repeat all the information that was developed there because it is already in the RECORD, but there ought to be more of that going on as we get closer to this. The burden of paying attention to what is going on in the executive branch should not fall exclusively on John Koskinen and the President's Council on the Year 2000. It should be shared by the Congress. We should have more activity rather than less, as the Congress stays involved in this.

Finally, we have suggested to Senators that they should meet with their own constituents. Senator DODD has done this in Connecticut, as I have in Utah. Senator SMITH has done it regularly in Oregon and as part of his own education as a member of this committee. But other Senators who are not members of the committee have been working in this way. We on the committee are prepared to help them in this effort. We are going to put together, in addition to the report that has been released today, talking points and guidance information for Senators who decide they want to hold town meetings or other meetings while they are back in their own home States.

That is very worthwhile. It helps accomplish the twin goals of the committee: No. 1, to calm down the panic so that people are not Chicken Little; and, at the same time, raise the awareness in a responsible way. Individual Senators speaking in their individual States have a higher profile than speeches on the floor of the Senate. That is something we ought to be doing and something that our committee will do its very best to facilitate.

Now, this is a moving target, as we have both said. One of the areas that has just come to light that we are going to need more information on is the chemical industry. We were assured that everything was all right in the chemical industry, and now we are discovering that maybe that is not the case. The chemical industry might replace the health care industry as an industry that we look at. This is going to require us to pay attention through the

remainder of this year, which is why the resolution funding the committee for the coming year is the subject of this debate.

There have been some questions, by the way, raised as to: Where is this money coming from, and how is Senator BENNETT going to pay for it? Where is the offset? I can assure all Senators, this is part of the overall allocation of Senate business. This is not new money; this is money that is already in the budget. It is just being allocated to this committee as opposed to some other use. We do not have to come up with an offset for it under the Budget Act. For those who are concerned about that, I assure you that is not of concern. It is a little heartening and indicates that Senators are indeed watching this on their television sets in their own offices. They are making these phone calls. If they weren't calling the cloakroom asking this, then we would know they were not paying attention.

The final question which we get all the time with respect to Y2K—Senator DODD gets it, I am sure; I get it almost everywhere I go—What can we expect? Are we going to be all right? We addressed this in our opening remarks in saying yes, we are probably going to be all right, generally. The United States is going to have some problems, but it is not going to be the end of the world as we know it.

I want to now focus on what I think we can expect outside of the United States, because that is the area of greatest concern as we have gone through this situation. There are far too many countries in the world where Y2K has not been given the kind of attention it deserves. Recently, to his credit, John Koskinen, the President's Y2K czar, working with officials at the United Nations, helped put together a Y2K Day at the United Nations and invited the Y2K coordinators from all of the countries around the world to come to New York and participate in this discussion at the United Nations. I went to New York, along with Congressman HORN, to represent the legislative branch there and demonstrate that it was not just the executive branch of the Government that was concerned about this.

There was a very heartening turnout. A large number of countries sent Y2K coordinators. It was a very useful day. That is the good news. The bad news is that many of these Y2K coordinators didn't know anything about Y2K up to about 2 weeks before they were appointed coordinator and given a ticket to New York. They had no idea what this was about. The fact that the United Nations was holding a day and they were invited to come, their government said, "Maybe we need a Y2K coordinator to go; you go; name somebody"—he or she got on the airplane, flew to New York, and didn't have the slightest idea what we were talking about. That is the bad news.

The other bad news is that some of them simply could not afford a ticket.

The World Bank funded the airline tickets for some of these Y2K coordinators, which raises the demonstration of the problem we have in many countries around the world. As our consultants have spanned out and talked to these people, many of them say, "We recognize we have a problem; we recognize it is very serious. We are completely broke. What do you suggest we do about it? We simply can't afford the kind of remediation that you are going through in the United States."

We just had a team of consultants that came back from Russia and they did a very valid job of assessing where things are in that country. But they said every official that they spoke to began the conversation by asking for money. Every single one said, "We have a problem. Now, can you help us solve it, because we can't afford to do anything about it." Senator MOYNIHAN was talking about the Russian military not having been paid for months and months, and they say, "If we haven't got any money to pay to our military, we don't have any money to deal with the Y2K problem."

What will be the impact? There will be economic dislocation in many countries as a result of this. In some countries it will be more serious than others. The unknowable question is, What will be the impact on the United States? I cannot quantify that for you, but I will give you this overall assessment. I think Y2K will trigger what the economists call a "flight to quality." That is, I think investors around the world, as they decide that infrastructure problems are going to arise in certain countries, will decide as a matter of prudence on their part, to withdraw their financial support for economic activity in that country, which will cripple the country further. The speed with which money moves around the world is now very different than it used to be as recently as 10 or 15 years ago. It used to be when there was foreign investment in a country, getting that investment out meant couriers going through airports with attache cases filled with crinkly pieces of paper handcuffed to their wrists.

Senator Dole assigned me to work on the Mexican peso problem in early 1995 when the Mexicans devalued the peso. The flight of foreign investment from Mexico took place in a matter of hours, and it was all done electronically—a few keystrokes at a keyboard and the money was gone. The speed with which foreign investment fled Mexico stunned a number of economists who had no idea that the foreign money would disappear virtually overnight.

I think you are going to see that kind of thing repeated as foreign investors say: Our Y2K assessment says Country X's infrastructure is going to fail, their power system is going to go down, their telecommunications system will fail and they won't be able to function. Even though we are confident in the management of the company we are backing in that country, we can't

run the risk of having them shut down because of an infrastructure failure. We are going to call the loan, sell the stock, and do whatever is necessary to get our money out before it really hits.

This "flight to quality" may very well mean that the rich get richer and the poor get poorer as a result of Y2K, which raises the other two unknowables, but that we need to be concerned about: One, civil unrest in some of these countries and what that might mean to their economies and their place in the world markets; second, humanitarian requirements.

I say, somewhat facetiously, that we have foreign policy by CNN in this country. That is, when the CNN cameras go into a particular area of the world and send images back to the United States, we then respond. CNN cameras showed starving children in Somalia and George Bush sent in troops. I am not criticizing that decision to send in troops, but I wonder if there might not have been starving children in other parts of Africa that CNN didn't get into and that was the reason we didn't intervene in those countries as well. I have a nightmare of CNN cameras in villages or cities where there is no power, no telecommunications, the banking system is broken down, widespread rioting, and then the request is: What is the United States going to do about it? The United States has its Y2K problem under control—the richest country in the world—and we will be faced with the humanitarian challenge of some real hardship in some real areas.

So, again, Mr. President, that is one of the reasons why the special committee on year 2000 should be funded and continued, so that we can monitor these things in the way we have in the past and provide information and guidance to policymakers who have come to depend upon us as a repository of information in this whole situation.

Mr. DODD. Will the chairman yield?

Mr. BENNETT. Yes, I am through with my formal statement.

Mr. DODD. I see that our colleague is here, and I won't be long.

First, I want to commend Senator MOYNIHAN from New York for an excellent statement. He has been a real value to us on the committee. He brings such a wealth of knowledge, information and experience. I thought his observation about at least some of the material the Defense Department has is a worthwhile suggestion. We might want to explore how to make more of that information available to the general public. I think those who are skeptical about whether or not there is legitimacy in pursuing this committee and making the information available as we require it, their concern would be further dispelled were they to have the ability to share some of the information we have come across.

I commend my colleague from Utah. I think this memo where he has left off the name—and I will respect that as

well here, although I will point out that it is not a Connecticut company. Most people would assume that since it is an insurance company, it is probably located in Connecticut; but it is not. We may want to compose a letter to send to the industry as a whole. I would be very curious as to whether or not this is a unique, isolated case, or whether or not it is being duplicated by others.

For those who may not have heard this, we have come across a memo which details a number of different kinds of health care policies that would be significantly affected. In fact, they would be excluded from payment if, in fact, the damages occur "as a result of failure of any machine, equipment, device, system, or component thereof, whether it is used for the purposes or whether or not the property of the insurer to correctly recognize, accept, and process or reform any function: any date or any time after September 8, 1999, to January 1."

Clearly, this is the insurance companies saying "we are not covering you here on this one," which is a very important piece of information. I think we ought to examine and look at that.

This is an early version of OMB's March report that we have been given which rates the Federal agencies in terms of their year 2000 compliance. Basically, there is good news here, Mr.

President. An awful lot of agencies are doing pretty well. Some have a long way to go here. I think this may be a worthwhile item to be included in the RECORD.

I ask unanimous consent that Predictions by Country and Worldwide Predictions by Industry be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PREDICTIONS BY COUNTRY

Rate (percent)	Country
15	Australia, Belgium, Bermuda, Canada, Denmark, Holland, Ireland, Israel, Switzerland, Sweden, United Kingdom, United States.
33	Brazil, Chile, Finland, France, Hungary, Italy, Japan, Korea, Mexico, New Zealand, Norway, Peru, Portugal, Singapore, Spain, Taiwan.
50	Argentina, Armenia, Austria, Bulgaria, Columbia, Czech Republic, Egypt, Germany, Guatemala, India, Japan, Jordan, Kuwait, Malaysia, Poland, Puerto Rico, Saudi Arabia, South Africa, Sri Lanka, Thailand, Turkey, U.A.E., Venezuela, Yugoslavia.
66	Afghanistan, Bahrain, Bangladesh, Cambodia, Chad, China, Costa Rica, Ecuador, El Salvador, Ethiopia, Fiji, Indonesia, Kenya, Laos, Lithuania, Morocco, Mozambique, Nepal, Nigeria, Pakistan, Philippines, Romania, Russia, Somalia, Sudan, Uruguay, Vietnam, Zaire, Zimbabwe.

WORLDWIDE PREDICTIONS BY INDUSTRY

Rate (percent)	Industry
15	Aerospace, Banking, Computer Manufacturing, Insurance, Investment Services, Pharmaceuticals.

WORLDWIDE PREDICTIONS BY INDUSTRY—Continued

Rate (percent)	Industry
33	Biotechnology, Chemical Processing, Consulting, Discrete Manufacturing, Heavy Equipment, Medical Equipment, Publishing, Semiconductor, Software, Telecom, Power, Water.
50	Broadcast News, Hospitality, Food Processing, Law Enforcement, Law Practices, Medical Practices, Natural Gas, Ocean Shipping, Pulp and Paper, Television, Transportation.
66	City and Town Municipal Services, Construction, Education, Farming, Government Agencies, Healthcare, Oil.

Mr. DODD. Lastly, I don't have this with me, but I am going to ask unanimous consent that it be printed in the RECORD as well, Mr. President. I spent a couple of hours yesterday in my State with the Garner Group, a successful firm that represents 35,000 clients worldwide—public and private entities—and has a pretty good fix on what is happening at home and abroad. They have a new assessment, an updated assessment, an industry-by-industry assessment worldwide, national assessments, and for major nations around the globe as to where they are in all of this. I thought it might be worthwhile for the public and our colleagues to see that most recent information.

I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GOVERNMENT-WIDE SUMMARY—YEAR 2000 STATUS MISSION-CRITICAL SYSTEMS
[In percent]

Agency status	All systems	Systems being repaired transpose			
	Y2K complaint ¹	Assessment complete	Renovation complete ²	Validation complete ³	Implementation complete ⁴
Tier Three: NASA, FEMA, Education, OPM, HUD, Interior, GSA, VA, SBA, EPA, NSF, NRC, SSA	96	100	100	99	96
Tier Two: Agriculture, Commerce, Defense, Energy, Justice, Labor, State, Treasury	77	100	94	83	74
Tier One: U.S. Agency for International, Development Health and Human Services, Transportation	63	100	98	79	42
All Agencies	79	100	96	87	76

¹ Percentage of all mission-critical systems that will accurately process data through the century change; these systems have been tested and are operational and includes those systems that have been repaired and replaced, as well as those that were found to be already compliant.

² Percentage of mission-critical systems that have been or are being repaired; "Renovation complete" means that necessary changes to a system's databases and/or software have been made.

³ Percentage of mission-critical systems that have been or are being repaired; "Validation complete" means that testing of performance, functionality, and integration of converted or replaced platforms, applications, databases, utilities, and interfaces within an operational environment has occurred.

⁴ Percentage of mission-critical systems that are being or have been repaired; "Implementation Complete" means that the system has been tested for compliance and has been integrated into the system environment where the agency performs its routine information processing activities. For more information on definitions, see GAO/AIMD-10.1.14, "Year 2000 Computing Crisis: An Assessment Guide," September 1997, available at <http://cio.gov> under year 2000 Documents.

Mr. DODD. I point out to my chairman that one of the industries they point out that is not doing very well—it is not doing badly, but not very well—in terms of being Y2K compliant; it is the broadcast news industry, and particularly television. So when my colleague refers to "foreign policy by CNN," he is accurate, but one of the problems is that CNN may have a problem—and I am sure they will respond very quickly. But I thought it was interesting when I went over this last evening detailing some of the industries identified as ones that have work to do, and broadcast news was one that is lagging behind.

I also see our colleague from Oregon. Before he shares his thoughts, I want to thank him as well. He has been a tremendous asset to our committee. He has brought a wonderful perspective since he joined this body, and comes

from the public sector as well as the private sector. He served in the legislature in his own State with great distinction, but also he comes with a private sector perspective, which has been tremendously helpful throughout the hearings. And I thank him for his attention and for the time he has brought to this issue as well.

I yield the floor.

Mr. BENNETT. Mr. President, I join my friend from Connecticut in thanking the Senator from Oregon for his diligence on this committee. He comes to the hearings and he contributes. He pays attention. He has blazed a way with the meetings he held in his home State. As I say, I would encourage all other Senators to follow his example. I am happy to yield to him such time as he may require.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. SMITH of Oregon. Thank you, Mr. President. I thank Chairman BENNETT and Senator DODD. It has been a great pleasure and a real privilege for me to participate in this committee with them.

I can tell you that I sought membership on the committee when I heard about its creation. I sought membership not because I am some computer whiz—in fact, my kids are always trying to teach me new things we can do with it—but, frankly, because I recognized that my State, as well as yours, is very much focused on the development of the high-tech industry. Oregon has grown in high-technology in a remarkable fashion in the last decade. So I thought it would be important. I didn't realize how important it would be until feeling my oats as a member of this new committee.

Last year, I held a town hall meeting in Medford, OR. We published notice of it. Usually at a town hall you get 20 or 30 people to show up who want to talk about some public policy. But we said it was going to be about Y2K. There were over 1,000 people who came to that meeting. I realized we were on to something here.

If any of my colleagues are listening to me at this time, I would say to them that no matter what State you are from, if you want to get the attention of the people you are trying to serve, call a Y2K town hall. You will be amazed. And you will perform a great public service to the people who are becoming aware of this, mindful of it, some afraid of it, some panicked by it.

What I have found in Oregon is that by going home to meet with my constituents and saying, "Look, don't panic, but begin to be prepared," has had a calming effect on my State. I thank these two leaders in the Senate, these men who led this committee, because when they first began talking about this issue—and I know in the Republican caucus Bob BENNETT was sort of Chicken Little; he is Paul Revere now, and I honor him and salute him as that. I think, frankly, Chris DODD has done the same thing in the Democratic caucus. We all look to them with renewed respect, and deserved respect, because they have been the Paul Reveres for this country on this issue. It has been a great pleasure to serve with them.

I encourage my colleagues to vote for this bill that will allow the committee to continue to do its wonderful work. I was proud to vote this morning for another bill that would allow the SBA to help small businesses become Y2K compliant.

Chairman BENNETT asked me to focus my service on the committee on the whole business industry. Having come from the private sector, I will tell you that businesses have a ways to go, but they are making great progress, because the motive of the business man or woman is to make a profit. I found that for a food processor, for example—whatever the Government standard was, it was an important standard. It was always the floor and was never the ceiling. And when I wanted to sell frozen peas, I wasn't trying to sell it to the Government, I was trying to sell it to Campbell Soup, whose standard is much higher than those of the Government.

So for me as a business person, when Y2K would come to my desk, I would say, "How does this affect my ability to sell my product and make a profit?"

So I say to all business people, this could affect your ability to stay in business and make a profit. So if you are interested in a profit, get interested in Y2K and figure out how it is that this computer glitch might affect either your energy supply, your financial services, your transportation, and your ability to communicate with the world. These things are all interconnected.

I never realized as fully as I do now as a member of the committee just how interconnected we are as a country, and now as an entire world. I would predict, as others have, that our problems in this country will be theirs. This is real. But it will not be of a millennial nature, like some fear. But in some parts of the world it may well be. And a business man or woman is going to have to figure out how to deal with an international trade world that is having to adjust to these Y2K problems.

I want to also say, to comfort the people out there, that the United States is prospering right now relative to the rest of the world in a remarkable way, in part because during the 1980s and the 1990s American industry began to retool. As we have retooled and restored our industrial base, we have done so with Y2K-compliant equipment and computerization. This will all make the bump in this country much smaller than it otherwise would be.

So there are lots of reasons for optimism. But there is still much work to be done.

I am just pleased to participate with my colleagues today, and I know that a vote is pending. So, Mr. President, without further delay, I encourage all of my colleagues to vote for this legislation. Today, I think has become something of a Y2K Day, and it does a great service to our whole country to alert them to the real dangers and not the mirages.

In a hearing I recently held in my State, I heard a tragic story about a gentleman who had listened to some literature that caused him to panic. He went out and took all of his savings from his personal account, roughly \$30,000. But somebody heard that he had done it and went and robbed him of his life savings.

So don't panic; just simply be prepared. Find a reasonable level of storage for food and water for your family, take some copies of your financial statements, check your own computers, but don't do things that are unwarranted, because that will be something of a self-fulfilling prophecy. We are not here to be self-fulfilling prophets; we are here to be Paul Reveres, as Senator BENNETT and Senator DODD have shown us how to be.

Mr. President, I yield the remainder of my time. I urge an "aye" vote on this bill.

Mr. BENNETT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SESSIONS). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BENNETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENNETT. Mr. President, I am prepared to yield back all time, both for myself and Senator DODD, and call

for the yeas and nays on the underlying question.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to S. Res. 7, as amended. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) is necessarily absent.

Mr. REID. I announce that the Senator from West Virginia (Mr. BYRD) is absent attending a funeral of a family member.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 92, nays 6, as follows:

[Rollcall Vote No. 29 Leg.]

YEAS—92

Abraham	Enzi	Mack
Akaka	Feingold	McConnell
Ashcroft	Feinstein	Mikulski
Baucus	Fitzgerald	Moynihhan
Bayh	Frist	Murkowski
Bennett	Gorton	Murray
Biden	Graham	Nickles
Bingaman	Grams	Reed
Bond	Grassley	Reid
Boxer	Hagel	Robb
Breaux	Harkin	Roberts
Brownback	Hatch	Rockefeller
Bryan	Hollings	Roth
Bunning	Hutchinson	Santorum
Burns	Inhofe	Sarbanes
Campbell	Inouye	Schumer
Chafee	Jeffords	Sessions
Cleland	Johnson	Shelby
Cochran	Kennedy	Smith (NH)
Collins	Kerrey	Smith (OR)
Conrad	Kerry	Snowe
Coverdell	Kohl	Specter
Craig	Kyl	Stevens
Crapo	Landrieu	Thompson
Daschle	Lautenberg	Thurmond
DeWine	Leahy	Torricelli
Dodd	Levin	Voinovich
Domenici	Lieberman	Warner
Dorgan	Lincoln	Wellstone
Durbin	Lott	Wyden
Edwards	Lugar	

NAYS—6

Allard	Gregg	Hutchison
Gramm	Helms	Thomas

NOT VOTING—2

Byrd	McCain
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The resolution (S. Res. 7), as amended, was agreed to.

S. RES. 7

Resolved, That section 5(a)(1) of Senate Resolution 208, agreed to April 2, 1998 (105th Congress), as amended by Senate Resolution 231, agreed to May 18, 1998, is amended by—

- (1) striking "\$575,000" the second place it appears and inserting "\$875,000"; and
- (2) striking "\$200,000" and inserting "\$500,000".

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I would like to take just a moment to once again express my appreciation to the leaders on the subject matter just passed overwhelmingly. The Senator from Utah, Senator BENNETT, and the Senator from Connecticut, Senator DODD, have done outstanding work.

I think they have served not only the Senate but the country well by highlighting the problems in this area with Y2K, but doing it in a way that does not cause undue alarm or panic. But it has been very helpful to Senators to hear what they have had to say, both in the closed session and also here on the floor this afternoon. I believe they have contributed mightily to the prospect of us dealing much more with the problems adherent in this area and getting some results before we face the turn of the century. So I commend them for their fine work.

EDUCATION FLEXIBILITY PARTNERSHIP ACT OF 1999—MOTION TO PROCEED

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now turn to a motion to proceed to the education flexibility bill, S. 280, and there be 30 minutes under the control of Senator WELLSTONE tonight with 3 hours 30 minutes under his control tomorrow and 30 minutes under the control of Senator JEFFORDS, or his designee, and following the conclusion or yielding back of that time, the Senate proceed to a vote on the motion.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Reserving the right to object. I am just inquiring of the leader—since this is the legislation, I would like to, as the ranking member, make a brief opening statement, as we proceed to this motion, for 10 minutes. I ask for 10 minutes tonight.

Mr. LOTT. That probably would even be helpful if the Senator could do that tonight.

Mr. KENNEDY. Yes. And then if it is agreeable—

Mr. LOTT. Do I need to modify, then, my unanimous consent request to that effect? I don't believe I would. I will take care to make sure we get that 10 minutes designated in the balance of our request.

Mr. KENNEDY. At the start.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senate proceeded to consider the motion to proceed.

The PRESIDING OFFICER. The pending question is the motion to proceed to S. 280.

Who yields time?

Several Senators addressed the Chair.

Mr. LOTT. Mr. President, I need to just clarify a couple points before we begin this time. I further ask unanimous consent that before we proceed to the time designated for Senator WELLSTONE that Senator KENNEDY have 10 minutes to make an opening statement as the manager of the legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. LOTT. Therefore, in light of this consent, there will be no further votes this evening. The Senate will debate

the motion to proceed to the education flexibility bill this evening.

Mr. President, I appreciate the cooperation of my colleagues on both sides of the aisle in working out this agreement. I know the Senator from Minnesota wishes to have some extended time to talk on this matter, but we have worked it out in a way he will have his time to talk, we will get the vote, and we can go on to debate the substance of this very important, broadly bipartisan supported bill.

I thank Senator DASCHLE for his cooperation in helping make this arrangement.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 10 minutes and the Senator from Minnesota will be recognized for 30 minutes.

Mr. KENNEDY. Mr. President, first of all, I welcome the opportunity that the Senate of the United States now in this early part of March will be considering various education policy questions because I believe, like other Members of this body, that the issues of education are of central concern to families all over America. I firmly believe that what families all over America are looking for is some form of partnership between the local community, the State, and the Federal Government, working in harmony to try to enhance the academic achievement and accomplishment for the young people in this country.

I think all of us are very much aware that enhancing education achievement is a complex issue, and therefore we have a variety of different kinds of ideas about how best that can be achieved. I think all of us understand that the Federal role has been a limited role. It has been a limited role in identifying where, as a matter of national policy, we want to give focus and attention to children in this country. Historically, that has been the focus and attention in terms of the neediest, the disadvantaged children in this country.

There have been other areas. For example, those that have some special needs. We have also been helpful in providing help and assistance to schools in terms of nutrition programs, breakfast and lunch programs. There has been a program in terms of the bilingual, help and assistance in Goals 2000 under President Clinton to try and help and assist local communities to move ahead in terms of education reform, and a number of other very important areas.

Tomorrow we will begin the debate on education policy. The issue that is going to be before the Senate will be whether we are going to provide additional kinds of flexibility to the States and the school districts in their use of a number of the Federal programs that reach out into the communities.

In 1994, we had reauthorization of the title I program. I joined in the initiative with Senator Hatfield. It was his initiative in providing a test program

where we permitted a number of States to effectively waive the regulations on the title I programs with the assurance that the objective of the title I programs would be maintained and that the resources could be targeted to needy children. We have seen over a period of time a number of States take advantage of this flexibility.

There have been other school districts which have had the opportunity to make application—some of them have, but not many. What is before the Senate now is the consideration to effectively permit greater flexibility in the States and local communities for the using of title I funds. Ninety percent of the waivers that have been considered to date have been on the title I programs. There are other programs that can be waivers, but those have been the title I programs.

By and large, it is for reasons that have been best established within the local community. There have been waivers granted when they have not been able to reach a 50-percent standard of poor and needy children. It might be 48 or 45 or in some instances 40-percent poverty children. Without that waiver, there would not be the kinds of additional resources that would be available to that school to help and assist the needy children.

Now we are embarked on a more extensive kind of a consideration of a waiver program. What I think we understand is if we are going to get into providing additional waivers, we need to have important accountability about how these resources that are going to be expended are going to be used to help and assist the academic achievement of the targeted group, which are the neediest children. Tomorrow we will have an opportunity to go over that particular issue with Senator FRIST and others after we have an opportunity to move toward the bill.

Mr. President, I think, quite frankly, I would have agreed that there is a certain logic in considering the waiver provisions when we reauthorize the total bill. I don't have an objection to the consideration of this legislation. It may be a valuable tool in terms of a local community if we are going to be assured that these scarce resources that we have available that today are targeted on the neediest children, are going to go to the neediest children; that we are going to ensure that parents are going to be involved in any decisions; that it is going to affect those children, and that we are going to maintain our content and performance standards which are out there now so we can have some opportunity to be assured that those children are actually benefiting from any alteration or change from what has been the Federal policy; and that there will be ultimately the judgment of the Secretary of Education that if the measure is going to violate the fundamental principle of the intent of the legislation, then the power still retains within the Secretary of Education not to permit