TESTIMONY OF KATHRYN KEITH
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My name is Kathy Keith and I'm the new media director for the Pennsylvania Newspaper Publishers' Association. Thank you for your time. I appreciate the opportunity to voice my thoughts about the Year 2000 computer problem.

The problem

As I'm sure you all are well aware, the Year 2000 bug, or Y2K as it is commonly known, will cause computer software, hardware and embedded chip technology to malfunction when computing dates beyond the Year 2000. The problem was originally cost-cutting measure to save storage space during the early days of computer programming. Storage space back then was expensive and programmers looked for ways to keep programs short. So, dates were saved as six digits and the century was excluded.

For example, the majority of today's computer technology read dates as DD/MM/YY. After the Year 2000, the YY field will be read as 00 and the computer will not be able to discern whether it is 1900 or 2000. Other date-related problems include Sept. 9, 1999 where the date field will be read as 9/9/99. In computer language, 9999 translates to end of file and the computer malfunction as a result of that misleading command. The Year 2000 is also a leap year and some computer technology will not be able to read Feb. 29, 2000.

The answer

The bug's cure is simple: Rewrite the code to include century information. The complexity arises out of the incredible number of lines of code that need to be rewritten. The problem is compounded by embedded computer chip technology which is difficult to find and expensive to replace. The lack of Cobal computer programmers in Central Pennsylvania and in the world compounds the cure's expense.

A Hypothetical

The physical problem is relatively easy to fix with a little money and a little persistence, but if one company in the supply chain doesn't make the deadline due to lack of resources or lack of planning, everyone in that chain will suffer.

Let's say PNPA is compliant by Sept. 8, 1999. On Jan. 3, the local car dealership is supposed to run a full-page color ad in ten daily Pennsylvania newspapers. The dealership's ad is created at an ad agency in New York City. That ad agency is an expert at transferring ads electronically. Only this time the computer doesn't send the ad. The computer can't recognize the date on which the ad is supposed to be sent. The newspaper never receives the ad and is forced to run a full-page house ad promoting some obscure local event. Who is liable for the missed ad? The newspaper deserves to be paid. PNPA deserves to be paid. The car dealer deserves to be paid. Should the ad agency be sued?

Let's say the ad agency is aware of its electronic delivery problem and chooses to use Federal Express. The ad still does not arrive because Federal Express, who diligently tested and implemented fixes on all of its computer systems, missed the embedded technology in the delivery truck in Philadelphia. The delivery truck's engine wouldn't turn and the ad was never delivered. Or, let's say the truck starts but the delivery person's

pacemaker malfunctions and the truck driver doesn't survive. Who is liable? Who should pay?

In this last example, the ad agency, Federal Express, PNPA and the ten newspapers all diligently and in good conscience assessed, analyzed, tested, implemented and re-tested their computer systems. One missed embedded computer chip derailed the supply train and the result is a loss in revenue for all concerned.

PNPA's action plan

Given the breadth, depth and expense of Y2K, the Pennsylvania Newspaper Publishers' Association is taking proactive steps to ensure its operation is compliant. We instituted a six-step action plan that includes:

Awareness - educate our staff and department heads;

Assessment - inventory all systems, suppliers and facilities for Y2K problems;

Detailed analysis and planning -prepare for the cost and resources needed to fix the problems;

System conversion and testing - correct and test all critical applications;

Implementation - implement the corrections in a production environment;

Post-implementation - correct any unpredictable malfunctions.

We are currently in the assessment phase and are sending out letters to our suppliers, vendors and customers. We plan to conduct an analysis by Aug. 31 and take the necessary steps to convert and test our systems soon after.

Admittedly, we are late joining the Y2K compliance game. I heard about the Y2K problem in September of last year and again at a conference in June. It was after that last conference that I realized the scope of this problem and the potential role PNPA can play

in either being a part of the problem or being a part of the solution. I chose to be part of the solution and my boss and my co-workers support that decision.

PNPA is typical of the small businesses in Pennsylvania. Many people believe Y2K is a computer-only problem and do not think it will affect them. They don't understand that if a supplier is non-compliant, their business could be affected. These people need to be Y2K educated.

Protection

We're all in this mess together. The American economy operates in a Web in which everyone is interconnected, including the government.

House Bill 2406 and 2273, which advocates governmental immunity from liability due to problems stemming from Y2K, represent an unfair advantage over the rest of us.

Traditionally, the government can claim sovereign immunity except when, as in the case of real estate, highways and sidewalks, potholes and other dangerous conditions, there was a "foreseeable risk" (page 150) of injury.

Well, I know one company who has been working on their Y2K problem since 1986. The Year 2000 bug is a foreseeable risk and therefore the government should not excuse itself and leave the rest of the state at risk.

Instead, everyone should enjoy some level of protection. What good will come from a liability feeding frenzy? When the supply chain is disrupted, thousands of people and businesses are affected. It won't matter if one business is compliant. If business in the supply chain is not compliant, something will suffer. Some businesses will go bankrupt, some will be crippled. Why add the burden of lawsuits to an already damaged economy?

Well, damaged for some:

According to Capital Blue Cross' newsletter, The Final Countdown:

"EDS (Electronic Data Systems) is expecting more Y2K projects and will ramp up for the workload by hiring 1,400 people world-wide over the next two years. They expect to generate $1.3 billion in business from these Y2K projects, more than offsetting its internal Y2K costs of about $144 million."

The fact is that there are billions of embedded computer chips in things that the Average Joe would never suspect: Sprinkling systems; microwave ovens; lights; telephones; pacemakers; door locks; vending machines; automobiles; parking meters; bottling plants; emissions monitoring; merchandise sales tags; cell phones; and answering machines.

It is quite possible that some embedded chips will be missed and some businesses will be disrupted.

A cap on liability for the general public should be considered. The problem is everyone's and so everyone should work to fix the problem and be encouraged to fix the problem. Large law firms have already established Year 2000 Work Groups to prepare clients for litigation. The focus should not be on who to blame, but how to persevere. **How to survive.**

Here, I think, the Commonwealth of Pennsylvania can play a proactive role. You already have an excellent Year 2000 Action Plan and its success is widely recognized in North America. The Commonwealth's Office for Information Technology is an expert on Y2K issues and can communicate the problem and its solution.

Since the Commonwealth is ahead of schedule and was just awarded $10.98 million by the U.S. Department of labor to upgrade its mission-critical systems (Mode Magazine, Vol. 2, No. 12), why not spread the knowledge? Afterall, it is in the Commonwealth's best interest if the majority of Pennsylvania businesses survive the Year 2000 buy. Failed businesses, as you know, result in lost tax revenue, an influx on the welfare roles thanks to unemployment, and a general economic slump complete with disgruntled workers.

You have the opportunity to help your constituents. Part of Governor Ridge's Year 2000 Action Plan is a statewide outreach program. I encourage you to help accelerate the program. Add resources to OIT's staff so that the message is communicated to every Pennsylvania business.

The Governor's Year 2000 Action Plan is an excellent one and should be given the proper amount of resources to continue aggressively helping the citizens of Pennsylvania.

Instead of just taking care of itself, the Commonwealth can take care of its constituents. I think the potential monetary windfall would be better spent prior to the problem, rather than to fend off lawyers.

Education is the key. The citizens need to be aware of this problem so that they can start cleaning house and protecting themselves against the Y2K bug. The lack of awareness is a daunting one, but under the Commonwealth's leadership that ignorance can be wiped out and the citizens can be given the tools they need to survive.

I don't think I need to remind you, but we're running out of time. There are only 541 days until the ball drops in Times Square. If the ball drops at all.