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Acting Comptroller Cites Testing as Critical Phase in Year 2000
Preparation

Washington, D.C. -- Acting Comptroller of the Currency Julie L. Williams told Congress today that the nation's banking industry is now entering one of the most critical phases in its effort to deal with problems associated with the century date change -- the actual testing of computer systems.

"The results of these tests will say much about how prepared banks truly are to meet the Year 2000 deadline," she said in testimony before the House Committee on Banking and Financial Services.

Ms. Williams said the key to avoiding a wave of last-minute crises is to be proactive and to identify and deal with Year 2000 problems in national banks as soon as possible.

"That is why we have adopted a strategy under which each national bank will be examined again on-site -- not once, but twice, before June 30, 1999," Ms. Williams said. "These examinations should give us a clear, accurate, and, most of all, timely picture of each bank's Year 2000 progress and of any problems that remain."

The acting Comptroller also voiced support for the so-called "Good Samaritan" bills pending in the House and Senate which she said would promote voluntary disclosure and a healthy exchange of information on Year 2000 issues.

Ms. Williams highlighted another area of concern with countries that have been slow to acknowledge and confront the Year 2000 challenge, and unwilling or unable to provide clear and consistent information about their own remediation efforts.

Examiners at the Office of the Comptroller of the Currency (OCC) assigned to the most internationally active banks are working diligently to develop contingency plans to mitigate the Year 2000 risks that arise from foreign markets. The OCC is also working with international organizations comprised of financial market regulatory authorities and private sector financial firms to achieve more effective action, information-sharing and disclosure on Year 2000 issues.

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