

U.S. DEPARTMENT OF COMMERCE
Office of Inspector General



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*INTERNATIONAL TRADE
ADMINISTRATION*

*Y2K Risk of Interrupted Operations
Is Low, but Some Improvements
Needed in Day One Planning*

Inspection Report No. OSE-12550 / December 1999

Office of Systems Evaluation



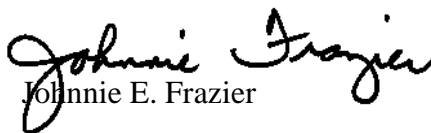


UNITED STATES DEPARTMENT OF COMMERCE
The Inspector General
Washington, D.C. 20230

December 21, 1999

MEMORANDUM FOR: Ambassador David L. Aaron
Under Secretary of Commerce for
International Trade

FROM:


Johnnie E. Frazier

SUBJECT:

Final Inspection Report, *ITA Y2K Risk of Interrupted Operations Is Low, But Some Improvements Needed in Day One Planning*
(Report No. OSE-12550)

The Office of Inspector General has completed a review of the International Trade Administration's efforts to reduce the risk of business interruption due to the year 2000 (Y2K) century change. We reviewed ITA's Day One plan for managing the critical century rollover period¹ and its contingency plans for continuing operations in case of computer system failures.

We believe the likelihood of interruption of ITA's business operations due to Y2K system failures, in general, is low because most activities supported by computers are not time-critical and for most failures ITA staff can revert to other computers or manual operations without significantly degrading performance. We believe ITA's greatest risks are ensuring that cable services will be available to back-up its Message Processing System at the Telecommunication Center and that adequate preparations have been made for the rollover period. We recommend that ITA complete an agreement for back-up cable services with the Department of State, test these cable services, and refine its Day One plans.

Because of the short time remaining before the century change and the concurrence of ITA officials, we are issuing this report in final. We presented our concerns to the appropriate ITA officials at an exit briefing held on December 13, 1999, and they have agreed with all of our recommendations and are implementing them. ITA's memorandum concurring with our observations and recommendations is attached. We would like to thank the dedicated and knowledgeable staff at ITA for working with us to complete our review.

¹GAO has defined the century rollover period as December 30, 1999, through January 4, 2000, in its Day One guide, *Y2K Computing Challenge: Day One Planning and Operations Guide*, GAO/AIMD-10.1.22, October 1999.

BACKGROUND

International trade is vital to our nation's economy. ITA's mission is to help U.S. business succeed globally by encouraging, assisting, and advocating U.S. exports; ensuring U.S. companies have equal access to foreign markets; and enabling U.S. businesses to compete against unfairly traded imports. ITA's mission helps safeguard American jobs and maintain the competitive strength of American industry. ITA has over 200 offices around the world.

The Y2K problem results from computer systems that have been programmed with only the last two digits of a year rather than all four. This approach can cause computer systems to fail because they will not be able to distinguish between the years 1900 and 2000. ITA does not perform many time-critical computer operations but does need to avoid interruptions caused by Y2K system defects.

PURPOSE AND SCOPE

The purpose of this review is to reduce the risk of business interruption due to the year 2000 century change by assessing ITA's contingency and Day One plans and recommending practical risk mitigation activities. Specifically, we reviewed the ITA Business Continuity and Contingency Plan matrix, the ITA high level Day One plan, and Day One plans from ITA business units. We also interviewed representatives responsible for contingencies for four systems: the Client Management System (CMS), the Message Processing System (MPS), the Central Records Information Management System (CRIMS) and the Anti-Dumping/Countervailing Duty System (AD/CVDS). Because time was limited, we did not review all the systems identified in the Business Continuity and Contingency matrix (i.e., Trade Policy Information System, Textile Information System, or ITA's financial management systems). Also, we did not review the Y2K compliance of ITA's computer systems.

Our criteria were derived from GAO and OMB guidelines for the Y2K computing crisis, research institutions, and best practices. Our work was performed in accordance with the Inspector General Act of 1978, as amended, and the *Quality Standards for Inspections*, March 1993, issued by the President's Council on Integrity and Efficiency. We conducted our fieldwork between October and December 1999.

OBSERVATIONS AND CONCLUSIONS

I. ITA's Risk of Interrupted Service Is Low

ITA's risk of business interruption due to Y2K system failures, in general, is low because most activities supported by computers are not time-critical and for most failures ITA staff can revert to other computers or manual operations without significantly degrading performance. For

example, two of the systems we reviewed (CRIMS and AD/CVDS) are used by ITA's Import Administration for analysis of unfair import cases. These cases must be completed within 160 days. Reverting to manual operations for several days would not significantly jeopardize completing these cases in time. The Import Administration staff has already prepared to use manual operations for cases that are due around the century rollover, and the staff is familiar with manual operations. In other situations, alternate computers or communications networks can be used if primary facilities fail. For example, if the e-mail component of the CMS platform² fails, then ITA's United States Foreign and Commercial Service worldwide offices will use the Internet for communications.

II. The Message Processing System Contingency Plan Needs to Be Completed

ITA Telecommunication Center's (TCC) Message Processing System receives and sends cables via the State Department cable services. The system is an important means of communication for ITA headquarters and worldwide offices. Over 150 individuals and organizations at Commerce Department headquarters use the MPS to exchange budget, personnel, and trade information. The system carries up to 1,200 cables per day. Fifteen percent of the cables are classified and less than one percent are urgent. MPS operators are required to acknowledge receipt of urgent cables to the sender within 15 minutes. MPS hardware components are fully redundant, and TCC has a maintenance contract with the MPS vendor, the Xerox Corporation.

The MPS contingency plans depend on cable services provided by the State Department. If MPS fails and cannot be repaired within eight hours, then TCC plans to send a request (via MPS signal, telephone line, or facsimile) to the State Department Beltsville cable center to re-route messages to Annex 44³. Annex 44 will print the cables and file them for pick-up by TCC staff. If Annex 44 is unavailable, then the Beltsville cable center will print and file the cables for pick-up. If Beltsville is unavailable, then alternate means for communicating, such as e-mail and secure telephones, will be used. Also, TCC will serve as back-up for Annex 44.

To prepare for this contingency, TCC drafted a Memorandum of Understanding (MOU) for signature by the three parties TCC, Annex 44, and the Beltsville cable center. However, by the end of our field work, the first two parties had signed the agreement, but the Beltsville cable center had not. Although TCC officials stated that even without the MOU, cables could be re-routed, we believe that a signed agreement will provide further assurance that the State Department cable service will be available for MPS back-up.

² The CMS platform is Lotus-Notes.

³ Formerly, Annex 44 was the United States Information Agency.

We are also concerned that this contingency has not been tested. TCC has never tried to re-route cables as described in the contingency plan. Finally, MPS files are routinely backed up each quarter year. The files were last backed up in October, and another back-up is not planned until after the century rollover. It would be prudent to back up the files close to the century rollover in order to have the most up-to-date files in case MPS needs to be restarted due to a Y2K failure.

ITA has agreed to complete the MOU, test the MPS contingency, and back up the MPS files closer to December 30.

III. ITA Should Update and Validate Its Day One Plan

The days surrounding the century rollover are critical to Y2K planning. Although systems and business operations will be most vulnerable to Y2K-induced interruption during this period, proper Day One planning can minimize the adverse impacts. Day One plans describe a comprehensive set of actions to perform during the century rollover period from December 30 through January 4. Primarily, they describe procedures for minimizing problems and reporting the status of business operations to executive management, business partners, and the public. Day One plans should include the following information to be effective:

- System back-up procedures to establish stable baselines of data if systems fail and need to be restarted.
- System shutdown and start-up procedure to minimize the impact of power surges and ensure orderly activation of systems to determine whether they function properly in the new millennium.
- Staff responsibilities and schedules for carrying out the Day One plan.
- Maintenance contract contacts.
- Status reporting procedures, including the means of reporting, when to report, and what information to report.
- Activities supporting contingencies, such as printing computer files required for manual back-up procedures.

The ITA Day One plan we reviewed was general and did not contain the level of detail necessary to carry out an effective Day One strategy. However, ITA has informed us that it is updating its plans with more details. The ITA plan will cover headquarters and worldwide operations. ITA's Day One plan will include appendixes provided by ITA units describing their specific Day One activities. ITA's United States and Foreign Commercial Service, the business

unit responsible for international operations, has already issued its Day One plan. We also believe that ITA should validate its Day One plan through an independent desktop review to ensure that it will work properly.

ITA has agreed to complete a detailed Day One plan for headquarters and worldwide locations containing the information listed above and to validate the plan through a desktop review.

RECOMMENDATIONS

We recommend that the Under Secretary ensure that:

1. ITA updates and completes a detailed Day One plan. The plan must include a comprehensive set of actions for ITA headquarters and all ITA business units. The plan should document, at a minimum: back-up, shutdown, and start-up procedures; government and contractor staff assignments and schedules; maintenance vendor contacts; status reporting procedures; and any activities necessary to support contingencies, such as printing computer files for manual back-ups.
2. ITA validates the updated Day One plan through an independent desktop review to ensure that it will work properly.
3. The ITA Telecommunication Center
 - a. Completes the Memorandum of Understanding with the Department of State Beltsville cable center for contingency services.
 - b. Tests the contingency for cable services, including rerouting cables to Annex 44 and the Beltsville cable center.
 - c. Backs up the Message Processing System files closer to December 30.

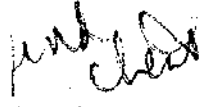
ATTACHMENT



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D. C. 20230

DEC 20 1999

MEMORANDUM FOR: Judith J. Gordon
Assistant Inspector General for Systems Evaluation

FROM: Linda M. Cheathan 
Chief Financial Officer
and Director of Administration

SUBJECT: Final Inspection Report, *ITA Y2K Risk of Interrupted Operations Is Low, But Some Improvements Needed in Day One Planning*
(Report No. OSF-12550)

ITA agrees with the observations and recommendations presented at the exit briefing held on December 13, 1999. We have also reviewed a draft of the final report and believe it reflects the agreements reached at the exit conference. ITA is in the process of implementing these recommendations.

Should you have any questions, please contact me at 482-5855 or Bernie McMahon at 482-3801.

