



OFFICE OF INSPECTOR GENERAL

MEMORANDUM

DATE: December 2, 1999

TO: Chairman

FROM: Inspector General

SUBJECT: Status Report on the Commission's Year 2000 Activities

On November 15, 1999, the Commission issued a final version of the "Year 2000 Day One Guidance Plan" (hereafter referred to as the "Day One Plan"). The purpose of the Day One Plan is to "ensure the continuity and operation of the FCC's core business processes during the midnight transition from December 31, 1999 to January 1, 2000, continuing through the first day of business, January 3, 2000." The plan will ensure continuity by providing "activities and guidance for the FCC Y2K ITF¹ and the FCC Y2K Operations Center² during the critical day one operations time period." The Day One Plan will be used to: (1) plan for Day One Transition Support to the FCC Y2K Operations Centers; (2) identify roles and responsibilities for the Day One Operations task forces; and (3) describe key activities to be completed prior to and during the Day One transition.

As part of our ongoing assessment of the Commission's Year 2000 readiness program, we evaluated the final version of the Commission's Day One Plan. To conduct our evaluation, we used a guidance document published by the United States General Accounting Office (GAO) titled "*Y2K Computing Challenge: Day One Planning and Operational Guide*." This document provides a conceptual framework designed to assist agencies in developing a Day One strategy and reducing the risk of adverse Year 2000 (Y2K) impact on agency operations. In addition to evaluating the planning document, we examined FCC documents produced to support remediation efforts and to report the status of Y2K specific readiness activities. These documents included the Year 2000 Business Continuity and Contingency Plan (BCCP), FCC Y2K Status Reports [reporting the status of mission-critical system readiness], and the FCC Local BCCP Status Report [reporting the readiness of Bureau/Office BCCP activities].

1 The FCC Y2K Industry Task Force (FCC Y2K ITF) coordinates industry efforts at achieving Y2K compliance.

2 The FCC Y2K Internal Task Force (also referred to as the Operations Center) is the internal support mechanism responsible for monitoring all internal FCC buildings, infrastructure and systems.

The Commission's Day One Plan generally meets the requirements outlined in the GAO guidance document. For example, the GAO guidance document states that a Day One Plan should define roles and responsibilities, document core business processes and risks, and develop a realistic plan to support the infrastructure will be supported if a Y2K related outage occurs. In our opinion, the Commission's Day One Plan adequately addresses these requirements and provides a good framework upon which the Commission can build and execute a comprehensive Day One Plan. However, although the Day One Plan generally meets GAO requirements, there are some areas where we believe improvements can be made in the Commission's Plan.

On November 29, 1999, we forwarded a draft copy of this memorandum to the Commission's Chief Information Officer (CIO) and requested that he review our observations and provide comment. We received comments from the CIO on December 1, 1999 and have incorporated those comments verbatim into the relevant sections of this document.

The Commission's Day One Plan does not accurately reflect the status of Y2K readiness activities and the impact of risk mitigation activities.

The Commission's Day One Plan assumes that, in the event that unexpected Y2K system failures occur, the Commission will immediately implement the FCC Y2K BCCP to ensure that Commission business processes continue with at least a minimum essential level of business operations. However, the Commission BCCP, entitled "FCC YEAR 2000 BCCP" and provided as Attachment G to the Day One Plan, does not accurately reflect the current status of BCCP readiness activities and is based on a Risk Mitigation and Contingency Planning Matrix that has not been updated since June 1999. Many of the dates reported in the BCCP, including such key Y2K procedures as the completion of the independent verification and validation (IV&V) procedures and the development and testing of Bureau and Office BCCPs, do not accurately reflect the status of readiness activities. For example, the BCCP establishes October 1999 as the milestone date for Bureaus and Offices to have completed testing of local BCCPs. However, as of November 29, 1999, the Commission has not tested any of the local Bureau and Office BCCPs. Similar inaccuracies occur in milestone dates for the completion of local contingency plans and IV&V testing.

The BCCP provided to support the Day One Plan has not been updated to reflect the impact of the Commission's risk mitigation activities since the original version was created in June 1999. For example, the BCCP identifies the risk that a Y2K failure would prevent the FCC's National Call Center (NCC) from being able to respond to the public. This potential outage was originally assigned a high probability of occurrence. Subsequent events, such as the successful completion of IV&V testing, have reduced this risk. However, the probability of occurrence reported in the BCCP remains high.

Failure to update the milestone dates and risks could detrimentally effect users of the Day One Plan. The milestone dates provide an unrealistic view of status of the FCC's Y2K program. The listed dates can mislead a reader to believe that the FCC has nearly

completed Y2K preparations when, actually, the Commission is months behind its own original deadlines. Potential users of the Commission's Day One Plan include the Office of Management and Budget (OMB), who have received a copy of the plan.

CIO Comments: The IG Status Report notes that the FCC's agency level BCCP, as attached to our Day 1 Plan submission provided to OMB, is out of date. We agree and note that that the agency level plan was produced to meet government-wide requirements in June, 1999. We did not feel that updating the agency level plan was worth while because it had been subsumed by the more detailed Bureau/Office plans. The Bureau/Office plans are central to the FCC's efforts to prepare for and respond to any Y2K problems with mission critical systems and our business processes.

It also should be noted that the OMB requirement to submit Day 1 Plans, which was dated September 27 (and was received late), required submissions by October 15. Our approach had involved incorporating Day 1 requirements within the Bureau/Office plans. The sudden OMB requirement forced the FCC to invest days of effort to create an additional document, thereby hindering the planning effort itself.

The Commission's Day One Plan does not adequately address Day One rehearsal and reporting activities.

The GAO guidance document recognizes that the Day One Plan "describes a wide range of complex, interrelated activities and geographically distributed processes that must be executed within a very short time frame." To ensure that the strategy is executable, GAO recommends that "the Day One plans and their key processes and timetables should be reviewed, and, if feasible, rehearsed." The Commission Day One Plan does establish rehearsal activities as "key activities" in the body of the Day One Plan and reports that testing will "verify resource availability and personnel readiness. However, although the body of the plan addresses rehearsal and plan modification activities, the plan timeline, included as Attachment A of the Day One Plan, does not address the rehearsal process. In addition, the responsibility for rehearsal planning and execution is not clearly stated in the section of the plan addressing roles and responsibilities.

The GAO guidance document recommends developing an external communications strategy and process as part of the Day One Plan. The guidance document states that agencies should "(d)esignate agency Day One spokesperson, and define the process for issuing public announcements and communicating with the media." In addition, the GAO guidance states that agencies should "(e)stablish communication links with Information Coordination Center." The Commission Day One Plan clearly establishes processes for communicating the status of the telecommunications industries with the Information Coordination Center. However, we did not find that portion of the external communications strategy for issuing public notices and communicating with the media in the plan.

CIO Comments: Necessary rehearsal activities will be carried out in early December. Specific dates were not incorporated into the plan because they vary by area and some

had not been established. In an email sent by the Managing Director today [December 1, 1999], we reminded the Bureau/Office Chiefs that all rehearsal activities have to be completed by the dates indicated in our Y2K weekly status report. We are holding the Bureau/Office Chiefs directly responsible for all Y2K preparedness activities. In addition, we have met with the staff participating in Day 1 activities to review assignments, communications and other issues.

Day 1 external reporting requirements will be met by submitting information to Commissioner Powell's Industry Task Force which will forward the data to the ICC. In conjunction with the Office of Media Relations they also will provide the primary point of contact with the media. When appropriate, public notice issuance concerning specific Y2K problems will revert to the Bureaus/Offices that are responsible for the associated system.

The OIG will continue to monitor this process and provide special reports when appropriate.

cc: Commissioner Powell
Managing Director
Chief Information Officer