THE SECRETARY OF DEFENSE
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7 AUG 1998

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
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COMMANDERS OF THE COMBATANT COMMANDS
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Year 2000 Compliance

The Department of Defense (DoD) is making insufficient progress in its efforts to solve its Y2K computer problem. To improve the accountability for corrective actions, I am directing the following activities in addition to those already underway in this area.

I have asked the Chairman of the Joint Chiefs of Staff to develop a Joint Y2K operational evaluation program and he will give me his plans by October 1, 1998. Starting with their next quarterly reports to me, each of the Unified Commanders-in-Chief will review the status of Y2K implementation within his command and the command of subordinate components. Additionally, starting with the September 1998 Senior Readiness Oversight Council (SROC), the SROC will report on the readiness implications of Y2K.

By September 15, 1998, the Commander-in-Chief of the U.S. Strategic Command, the Senior Civilian Official (SCO) of the Office of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) (OASD(C3I)), and the Joint Staff Director of Operations (J-3) will provide to me a detailed report on the Y2K compliance of the nuclear command and control system. This report will be briefed to the DoD Y2K Steering Committee in September.

By October 1, 1998, the Services and Defense Agencies will each report to me on every Acquisition Category (ACAT) I, ACAT IA, and ACAT II system within their purview. Each report will address Y2K compliance or areas of noncompliance of each respective system, to include all related logistics and support systems. Each report will be co-signed by each respective program manager and Program Executive Officer or system command

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commander. This includes the Reserve and National Guard components. Reports will include corrective action plans for Y2K compliance.

The Military Departments, CINCs, and Defense Agencies will be responsible for ensuring that effective October 1, 1998:

(1) The list of mission-critical systems under his or her respective purview is accurately reported in the DoD Y2K database, with each change in mission-critical designation reported and explained within one month of the change to the OASD(C3I).

(2) Funds are not obligated for any mission-critical system that is listed in the Y2K database that lacks a complete set of formal interface agreements for Y2K compliance.

(3) Funds are not obligated for any contract that is for information technology (IT) or national security system (NSS) that processes date-related information and that does not contain Y2K requirements specified in Section 39.106 of the Federal Acquisition Regulation.

(4) Funds are not obligated for any domain user in a Defense Information Systems Agency (DISA) megacenter if that domain user has failed to sign all associated explicit test agreements with DISA.

DISA will provide a report to the OASD(C3I) by October 15, 1998, listing all megacenter domain users who have failed to sign explicit test agreements with DISA by October 1, 1998. Based on OASD(C3I) recommendations, OUSD(Comptroller) (OUSD(C)) will place domain user funds on withhold.

The OUSD(C) will issue guidance to the Military Departments and Defense Agencies on the funding prohibitions described above before October 1, 1998. Program managers for IT or NSS with critical funding needs may seek a waiver from these funding prohibitions. The SCO of the OASD(C3I) may grant waivers to allow funding on a case-by-case basis.

We will take a hard look at progress in November and December. If we are still lagging behind, all further modification to software, except those needed for Y2K remediation, will be prohibited after January 1, 1999.

I ask for your personal, priority involvement as we address this critical national defense issue.

William S. Cohen