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United States Senate

COMMITTEE ON SMALL BUSINESS
WASHINGTON, DC 20510-6350

January 31, 2000

The Honorable Aida Alvarez
Administrator
Small Business Administration
409 Third Street, SW
Washington, DC 20416

Dear Administrator Alvarez:

The Year 2000 (Y2K) information systems crisis posed a formidable challenge to all organizations, including the Small Business Administration (SBA). In that regard, the Committee on Small Business (Committee) requested that the General Accounting Office (GAO) verify that the SBA's mission critical systems were fully prepared for Y2K.

The results of the GAO study were disappointing. In spite of the SBA's assurances of readiness for Y2K, the GAO found that the SBA did not have reasonable assurance that its systems would work together to support its core business functions beyond 1999. In response to concerns from the Committee and the GAO, the GAO assured me that the SBA made considerable efforts to verify that its mission critical systems were fully prepared for January 1, 2000.

The results that you reported to me in your letter of January 7, 2000 are commendable and I believe that the successful transition to the new millennium was a direct result of the dedication of the SBA staff to reduce the risk to the SBA's mission. I appreciate the efforts made by you and your staff to bring about a successful conclusion to this formidable challenge.

Should you have any questions regarding this matter please feel free to have your staff contact Paul Conlon at (202)-224-5175. Thank you for your assistance in this important matter.

Sincerely,



Christopher Bond,
Chairman

cc:

Joel Willemsen
Phyllis K. Fong