THE WHITE HOUSE

WASHINGTON

May 24, 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 Related Expenses account:

General Services Administration

C General Activities, Policy and Operations: \$7,108,000

Federal Trade Commission

C Salaries and Expenses: \$2,049,000

Funding provided to the General Services Administration will be used to support the efforts of the Year 2000 Conversion Council. Funding provided to the Federal Trade Commission will be used for remediation and testing of information technology systems.

I hereby designate 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,

William J. Climton

Enclosure



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

May 24, 1999

The President

The White House

Submitted for your consideration are requests to transfer \$9 million from the Information Technology Systems and Related Expenses Account for Year 2000 (Y2K) compliance to the General Services Administration (GSA) and the Federal Trade Commission (FTC). This is the sixth release of contingent emergency funding for Y2K from funds appropriated in P.L. 105-277, the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999. On November 6, 1998, you allocated \$891 million; on December 8, 1998, you allocated \$338 million; on February 3, 1999, you allocated \$240 million; on March 5, 1999, you allocated \$62 million; and, on April 2, 1999, you allocated \$199 million. In addition, \$30 million in emergency funding was released to the Legislative and Judicial Branches when you signed P.L. 105-277.

The contingent emergency funding provided in P.L. 105-277 -- \$1.1 billion for defense-related activities and \$2.25 billion for non-defense activities -- has enabled Federal agencies to respond effectively to unanticipated Y2K-related issues, helping to accelerate the pace towards compliance Government-wide. With this release of funds, a total of \$496 million remains in the contingent emergency reserve for non-defense activities. This total includes \$14 million that was allocated to the Department of Energy on February 3rd but was not transferred because the House Appropriations Committee did not consider the Department's planned activities an appropriate use of emergency funding. The Department has withdrawn its request and is working with the Committee to seek other sources of funding for these activities. Of the \$1.1 billion provided for the Department of Defense, \$935 million was allocated on February 16, 1999. The remainder, \$135 million, continues to be held in reserve for unanticipated requirements.

The funding released for the GSA will support the Y2K Conversion Council's efforts to communicate important information about the Federal Government's Y2K readiness, as well as readiness in key infrastructure areas and within State and local governments, to communities across the Nation. The Council will facilitate, endorse, and support a series of "Y2K Community Conversations" designed to address public concern by engaging public and private sector leaders

in a dialogue that will provide an accurate picture of Y2K readiness from the community to the national level. Funding provided to the FTC will be used for remediation and testing of information technology systems, as well as to upgrade a non-compliant security system.

As noted in the March 1999 Quarterly Report on Y2K Conversion, Federal agencies are making good progress in addressing the Y2K problem and are working to ensure that there is a smooth transition in the delivery of important services. OMB continues its oversight and is working to ensure that agencies have sufficient FY 1999 resources to address Y2K-related issues, that those resources are being utilized efficiently, and that flexible contingent emergency funding remains available to address unanticipated needs as the transition into the year 2000 approaches.

Pursuant to the requirements of Public Law 105-277, OMB will prepare and submit reports to Congress on the proposed allocation and plan for each affected agency to achieve Y2K compliance for technology information systems before funds can be released to the agency. The report for agencies represented in this sixth release of Y2K contingent emergency funds will be transmitted to the congressional committees specified in P.L. 105-277 concurrent with this request for release of the funds. In addition, OMB has directed each affected agency to provide detailed justification materials in support of its plan and allocation to the relevant appropriations subcommittees.

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. No further congressional action will be required. Pursuant to P.L. 105-277, funds will be made available to agencies 15 days after this designation is forwarded to Congress.

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

Sincerely,

Jacob J. Lew

Director

Enclosure

EMERGENCY APPROPRIATIONS: AMOUNTS PREVIOUSLY APPROPRIATED MADE AVAILABLE BY THE PRESIDENT

YEAR 2000 (Y2K) CONVERSION

General Services Administration	
General Activities, Policy and Operations	\$7,108,000
Federal Trade Commission	
Salaries and Expenses	\$2,049,000

The funding released for the GSA will support the Y2K Conversion Council's efforts to communicate important information about the Federal Government's Y2K readiness, as well as readiness in key infrastructure areas and within State and local governments, to communities across the Nation. Funding provided to the FTC will be used for remediation and testing of information technology systems, as well as to upgrade a non-compliant security system.



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

May 24, 1999

The Honorable C.W. Bill Young Chairman Committee on Appropriations U.S. House of Representatives Washington, D.C. 20515

Dear Mr. Chairman:

In accordance with provisions of Public Law 105-277, the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, I am transmitting a proposed allocation and plan for Year 2000 (Y2K) compliance activities of the following agencies:

General Services Administration [revision] Federal Trade Commission [revision]

As noted, the materials transmitted revise the allocations and plans for these agencies that were submitted previously.

In monitoring Federal agency progress towards Y2K compliance, OMB has directed agencies to estimate the total FY 1999 resources necessary for Y2K compliance and related expenses. Further, OMB and the agencies have worked together to determine whether resource requirements associated with Y2K can be accommodated within appropriated levels, or whether contingent emergency funds should be allocated. Both the individual agencies and OMB have monitored Y2K-related expenditures to make certain the resources allocated have been properly utilized.

For the agencies listed above, the allocation of contingent emergency funds required at this time is displayed on the enclosed table. In addition, the two agencies have been directed to provide detailed justification materials for these requirements to the committees specified in P.L. 105-277, as well as to the relevant appropriations subcommittees, concurrent with the transmittal of this allocation and plan. These materials detail agency funding requirements associated with systems remediation and contingency planning and implementation, and discuss how that funding will assist an agency's Y2K compliance activities. In addition, funding for activities in support of the President's Council on Year 2000 Conversion is discussed. OMB will continue to monitor agency requirements and will address additional funding needs as they emerge.

OMB's strategy to ensure agency Y2K compliance is predicated on agency accountability. We have systematically monitored agency progress through agency goals for: compliance of mission critical systems, progress on the status of mission critical systems, status of mission critical systems being repaired, and agency Y2K cost estimates. These performance measures have proved useful in ensuring agency accountability without diverting vital resources from Y2K compliance activities to reporting requirements. Provided with this package is OMB's March 1999 Y2K Quarterly Report to the House and Senate Appropriations Committees, which includes an assessment of these performance measures and the Government's overall progress. In assessing agency progress towards compliance, OMB has focused on the four measures described above.

For the agencies listed in this transmittal, the following constitutes the agency plan as required by P.L. 105-277:

- C the OMB Quarterly Report; and,
- C The justification materials provided by the agencies concurrent with the transmittal of this letter, as well as any justification materials provided with previous transmittals.

Thank you again for your cooperation on this important issue.

Sincerely,

Jacob J. Lew

Director

Enclosure

Identical Letter Sent To:

The Honorable C.W. Bill Young

The Honorable David R. Obey

The Honorable Ted Stevens

The Honorable Robert C. Byrd

The Honorable Robert F. Bennett

The Honorable Christopher J. Dodd

The Honorable F. James Sensenbrenner, Jr.

The Honorable George E. Brown, Jr.

The Honorable Dan Burton

The Honorable Henry A. Waxman

The Honorable Stephen Horn

The Honorable James Turner

Agency/Bureau/Account	Estimated Agency <u>Requirement</u>	FY 1999 Appropriation	Emergency Releases <u>to Date</u>	05/24/99 Emergency <u>Release</u>
DEPARTMENT OF AGRICULTURE:				
NOTE: Emergency funds will be transferred				
to the Office of the Chief Information Officer.				
Detail illustrates allocation by mission area				
(additional detail is included in agency plan).				
Agency-wide funding	[94,045]	[47,877]	[46,168]	[]
Farm and Foreign Agricultural Services	10,255	6,783	3,472	
Food, Nutrition, and Consumer Services	5,450	1,800	3,650	
Food Safety	9,054	6,048	3,006	
Marketing and Regulatory Programs	13,186	11,512	1,674	
Natural Resources and Environment	16,367	9,717	6,650	
Research, Education, and Economics	7,821	2,413	5,408	
Rural Development	9,890	1,390	8,500	
Administration	22,022	8,214	13,808	
Total, Agriculture	94,045	47,877	46,168	
DEPARTMENT OF COMMERCE:				
General Administration/Salaries and Expenses	6,350		6,350	
General Administration/Office of Inspector General	250	250		
Economic Development Administration/				
Salaries and Expenses	784		784	
Bureau of the Census:				
Salaries and Expenses	10,100	100	10,000	
Periodic Censuses and Programs	10,900		10,900	
Economic and Statistical Analysis/				
Salaries and Expenses				
International Trade Administration/Operations				
and Administration	35	35		
Export Administration/				
Operations and Administration	380	50	330	

		Financed From:		
	Estimated		Emergency	05/24/99
	Agency	FY 1999	Releases	Emergency
Agency/Bureau/Account	Requirement	<u>Appropriation</u>	to Date	<u>Release</u>
Minority Business Development Administration/Minority				
Business Development	10	10		
National Oceanic and Atmospheric Administration/				
Operations, Research, and Facilities	9,357	1,994	7,363	
Patent and Trademark Office/Salaries and Expenses	2,877	2,877		
National Technical Information Service/				
NTIS Revolving Fund	1,443	250	1,193	
National Institute of Standards and Technology:				
Scientific and Technical Research				
and Services	4,855	4,855		
Industrial Technology Services	21,000		21,000	
National Telecommunications and Information Administration/				
Salaries and Expenses	2	2		
Total, Commerce	68,343	10,423	57,920	
DEPARTMENT OF EDUCATION:				
Office of Postsecondary Education:				
Federal Direct Student Loan Program,				
Program Account	531		531	
Federal Family Education Loan Program Account	1,950	1,156	794	
Departmental Management/Program Administration	4,399	1,878	2,521	
Total, Education	6,880	3,034	3,846	
DEPARTMENT OF ENERGY:				
NOTE: Certain Bureau-level requirements will				
be addressed with centrally-administered				
funding (\$10 million in Departmental Management).				
Atomic Energy Defense Activities:				
Weapons Activities	15,066	15,066		
Defense Environmental Restoration and Waste				
Management	26,631	16,291	10,340	
Defense Facilities Closure Projects	9,514	6,014	3,500	
Defense Nuclear Waste Disposal	1,306	1,306		
Other Defense Activities	14,503	853	13,650	
 Funding released on 2/3/99 for this account has not been transferred to DOE. 				

		Financed From:		
	Estimated Agency		Emergency	05/24/99
		FY 1999	Releases	Emergency
Agency/Bureau/Account	<u>Requirement</u>	<u>Appropriation</u>	to Date	<u>Release</u>
Energy Programs:				
Science	566	566		
Energy Supply	1,201	1,201		
Fossil Energy Research and Development	94	94		
Energy Information Administration	596	596		
Nuclear Waste Disposal Fund	67	67		
Power Marketing Administrations:				
Construction, Rehabilitation, Operation and				
Maintenance, Western Area Power				
Administration	73	73		
Bonneville Power Administration Fund	550	550		
Departmental Administration/				
Departmental Administration	13,433	3,433	10,000	
Total, Energy	83,600	46,110	37,490	
Fund. OPDIV detail illustrates HHS distribution. Departmental Management/Public Health				
and Social Services Emergency Fund	[420,105]	[96,247]	[323,858]	[]
FDA	22,928	2,215	20,713	
HRSA	10,000		10,000	
IHS	39,930	2,300	37,630	
CDC	6,800	1,900	4,900	
NIH	10,825	4,832	5,993	
SAMSHA	100		100	
AHCPR	1,795		1,795	
HCFA	287,600	82,500	205,100	
ACF	22,425	1,500	20,925	
AoA	600		600	

		Financed From:		
Agency/Bureau/Account	Estimated Agency <u>Requirement</u>	FY 1999 Appropriation	Emergency Releases <u>to Date</u>	05/24/99 Emergency <u>Release</u>
OS	2,719		2,719	
OIG	5,400		5,400	
PSC	8,983	1,000	7,983	
Total, Health and Human Services	420,105	96,247	323,858	
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Federal Housing Administration/FHAMutual				
Mortgage Insurance Program Account	5,000	5,000		
Management and Administration/Salaries				
and Expenses	18,200	6,000	12,200	
Total, Housing and Urban and Development	23,200	11,000	12,200	
to the Working Capital Fund. Bureau detail illustrates Interior's reported distribution.				
Departmental Management/Working Capital Fund	[87,522]	[7,175]	[80,347]	[]
BLM	11,784	250	11,534	
MMS		200		
OSM	413	413		
Bur Rec	5,850	2,975	2,875	
USGS	23,706	110	23,596	
FWS	3,163	700	2,463	
NPS	19,464		19,464	
BIA	14,597	2,500	12,097	
Department-wide systems/Office of the Secretary	5,635	227	5,408	
OIA	2,350		2,350	
Office of the Solicitor	561		561	
Total, Interior	87,522	7,175	80,347	

		Financed From:		
	Estimated		Emergency	05/24/99
	Agency	FY 1999	Releases	Emergency
Agency/Bureau/Account	Requirement	<u>Appropriation</u>	to Date	<u>Release</u>
DEPARTMENT OF JUSTICE:				
General Administration:				
Salaries and Expenses	120		120	
Office of Inspector General	3,460		3,460	
United States Parole Commission/				
Salaries and Expenses	20		20	
Legal Activities and U.S. Marshals:				
Salaries and Expenses General Legal Activites	7,943		7,943	
Salaries and Expenses, Antitrust Division	166		166	
Salaries and Expenses, United States Attorneys Salaries and Expenses,	41,504		41,504	
United States Marshals Service	700		700	
United States Trustee System Fund			1,003	
	.,000		.,000	
Federal Bureau of Investigation/Salaries and Expenses	10,293		10,293	
Drug Enforcement Administration/Salaries and Expenses	2,819		2,819	
Immigration and Naturalization Service/				
Salaries and Expenses	13,868		13,868	
Federal Prison System/Salaries and Expenses	200		200	
Office of Justice Programs/Justice Assistance	2,499	199	2,300	
Total, Justice	84,595	199	84,396	
DEPARTMENT OF LABOR:				
Employment and Training Administration:				
Training and Employment Services	2,095	500	1,595	
Program Administration	4,455	1,721	2,734	
Pension and Welfare Benefits Administration/Salaries and				
Expenses	1,577	1,007	570	
Employment Standards Administration/Salaries				
and Expenses	5,509	4,405	1,104	
Occupational Safety and Health Administration/				
Salaries and Expenses	2,505	1,130	1,375	

		Financed From:		
	Estimated		Emergency	05/24/99
	Agency	FY 1999	Releases	Emergency
Agency/Bureau/Account	Requirement	Appropriation	to Date	<u>Release</u>
Mine Safety and Health Administration/				
Salaries and Expenses	5,323	575	4,748	
Calaries and Experiess	0,020	0,0	1,7 10	
Bureau of Labor Statistics/Salaries and Expenses	137	137		
Departmental Management:				
Salaries and Expenses	5,067	400	4,667	
Office of the Inspector General	1,469	469	1,000	
Assistant Secretary for Veterans				
Employment and Training	173	173		
Total, Labor	28,309	10,517	17,792	
10tal, 2000	20,303	10,511	11,132	
DEPARTMENT OF STATE:				
Administration of Foreign Affairs/Capital				
Investment Fund	64,918		64,918	
DEPARTMENT OF TRANSPORTATION:				
Office of the Secretary/Salaries and Expenses	9,175	1,421	7,754	
Coast Guard/Operating Expenses	34,773	3,000	31,773	
Federal Aviation Administration:				
Operations	28,798		28,798	
Facilities and Equipment	167,133	45,000	122,133	
Research, Engineering, and Development	367		367	
Federal Transit Administration/Administrative				
Expenses	2,150	1,900	250	
·	,	,		
Research and Special Programs Administration:				
Research and Special Programs	282		282	
Pipeline Safety	150		150	
Maritime Administration/Operations and Training	700	170	530	
Other Administrations	2,016	1,264	752	
Total, Transportation	245,544	52,755	192,789	
DEPARTMENT OF THE TREASURY:				
Departmental Offices:				
Salaries and Expenses	3,724		3,724	
Automation Enhancement	59,396		59,396	

		Financed From:		
	Estimated	•	Emergency	05/24/99
	Agency	FY 1999	Releases	Emergency
Agency/Bureau/Account	Requirement	<u>Appropriation</u>	to Date	<u>Release</u>
Financial Management Service/Salaries and				
Expenses	6,000		6,000	
Bureau of Alcohol, Tobacco, and Firearms/				
Salaries and Expenses	11,195		11,195	
United States Customs Service/Salaries and				
Expenses	11,901		11,901	
Bureau of the Public Debt/Administering the				
Public Debt	1,000		1,000	
Internal Revenue Service/Information Systems	505,312		505,312	
United States Secret Service/Salaries and Expenses	3,695		3,695	
Total, Treasury	602,223		602,223	
OTHER DEFENSECIVIL PROGRAMS:				
Selective Service System	564	314	250	
EXECUTIVE OFFICE OF THE PRESIDENT:				
Office of Administration	29,791		29,791	
Office of Management and Budget	1,600	1,600		
Office of the United States Trade Representative	498		498	
Total, Executive Office of the President	31,889	1,600	30,289	
FEDERAL EMERGENCY MANAGEMENT AGENCY:				
Salaries and Expenses	4,541	900	3,641	
Emergency Management Planning and Assistance	3,711		3,711	
Total, FEMA	8,252	900	7,352	
GENERAL SERVICES ADMINISTRATION:				
NOTE: Amount financed from FY 1999 appropriations is for internal systems conversion and represents agency total.				
General Activities/Policy and Operations	46,599	5,300	41,299	7,108

		Financed From:		
	Estimated		Emergency	05/24/99
	Agency	FY 1999	Releases	Emergency
Agency/Bureau/Account	Requirement	<u>Appropriation</u>	to Date	<u>Release</u>
INTERNATIONAL ASSISTANCE PROGRAMS:				
Agency for International Development/Operating				
Expenses of the Agency for International				
Development	18,800	8,600	10,200	
Overseas Private Investment Corporation:				
Overseas Private Investment Corporation				
Noncredit Account	840		840	
Overseas Private Investment Corporation				
Program Account	1,260		1,260	
African Development Foundation/African Development				
Foundation	189	51	137	
Total, International Assistance Programs	21,089	8,651	12,437	
OFFICE OF PERSONNEL MANAGEMENT:				
Salaries and Expenses	4,628	2,200	2,428	
SMALL BUSINESS ADMINISTRATION:				
Salaries and Expenses	6,766	1,926	4,840	
ADCITECTURAL AND TRANSPORTATION RAPPIERS COMPLL	ANCE BOARD.			
ARCITECTURAL AND TRANSPORTATION BARRIERS COMPLIA Salaries and Expenses	ANCE BUARD:		60	
·				
COMMODITY FUTURES TRADING COMMISSION:				
Commodity Futures Trading Commission	783	427	356	
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:				
Domestic Volunteer Service Programs, Operating				
Expenses	800		800	
EXPORT-IMPORT BANK OF THE UNITED STATES:				
Administrative Expenses	400		400	
DISTRICT OF COLUMBIA:				
Federal Support for Economic Development and				
Management Reforms in the District	92,800	31,000	61,800	
Federal Payment to the District of Columbia Courts	2,249		2,249	
Total, District of Columbia	95,049	31,000	64,049	

		Financed From:		
	Estimated		Emergency	05/24/99
	Agency	FY 1999	Releases	Emergency
Agency/Bureau/Account	<u>Requirement</u>	<u>Appropriation</u>	to Date	<u>Release</u>
FEDERAL COMMUNICATIONS COMMISSION:				
Salaries and Expenses	8,516		8,516	
FEDERAL LABOR RELATIONS AUTHORITY:				
Salaries and Expenses	1,400	1,157	243	
Galaries and Expenses	1,400	1,137	243	
FEDERAL TRADE COMMISSION:				
Salaries and Expenses	550		550	2,049
MARINE MAMMAL COMMISSION:				
Salaries and Expenses	38		38	
MERIT SYSTEMS PROTECTION BOARD:				
Salaries and Expenses	66		66	
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:				
Operating Expenses	6,662		6,662	
NATIONAL CAPITAL PLANNING COMMISSION:				
Salaries and Expenses	381		381	
OFFICE OF SPECIAL COUNSEL:				
Salaries and Expenses	100		100	
RAILROAD RETIREMENT BOARD:				
Federal Payment to the Railroad				
Retirement Accounts	6,099	5,701	398	
SECURITIES AND EXCHANGE COMMISSION:				
Salaries and Expenses	8,175		8,175	
SMITHSONIAN INSTITUTION:				
Salaries and Expenses	4,700		4,700	
Salaries and Expenses, National Gallery of Art	101		101	
Total, Smithsonian	4,801		4,801	
UNITED STATES HOLOCAUST MEMORIAL COUNCIL:				
Holocaust Memorial Council	900		900	
UNITED STATES INFORMATION AGENCY:	0.500		0.500	
Technology Fund	9,562		9,562	
TOTAL, EMERGENCY RELEASES (EXECUTIVE BRANCH O	NLY)		1,728,899	9,157