

THE WHITE HOUSE
WASHINGTON

February 16, 1999

The Speaker of the

House of Representatives

Sir:

In accordance with provisions of Public Law 105-277, the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, I hereby request the following transfers from the Information Technology Systems and Security Transfer Account:

Department of Defense

- Operation and Maintenance, Operation and maintenance, Army: \$119,102,000
- Operation and Maintenance, Operation and maintenance, Navy: \$156,674,000
- Operation and Maintenance, Operation and maintenance, Marine Corps:
\$10,426,000
- Operation and Maintenance, Operation and maintenance, Air Force: \$143,447,000
- Operation and Maintenance, Operation and maintenance, Defense-wide:
\$175,825,000
- Operation and Maintenance, Operation and maintenance, Army Reserve:
\$5,000,000
- Operation and Maintenance, Operation and maintenance, Navy Reserve: \$300,000
- Operation and Maintenance, Operation and maintenance, Army National Guard:
\$3,524,000
- Procurement, Other procurement, Army: \$67,681,000
- Procurement, Other procurement, Navy: \$55,000,000
- Procurement, Procurement, Marine Corps: \$15,700,000

- Procurement, Other procurement, Air Force: \$79,140,000
- Procurement, Procurement, Defense-wide: \$10,000,000
- Research, Development, Test, and Evaluation, Research, development, test, and evaluation, Army: \$4,593,000
- Research, Development, Test, and Evaluation, Research, development, test, and evaluation, Air Force: \$24,303,000
- Research, Development, Test, and Evaluation, Research, development, test, and evaluation, Defense-Wide: \$51,385,000
- Research, Development, Test, and Evaluation, Operational test and evaluation, Defense: \$12,900,000

This funding will support the Department of Defense's Year 2000 compliance activities.

I hereby designate all of the above requests as emergency requirements pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

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

Sincerely,

A handwritten signature in black ink that reads "William J. Clinton". The signature is written in a cursive style with a distinct upward-pointing arrow above the letter 'i' in "Clinton".

Enclosure



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

February 16, 1999

The President

The White House

Submitted for your consideration are requests to transfer \$935 million from the Information Technology Systems and Security Transfer Account for Year 2000 (Y2K) compliance to 17 accounts in the Department of Defense (DOD).

Public Law 105-277, the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, provided contingent emergency funding totaling \$3.35 billion -- \$1.1 billion for defense-related activities and \$2.25 billion for non-defense activities -- to address Y2K. This is the first release of defense-related funding. Eighty-five percent is being released and fifteen percent will remain in reserve for emerging needs. As specified in P.L. 105-277, funding would only be transferred to accounts in previously enacted Department of Defense Appropriations Acts. To date, \$1.5 billion has been allocated for non-defense activities. OMB continues its oversight of Y2K-related activities Government-wide, and is working to ensure that agencies have sufficient FY 1999 resources available to address known requirements, retain some flexibility to address emerging needs, and, most importantly, remain on schedule to achieve Y2K compliance.

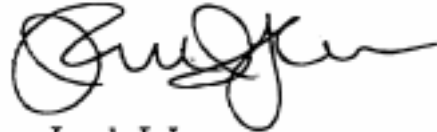
The requested transfers will support a range of activities to ensure that critical DOD systems will operate smoothly through the Year 2000 and beyond, including operational evaluations, end-to-end testing, integration testing, and contingency planning and implementation. The funds will be transferred from the Information Technology Systems and Security Transfer Account. No further congressional action will be required.

Pursuant to the requirements of Public Law 105-277, on January 25, 1999, the Defense Department submitted a report to Congress on its proposed allocation and plan to achieve Y2K compliance for technology information systems.

I recommend that you designate the amounts listed on the enclosure as emergency requirements in accordance with section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the Secretary of Defense in recommending that you make the requested funds available by signing the enclosed letter to the Speaker of the House of Representatives.

Sincerely,

A handwritten signature in black ink, appearing to read "Jacob J. Lew". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jacob J. Lew
Director

Enclosure

**EMERGENCY APPROPRIATIONS: AMOUNTS PREVIOUSLY APPROPRIATED
MADE AVAILABLE BY THE PRESIDENT**

YEAR 2000 (Y2K) CONVERSION

Department of Defense

Operation and Maintenance:

Operation and Maintenance, Army.....	\$119,102,000
Operation and Maintenance, Navy.....	\$156,674,000
Operation and Maintenance, Marine Corps.....	\$10,426,000
Operation and Maintenance, Air Force.....	\$143,447,000
Operation and Maintenance, Defense-wide.....	\$175,825,000
Operation and Maintenance, Army Reserve.....	\$5,000,000
Operation and Maintenance, Navy Reserve.....	\$300,000
Operation and Maintenance, Army National Guard.....	\$3,524,000

Procurement:

Other Procurement, Army.....	\$67,681,000
Other Procurement, Navy.....	\$55,000,000
Procurement, Marine Corps.....	\$15,700,000
Other procurement, Air Force.....	\$79,140,000
Procurement, Defense-wide.....	\$10,000,000

Research, Development, Test, and Evaluation:

Research, Development, Test, and Evaluation, Army.....	\$4,593,000
Research, Development, Test, and Evaluation, Air Force.....	\$24,303,000
Research, Development, Test, and Evaluation, Defense-wide.....	\$51,385,000
Operational Test and Evaluation, Defense.....	\$12,900,000

The funds made available will enable the Department of Defense to address the Y2K problem by supporting operational evaluations, end-to-end testing, integration testing, and contingency planning and implementation.