

WILLIAM AUGUSTUS BOOTLE FEDERAL BUILDING AND U.S. COURTHOUSE

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of H.R. 595, which was received from the House.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 595) to designate the Federal building and United States Courthouse located at 475 Mulberry Street in Macon, Georgia, as the "William Augustus Bootle Federal Building and U.S. Courthouse."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. LOTT. Mr. President, I ask unanimous consent that the bill be considered read the third time, and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 595) was considered read the third time and passed.

SAM NUNN ATLANTA FEDERAL CENTER DESIGNATION ACT OF 1998

Mr. LOTT. Mr. President, I ask the Chair lay before the Senate a message from the House of Representatives on the bill (S. 347) to designate the Federal building located at 100 Alabama Street NW, in Atlanta, Georgia, as the "Sam Nunn Federal Center."

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 347) entitled "An Act to designate the Federal building located at 100 Alabama Street NW, in Atlanta, Georgia, as the "Sam Nunn Federal Center", do pass with the following amendments:

Strike out all after the enacting clause and insert:

SECTION 1. DESIGNATION.

The Federal building located at 61 Forsyth Street SW., in Atlanta, Georgia, shall be known and designated as the "Sam Nunn Atlanta Federal Center".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the "Sam Nunn Atlanta Federal Center".

Amend the title so as to read "An Act to designate the Federal building located at 61 Forsyth Street SW., in Atlanta, Georgia, as the "Sam Nunn Atlanta Federal Center".

Mr. LOTT. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

EXAMINATION PARITY AND YEAR 2000 READINESS ACT

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed

to the immediate consideration of H.R. 3116, which was received from the House.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 3116) to address the year 2000 computer problems with regard to financial institutions, to extend examination parity to the Director of the Office of Thrift Supervision and the National Credit Union Administration, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. D'AMATO. Mr. President, I rise today in support of the Examination Parity and Year 2000 Readiness Act and I encourage the support of my colleagues in order to address the serious threat facing our nations' financial industry. While the new millennium brings with it the hopes and dreams of a new era, it is also accompanied by a significant threat to all Americans who use our technology dependent banking industry. The Congress must insure that our regulators are provided with the power and authority to protect the savings of all Americans.

Mr. President, nearly every hard working American citizen uses a bank, savings and loan or credit union. Banks in particular represent a symbol of safety and trust where Americans feel confident about placing their savings and conducting financial transactions. The widely reported Year 2000 problem places that safety and trust at risk. For a variety of reasons, computer software systems and devices have traditionally used two characters to represent the year in date calculations. A typical scenario involves a system that arranges a date to perform a comparison or calculation. For example, comparing the year 2000 to the year 1998, could result in 1998 being identified greater than 2000. The potential fallout could range from a simple miscalculation of interest on savings accounts, to the complete loss of customer records, and possibly even jeopardizing the viability of an institution. These systems must be validated to insure that they will function properly after December 31, 1999.

The Examination Parity and Year 2000 Readiness Act requires Federal financial regulatory agencies to conduct seminars on the implication of the Year 2000 problem and extends the same examination authority bank regulators already possess to thrift and credit union regulators. This legislation enjoys bipartisan Congressional support and has the endorsement of the executive branch. With the proper attention and focus of our federal regulators, the savings of American citizens can be protected and the safety and soundness of the American banking industry can be assured.

Mr. President, I want to commend Senator BENNETT, the chairman of the Subcommittee on Financial Services

and Technology, for his tireless effort to help solve the problems our financial intermediaries will face because of the year 2000 problem. With his usual perseverance, he has demonstrated the important role Congress has in understanding the impact of technology on the financial system. I also commend Senator DODD for cosponsoring the Senate bill. Of course, quick action on this measure by the House was made possible by Chairman LEACH's recognition of the need for this legislation.

Mr. SARBANES. Mr. President, I would like to offer my support for H.R. 3116, a measure that will help our nation's bank regulators address the so-called Year 2000 computer problem, and enhance the safety and soundness of our financial system.

The Banking Committee has held five important hearings on the Year 2000 problem and its consequences. It became clear during these hearings that the Year 2000 problem, in which computer systems may crash because they fail to process the date change from the 20th to the 21st century, could have a significant impact both on our financial system, and on the U.S. economy as a whole. Witnesses testified that the problem is extensive, and will be expensive to solve. Our banking system is heavily dependent on computer technology, and failures at one institution could spread to others through their closely linked networks. Every single financial institution in the U.S. will need to solve this problem, and some individual banks plan to spend \$250 million or more on computer replacements and repairs.

The consequences go far beyond the financial sector, however. Estimates of the worldwide cost of Year 2000 remediation range as high as \$600 billion. One Banking Committee witness, economist Edward Yardeni of the investment firm Deutsche Morgan Grenfell, said that there is a 40% or greater risk that business dislocations caused by the Year 2000 problem could bring about a global recession as severe as the one that followed the OPEC oil embargo in 1973. The stakes involved clearly are high.

I want to commend Senators BENNETT, BOXER, and DODD, along with Chairman D'AMATO, for their leadership on this issue through their efforts in the Banking Committee. The committee has been working hard to make sure that our financial industry regulators solve their internal Year 2000 difficulties, and that our banks, thrifts, brokers, and credit unions are ready to enter the new century as well. Thanks to these efforts, our financial institutions are generally acknowledged as leaders in solving the problem, although much work remains to be done.

This bill is a first legislative step toward helping our financial regulators meet the Year 2000 challenge. It directs each federal banking agency—the Federal Deposit Insurance Corporation, the Federal Reserve, the Office of the Comptroller of the Currency, and the

Office of Thrift Supervision, along with the National Credit Union Administration—to provide financial institutions with informational seminars on, and model approaches to, the problem. It also gives our thrift and credit union regulators the authority they need to examine an institution's vendors, particularly computer services vendors, for Year 2000 compliance. This will put all of our financial regulators on an equal footing with respect to these crucial examinations.

Mr. President, the Year 2000 will not wait: there is no extending the deadline, and our financial institutions must be ready. To help our regulators meet that goal, I urge speedy adoption of this legislation.

Mr. BENNETT. Mr. President, I rise today with my distinguished colleague, Senator DODD, in support of HR. 3116, the Examination Parity and Year 2000 Readiness for Financial Institutions Act. We jointly introduced the Senate version of this bill, S. 1671 and are in full agreement with it in every respect.

Mr. subcommittee has held five hearings on Year 2000 compliance and I will chair another hearing on this issue next week. Generally speaking, most of our financial institutions are ill prepared to face the millennial date change at this time. None of our regulatory agencies are in the position they should be, based on the time schedule issued by OMB and GAO. This problem is compounded because several of our regulatory agencies have insufficient enforcement authority to ensure that the financial institutions they regulate can continue to function in a safe and sound manner after the millennial date change.

The bill before us at this time will give authority to the Office of Thrift Supervision (OTS) and the National Credit Union Administration (NCUA) in parity with the authority provided to other Federal banking agencies under the Bank Service Company Act (BSCA) with respect to the performance of services by contracted service providers. For example, OTS will be able to examine service providers that contract with a savings association, its subsidiary, or any savings and loan affiliate or other entity as identified in this legislation, as if it were inspecting the savings association itself. Under the BSCA, other Federal banking agencies already have this authority over service providers that contract with an insured bank or any subsidiary or affiliate of the bank that is examined by the agency.

This authority enables all of the Federal banking agencies to take appropriate action against service providers, if for example, the services are provided in such a way as to jeopardize the safety and soundness of the financial institutions in question. This authority allows the regulatory agencies to take appropriate action against a service provider if the services being performed may result in a regulated entity not being Y2K compliant. We expect

that the Federal banking agencies will continue to use their authority under the BSCA, and the authority provided by this legislation, to remedy the situation of services being rendered which will result in Year 2000 noncompliance, as well as to prevent any other unsafe and unsound practices. To ensure that the legislation is interpreted to give OTS parity with the other regulators and that Congressional intent is clear, the bill references the OTS's ability to issue orders under section 8 of the Federal Deposit Insurance Act, which includes the Federal banking agencies' general enforcement authority to address unsafe or unsound practices.

This bill also requires that federal financial regulatory agencies hold seminars for financial institutions on the implications of the Year 2000 problem for safe and sound operations, and to provide model approaches for solving common Y2K problems.

Passage of this bill is supported by both the NCUA and OTS. In a "Statement of Administration Policy," OMB has notified us that "the Administration supports passage of HR. 3116."

I want to take this opportunity to thank Chairman D'AMATO, Senator SARBANES, and Senator DODD for their assistance and support. In particular, I want to thank Howard Mennell, Steve Harris, Andrew Lowenthal, Robert Cresanti, Robert Andros, and Laura Ayoud for their efforts in bringing this bill to a prompt and mutually satisfactory resolution. I also want to thank my House colleagues and their staff for adopting the language of our Senate bill, S. 1671, in the final version of the House passed H.3116. This has greatly expedited the handling of this bill in the Senate.

Mr. DODD. Mr. President, I am very pleased that the Senate is poised to pass Examination Parity and Year 2000 Readiness For Financial Institutions Act, which I introduced with Senator BENNETT last week. The legislation will provide badly needed authority and guidance to Federal financial regulators to help their supervised institutions cope with the Year 2000 computer problem.

The Year 2000—or Y2K—computer problem is caused by the inability of most of the major financial systems to process the year 2000 as the one that follows the year 1999. This is caused by the fact that basic computer code, much of it written as many as thirty years ago, reads dates as two-digits, "98" or "99," instead of four digits "1999" or "2000." If left untreated, computers will read the year 2000 as the years 1900, 1980 or some other default date. The result is not only erroneous calculations, but the total disruption of many critical financial systems.

Unfortunately, neither the Office of Thrift Supervision or the National Credit Union Administration have the authority to examine the Year 2000 preparations of service providers to thrifts and credit unions. Currently, other federal financial regulators—the

Federal Reserve, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation—have this authority.

These service providers perform many of the key transaction and data processing for federally-insured thrifts and credit unions, particularly smaller institutions for whom it is not cost-effective to establish their own computer systems. As a result, it is imperative to the safety and soundness of these institutions for the regulators to be able to establish that their service providers will be Year 2000 compliant.

The legislation also contains provisions that require all financial regulators to hold seminars to educate their respective supervised institutions and, to the maximum extent possible, provide model solutions for fixing the problem. The beneficial impact of such outreach and education efforts for federally-insured institutions is self-evident.

Mr. President, as I've said many times before, the Year 2000 problem is one that we will have to confront in many more ways than this legislation. The extent of the problem goes well beyond the financial services industry to affect virtually every segment of our nation's economy. But this sensible bill is a good first step to ensuring that Federal financial regulators have the tools necessary to address the problem in their area of jurisdiction.

I urge my colleagues to join me in supporting this sensible, bipartisan legislation.

Mr. LOTT. Mr. President, I ask unanimous consent that the bill be considered read the third time, and passed, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3116) was considered read the third time, and passed.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. LOTT. Mr. President, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of the nomination of George McGovern to be U.S. Representative to the United Nations Agencies for Food and Agriculture.

I further ask consent that the Senate proceed to its consideration, the nomination of Robert Grey, Jr., Executive Calendar No. 527, and nominations on the Secretary's desk in the Foreign Service. I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements relating to the nominations appear at this point in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.