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MEMORANDUM TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Jacob J. Lew

Director
SUBJECT: Minimizing Regulatory and Information Technology Requirements That Could Affect Progress Fixing the Year 2000 Problem

As you know, the Year 2000 problem presents a major challenge to each of our organizations as well as to the many organizations with whom we relate. As your agency continues to make progress on this problem, it is important that you consider the potential effect of regulatory actions or changes to information technology (IT) systems on the Year 2000 readiness of regulated entities and your agency. To the extent you can do so while meeting your statutory responsibilities, your agency should not establish requirements that would have an adverse effect on that readiness, if such requirements can be delayed or if there is an alternative that would not have an adverse effect.

While I understand the importance of agencies achieving their regulatory goals, it is important that these goals be timed in such a way that time-sensitive work on the Year 2000 problem not be jeopardized. Implementing a regulation often requires changes to the information systems of regulated entities. Accordingly, before issuing a final regulation, please use your existing process for reviewing regulations to consider the effect of the regulation on the Year 2000 readiness of regulated entities and consider alternatives to minimize that effect, such as postponing the effective date of the regulation. I have asked Desk Officers in the Office of Information and Regulatory Affairs to assist your Regulatory Policy Officer on this matter and to provide assistance in assessing any effects on Year 2000 readiness in reviewing agency rules.

New information technology requirements can introduce Year 2000 risk into systems that have been certified as Year 2000 compliant. Moreover, new information technology requirements can divert resources from other Year 2000 efforts. While I appreciate that all work cannot stop, we can avoid substantial problems in January of 2000 by following a policy that only allows system changes where absolutely necessary. Accordingly, please establish a process to assure that the effect on year 2000 readiness is considered prior to establishing new requirements or changes to IT systems. Your Chief Information Officer can help ensure that the impact of new requirements or changes on Year 2000 readiness is appropriately considered.

In your next quarterly report to OMB on Year 2000 progress, briefly summarize how you have implemented this memorandum. Thank you for your continued efforts to address this critical problem. By working together, both within and with others outside of government, we increase the chance of a smooth transition into the next millennium.