As chair of the House Committee on Science's Subcommittee on Technology, we have held six hearings on the Year 2000 problem, many in conjunction with the Committee on Government Reform and Oversight's Subcommittee on Operations, chaired by the gentleman from California (Mr. HORN).

In legislation, we required the creation of a national Federal strategy on the Year 2000 problem. Federal quarterly reporting requirements and a statutory prohibition on the Federal purchase of any information technology which is not Year 2000 compliant.

I am also very pleased that the President has finally joined with Congress to help ensure that our Nation will address the Year 2000 problem in a timely and effective manner. The President's recent Executive order establishing a Year 2000 Conversion Council, chaired by John Koskinen, to make correcting the problem the highest priority attention for both the public and private sector, is vital to our Nation's ability to correct the problem by the unrelenting deadline. This is an important step if we are to avert catastrophic failure of government and industry computer systems. We have been calling for leadership from our Nation's chief executive for over a year. The President is at last giving this issue the attention it deserves.

And while I am anxious to work with Mr. Koskinen and the national Year 2000 Council on future efforts, today I intend to support this necessary measure to ensure the American people that not only is their money safe, but they will have reasonable timely access to it in the Year 2000 and beyond.

So, Mr. Speaker, I urge all of my colleagues to join me in passing H.R. 3116. I also want to again congratulate Chairman LEACH and Ranking Member LAFALCE for their leadership, and I look forward to working with them as Congress moves to enact other Year 2000 solutions.

Mr. LAFALCE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume just to conclude by saying this issue is extraordinarily important for consumers. It is important for America's competitive position abroad. To become Year 2000 compliant will involve a multi-billion dollar cost to the economy and success or failure will affect the competitive position of many types of private sector organizations at home and abroad.

I am particularly concerned at home with the competitive position of various vendors to financial institutions, some of which are on top of the problem, some of which are less so. Abroad, we could literally see a run to American financial institutions who are on top of the problem, in contrast with foreign competitors. Europe is intertwined with a series of problems related to European Community. In Asia there is a series of very different kinds of problems. Neither in the world is putting as much attention as the United States is. So as there are challenges, there are also potential opportunities for those institutions who are on top of this particular subject matter.

Mr. Speaker, let me just conclude by saying that also from a job sense, we are going to see perhaps the greatest shortage of software engineers and technicians in the history of the country in almost any industry. And it is important for individuals not only in the financial services sector, but in other types of critical industries, to be very sensitive to these issues. Obviously, relating to airlines which is one most in the public mind, but there are many others as well.

In any regard, this is a very, very modest bill that the Congress is putting forth. Behind the bill is also the sense that involved is an education process of which the Congress is a part. And while this bill will not be an answer to anything, it is intended to precipitate serious attention to the issue.

Mr. Speaker, with that, I have no further requests for time. I would like to thank particularly the gentleman from New York (Mr. LAFALCE) and the gentlewoman from New Jersey (Mrs. ROUKEMA), as well as the gentlewoman from Maryland (Mrs. MORELLA) for her thoughtful attention.

Mr. PAUL. Mr. Speaker, this Legislation, H.R. 3116, will not solve the Year 2000 problem. Giving some financial regulators "statutory parity" with other regulators will not solve the problem. Everyone will have to take responsibility to secure that their own systems will be Year 2000-compliant. We must hope that the government will be as diligent in its compliance with the so-called Millennium Bug problem as it want the private sector to be.

The General Accounting Office (GAO) has reported unfavorably on the FDIC's readiness. Before the Subcommittee on Financial Services and Technology, Committee on Banking, Housing and Urban Affairs, US Senate, Jack L. Brock, Jr., Director, Governmentwide and Defense Information Systems, testified on February 10, 1998 (Year 2000 Computing Crisis: Federal Deposit Insurance Corporation's Efforts to Ensure Bank's Systems Are Year 2000 Compliant) that the Federal Deposit Insurance Corporation (FDIC) has not met its own "y2k-compliant" standards. According to GAO, the FDIC has not yet completed the assessment phase of the remediation process, despite its own standard that banks under the agency's supervision should have completed this phase by the end of the third quarter of 1997.

The bill requires the regulators to provide information (seminars, etc.), make available to financial institutions model approaches to address the Year 2000 problem, and to give the regulators examination authority to examine third party service provides under contract to federally-insured institutions.

James Mills, of NAFCU, testified before the House Committee on Banking and Financial Services, "Historically, the role of providing education and training is one best performed by the private sector, namely trade associations and industry-related organizations . . . Rather than require federal agencies to offer seminars, perhaps any legislative efforts should require federal agencies to participate in such programs or make it advisable and permissible to participate." NAFCU believes that the focus of H.R. 3116 should be strictly limited to ensuring compliance. In its present form, H.R. 3116 contains a broad and permanent expansion of NCUA's examination and regulatory authority . . . Legitimate questions may be raised as to whether, absent the year 2000 issue, NCUA, as a federal financial regulatory agency, should have the authority not just to examine but to actually regulate private business enterprises incorporated under the laws of various states. The authority given to NCUA in H.R. 3116, is not limited to the examination and regulation of credit unions, but would allow NCUA to examine and regulate third-party businesses, vendors and outside providers. Do the members of the Committee intend to give NCUA authority to regulate private entities?"

Ellen Seidman, Director OTS, added, "Clearly, the primary responsibility and liability for Year 2000 compliance rests with the regulated institutions themselves, including those that rely on service providers . . . Some service providers, however, have been resistant to these contractual provisions and, as a result, thrifts have been hindered in their ability to contract for services."

This bill raises legal liability questions that may actually thwart a financial institution's ability to address the y2k problem more effectively. Introducing legislation on the y2k issue would only give more people more incentive to sue companies which are not compliant. How does the bill define "year 2000 compliance"? It isn't clear. Such ambiguity only causes further problems. The real problem with y2k isn't the computers, its the people. More legislation will only compound the problem.

Year 2000 issues with computers cause numerous headaches but by no means unsolvable problems. Solutions exist, and since we do exist in a relatively free market, we should allow it to work.

Mr. LEACH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHAW). The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and pass the bill, H.R. 3116, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEACH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to include in the RECORD additional statements and to revise and extend their remarks on H.R. 3116, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.