

**AMENDMENT IN THE NATURE  
OF A SUBSTITUTE TO H.R. 775, AS REPORTED  
OFFERED BY MS. LOFGREN, MR. CONYERS  
AND MR. BOUCHER**

Strike all after the enacting clause and insert the  
following:

**1 SECTION. 1. SHORT TITLE AND TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “Y2K Readiness and Remediation Act”.

4 (b) TABLE OF CONTENTS.—The table of contents for  
5 this Act is as follows:

- Sec. 1. Short title and table of contents.
- Sec. 2. Findings, purposes, and scope.
- Sec. 3. Definitions.
- Sec. 4. Preemption of State law.

TITLE I—COOLING OFF PERIOD

- Sec. 101. Notice and opportunity to cure.
- Sec. 102. Out of court settlement.

TITLE II—SPECIFIC PLEADINGS AND DUTY TO MITIGATE

- Sec. 201. Pleading requirements.
- Sec. 202. Duty to mitigate damages.

TITLE III—YEAR 2000 CIVIL ACTIONS INVOLVING CONTRACTS

- Sec. 301. Contract preservation.
- Sec. 302. Impossibility or commercial impracticability.

TITLE IV—YEAR 2000 CIVIL ACTIONS INVOLVING TORT AND  
OTHER NONCONTRACTUAL CLAIMS

- Sec. 401. Fair share liability.
- Sec. 402. Economic losses.

TITLE V—EFFECTIVE DATE

- Sec. 501. Effective date.

1 **SEC. 2. FINDINGS, PURPOSES, AND SCOPE.**

2 (a) FINDINGS.—Congress finds the following:

3 (1) Many information technology systems, de-  
4 vices, and programs are not capable of recognizing  
5 certain dates in 1999 and after December 31, 1999,  
6 and will read dates in the year 2000 and thereafter  
7 as if those dates represent the year 1900 or there-  
8 after or will fail to process those dates.

9 (2) If not corrected, the year 2000 problem de-  
10 scribed above and the resulting failures could inca-  
11 pacitate systems that are essential to the functioning  
12 of markets, commerce, consumer products, utilities,  
13 Government, and safety and defense systems, in the  
14 United States and throughout the world.

15 (3) It is in the national interest that producers  
16 and users of technology products concentrate their  
17 attention and resources in the time remaining before  
18 January 1, 2000, on assessing, fixing, testing, and  
19 developing contingency plans to address any and all  
20 outstanding year 2000 computer date change prob-  
21 lems, so as to minimize possible disruptions associ-  
22 ated with computer failures.

23 (4) The year 2000 computer date change prob-  
24 lems may adversely affect businesses and other users  
25 of technology products in a unique fashion, prompt-  
26 ing unprecedented litigation and the delays, expense,

1       uncertainties, loss of control, adverse publicity, and  
2       animosities that frequently accompany litigation  
3       could exacerbate the difficulties associated with the  
4       Year 2000 date change and compromise efforts to  
5       resolve these difficulties.

6       (b) PURPOSES.—Based upon the power contained in  
7       article I, section 8, clause 3 of the Constitution of the  
8       United States, the purposes of this Act are—

9               (1) to establish uniform legal standards that  
10       give all businesses and users of technology products  
11       reasonable incentives to solve year 2000 computer  
12       date-change problems before they develop;

13              (2) to encourage the resolution of year 2000  
14       computer date-change disputes involving economic  
15       damages without recourse to unnecessary, time con-  
16       suming, and wasteful litigation; and

17              (3) to lessen burdens on interstate commerce by  
18       discouraging insubstantial lawsuits, while also pre-  
19       serving the ability of individuals and businesses that  
20       have suffered real injury to obtain complete relief.

21       (c) SCOPE.—Except as provided in section 201(c) or  
22       other provisions of this Act, this Act applies only to claims  
23       for commercial loss.

24       **SEC. 3. DEFINITIONS.**

25       In this Act:

1           (1) PERSON.—The term “person” means any  
2 natural person and any entity, organization, or en-  
3 terprise, including any corporation, company (includ-  
4 ing any joint stock company), association, partner-  
5 ship, trust, or governmental entity.

6           (2) PLAINTIFF.—The term “plaintiff” means  
7 any person who asserts a year 2000 claim.

8           (3) DEFENDANT.—The term “defendant”  
9 means any person against whom a year 2000 claim  
10 is asserted.

11           (4) CONTRACT.—The term “contract” means a  
12 contract, tariff, license, or warranty.

13           (5) YEAR 2000 CIVIL ACTION.—The term “year  
14 2000 civil action”—

15           (A) means any civil action of any kind  
16 brought in any court under Federal, State, or  
17 foreign law, in which—

18           (i) a year 2000 claim is asserted; or

19           (ii) any claim or defense is related to  
20 an actual or potential year 2000 failure;

21           (B) includes a civil action commenced in  
22 any Federal or State court by a department,  
23 agency, or instrumentality of the United States  
24 government or of a State government when act-  
25 ing in a commercial or contracting capacity; but

1 (C) does not include any action brought by  
2 a Federal, State, or other public entity, agency,  
3 or authority acting in a regulatory, supervisory,  
4 or enforcement capacity.

5 (6) YEAR 2000 CLAIM.—The term “year 2000  
6 claim” means any claim or cause of action of any  
7 kind, whether asserted by way of claim, counter-  
8 claim, cross-claim, third-party claim, or otherwise, in  
9 which the plaintiff’s alleged loss or harm resulted  
10 from an actual or potential year 2000 failure.

11 (7) YEAR 2000 FAILURE.—The term “year 2000  
12 failure” means any failure by any device or system  
13 (including any computer system and any microchip  
14 or integrated circuit embedded in another device or  
15 product), or any software, firmware, or other set or  
16 collection of processing instructions, however con-  
17 structed, in processing, calculating, comparing, se-  
18 quencing, displaying, storing, transmitting, or receiv-  
19 ing year 2000 date related data, including failures—

20 (A) to administer accurately or account for  
21 transitions or comparisons from, into, and be-  
22 tween the 20th and 21st centuries, and between  
23 1999 and 2000;

24 (B) to recognize or process accurately any  
25 specific date, or to account accurately for the

1 status of the year 2000 as a leap year, includ-  
2 ing recognition and processing of the correct  
3 date on February 29, 2000.

4 (8) MATERIAL DEFECT.—

5 (A) IN GENERAL.—The term “material de-  
6 fect” means a defect in any item, whether tan-  
7 gible or intangible, or in the provision of a serv-  
8 ice, that substantially prevents the item or serv-  
9 ice from operating or functioning as designed or  
10 intended.

11 (B) EXCLUSIONS.—The term does not in-  
12 clude any defect that—

13 (i) has an insignificant or de minimis  
14 effect on the operation or functioning of an  
15 item;

16 (ii) affects only a component of an  
17 item that, as a whole, substantially oper-  
18 ates or functions as designed; or

19 (iii) has an insignificant or de minimis  
20 effect on the efficacy of the service pro-  
21 vided.

22 (9) ECONOMIC LOSS.—The term “economic  
23 loss”—

1 (A) means any damages other than dam-  
2 ages arising out of personal injury or damage  
3 to tangible property; and

4 (B) includes damages for—

5 (i) lost profits or sales;

6 (ii) business interruption;

7 (iii) losses indirectly suffered as a re-  
8 sult of the defendant's wrongful act or  
9 omission;

10 (iv) losses that arise because of the  
11 claims of third parties;

12 (v) losses that are required to be  
13 pleaded as special damages; or

14 (vi) items defined as consequential  
15 damages in the Uniform Commercial Code  
16 or an analogous State commercial law.

17 (10) PERSONAL INJURY.—The term “personal  
18 injury” means physical injury to a natural person,  
19 including —

20 (i) death as a result of a physical in-  
21 jury; and

22 (ii) mental suffering, emotional dis-  
23 tress, or similar injuries suffered by that  
24 person in connection with a physical  
25 injury.

1           (11) STATE.—The term “State” means any  
2           State of the United States, the District of Columbia,  
3           the Commonwealth of Puerto Rico, the Northern  
4           Mariana Islands, the United States Virgin Islands,  
5           Guam, American Samoa, and any other territory or  
6           possession of the United States, and any political  
7           subdivision thereof.

8           (12) ALTERNATIVE DISPUTE RESOLUTION.—  
9           The term “alternative dispute resolution” means any  
10          process or proceeding, other than adjudication by a  
11          court or in an administrative proceeding, to assist in  
12          the resolution of issues in controversy, through proc-  
13          esses such as early neutral evaluation, mediation,  
14          minitrial, and arbitration.

15          (13) COMMERCIAL LOSS.—The term “commer-  
16          cial loss” means any loss or harm incurred by a  
17          plaintiff in the course of operating a business enter-  
18          prise that provides goods or services for remunera-  
19          tion, if the loss or harm is to the business enter-  
20          prise.

21 **SEC. 4. PREEMPTION OF STATE LAW.**

22          Except as otherwise provided in this Act, this Act su-  
23          persedes State law to the extent that it establishes a rule  
24          of law applicable to a year 2000 claim that is inconsistent  
25          with State law.

1    **TITLE I—COOLING OFF PERIOD**

2    **SEC. 101. NOTICE AND OPPORTUNITY TO CURE.**

3       (a) NOTICE OF COOLING OFF PERIOD.—

4           (1) IN GENERAL.—Before filing a year 2000  
5    claim, except an action for a claim that seeks only  
6    injunctive relief, a prospective plaintiff shall be re-  
7    quired to provide to each prospective defendant a  
8    verifiable written notice that identifies and describes  
9    with particularity, to the extent possible before  
10   discovery—

11           (A) any manifestation of a material defect  
12           alleged to have caused injury;

13           (B) the injury allegedly suffered or reason-  
14           ably risked by the prospective plaintiff; and

15           (C) the relief or action sought by the pro-  
16           spective plaintiff.

17       (2) COMMENCEMENT OF ACTION.—Except as  
18    provided in subsections (c) and (e), a prospective  
19    plaintiff shall not file a year 2000 claim in Federal  
20    or State court until the expiration of the 90-day pe-  
21    riod beginning on the date on which the prospective  
22    plaintiff provides notice under paragraph (1).

23       (b) RESPONSE TO NOTICE.—Not later than 30 days  
24    after receipt of the notice specified in subsection (a), each

1 prospective defendant shall provide each prospective plain-  
2 tiff a written statement that—

3 (1) acknowledges receipt of the notice; and

4 (2) describes any actions that the defendant will  
5 take, or has taken, to address the defect or injury  
6 identified by the prospective plaintiff in the notice.

7 (c) FAILURE TO RESPOND.—If a prospective defend-  
8 ant fails to respond to a notice provided under subsection  
9 (a)(1) during the 30-day period prescribed in subsection  
10 (b) or does not include in the response a description of  
11 actions referred to in subsection (b)(2)—

12 (1) the 90-day waiting period identified in sub-  
13 section (a) shall terminate at the expiration of the  
14 30-day period specified in subsection (b) with re-  
15 spect to that prospective defendant; and

16 (2) the prospective plaintiff may commence a  
17 year 2000 civil action against such prospective de-  
18 fendant immediately upon the termination of that  
19 waiting period.

20 (d) FAILURE TO PROVIDE NOTICE.—

21 (1) IN GENERAL.—Subject to subsections (c)  
22 and (e), a defendant may treat a complaint filed by  
23 the plaintiff as a notice required under subsection  
24 (a) by so informing the court and the plaintiff if the

1 defendant determines that a plaintiff has com-  
2 menced a year 2000 civil action—

3 (A) without providing the notice specified  
4 in subsection (a); or

5 (B) before the expiration of the waiting pe-  
6 riod specified in subsection (a).

7 (2) STAY.—If a defendant elects under para-  
8 graph (1) to treat a complaint as a notice—

9 (A) the court shall stay all discovery and  
10 other proceedings in the action for the period  
11 specified in subsection (a) beginning on the  
12 date of filing of the complaint; and

13 (B) the time for filing answers and all  
14 other pleadings shall be tolled during the appli-  
15 cable period.

16 (e) EFFECT OF WAITING PERIODS.—In any case in  
17 which a contract, or a statute enacted before March 1,  
18 1999, requires notice of nonperformance and provides for  
19 a period of delay before the initiation of suit for breach  
20 or repudiation of contract, the contractual period of delay  
21 controls and shall apply in lieu of the waiting period speci-  
22 fied in subsections (a) and (d).

23 (f) SANCTION FOR FRIVOLOUS INVOCATION OF THE  
24 STAY PROVISION.—If a defendant acts under subsection  
25 (d) to stay an action, and the court subsequently finds

1 that the assertion by the defendant that the action is a  
2 year 2000 civil action was frivolous and made for the pur-  
3 pose of causing unnecessary delay, the court may impose  
4 a sanction, including an order to make payments to oppos-  
5 ing parties in accordance with Rule 11 of the Federal  
6 Rules of Civil Procedure or applicable State rules of civil  
7 procedure.

8 (g) COMPUTATION OF TIME.—For purposes of this  
9 section, the rules regarding computation of time shall be  
10 governed by the applicable Federal or State rules of civil  
11 procedure.

12 (h) SINGLE PERIOD.—With respect to any year 2000  
13 claim—

14 (1) to which subsection (c)(2) regarding com-  
15 mencement of actions applies, or

16 (2) to which subsection (d)(2) requiring stays  
17 applies,

18 only one waiting period, not exceeding 90 days, shall be  
19 accorded to the parties.

20 (i) APPLICABILITY OF STATUTES OF LIMITATIONS.—  
21 Any applicable statute of limitations shall toll during the  
22 period during which a claimant has filed notice under sub-  
23 section (a).

1 **SEC. 102. OUT OF COURT SETTLEMENT.**

2 (a) REQUESTS MADE DURING NOTIFICATION (COOL-  
3 ING OFF) PERIOD.—At any time during the 90-day notifi-  
4 cation period under section 101(a), either party may re-  
5 quest the other party to use alternative dispute resolution.  
6 If, based upon that request, the parties enter into an  
7 agreement to use alternative dispute resolution, the par-  
8 ties may also agree to an extension of that 90-day period.

9 (b) REQUEST MADE AFTER NOTIFICATION PE-  
10 RIOD.—At any time after expiration of the 90-day notifi-  
11 cation period under section 101(a), whether before or after  
12 the filing of a complaint, either party may request the  
13 other party to use alternative dispute resolution.

14 (c) PAYMENT DATE.—If a dispute that is the subject  
15 of the complaint or responsive pleading is resolved through  
16 alternative dispute resolution as provided in subsection (a)  
17 or (b), the defendant shall pay any amount of funds that  
18 the defendant is required to pay the plaintiff under the  
19 settlement not later than 30 days after the date on which  
20 the parties settle the dispute, and all other terms shall  
21 be implemented as promptly as possible based upon the  
22 agreement of the parties, unless another period of time  
23 is agreed to by the parties or established by contract be-  
24 tween the parties.

1 **TITLE II—SPECIFIC PLEADINGS**  
2 **AND DUTY TO MITIGATE**

3 **SEC. 201. PLEADING REQUIREMENTS.**

4 (a) NATURE AND AMOUNT OF DAMAGES.—In any  
5 year 2000 civil action in which a plaintiff seeks an award  
6 of money damages, the complaint shall state with particu-  
7 larity to the extent possible before discovery with regard  
8 to each year 2000 claim—

9 (1) the nature and amount of each element of  
10 damages; and

11 (2) the factual basis for the calculation of the  
12 damages.

13 (b) MATERIAL DEFECTS.—In any year 2000 civil ac-  
14 tion in which the plaintiff alleges that a product or service  
15 was defective, the complaint shall, with respect to each  
16 year 2000 claim—

17 (1) identify with particularity the manifesta-  
18 tions of the material defects; and

19 (2) state with particularity the facts supporting  
20 the conclusion that the defects were material.

21 (c) MATERIAL DEFECTS IN CLASS ACTION MINIMUM  
22 INJURY REQUIREMENT.—In any year 2000 civil action in-  
23 volving a year 2000 claim that a product or service is de-  
24 fective, the action may be maintained as a class action

1 in Federal or State court with respect to that claim only  
2 if—

3 (1) the claim satisfies all other prerequisites es-  
4 tablished by applicable Federal or State law; and

5 (2) the court finds that the alleged defect in the  
6 product or service was a material defect with respect  
7 to a majority of the members of the class.

8 This subsection applies to year 2000 claims for commer-  
9 cial loss and to year 2000 claims for loss or harm other  
10 than commercial loss.

11 (d) MOTION TO DISMISS; STAY OF DISCOVERY.—

12 (1) DISMISSAL FOR FAILURE TO MEET PLEAD-  
13 ING REQUIREMENTS.—In any year 2000 civil action,  
14 the court shall, on the motion of any defendant, dis-  
15 miss without prejudice any year 2000 claim asserted  
16 in the complaint if any of the requirements under  
17 subsection (a), (b), or (e) is not met with respect to  
18 the claim.

19 (2) STAY OF DISCOVERY.—Subject to the 90-  
20 day single period provisions of section 101(h), in any  
21 year 2000 civil action, all discovery and other pro-  
22 ceedings shall be stayed during the pendency of any  
23 motion pursuant to this subsection to dismiss, unless  
24 the court finds upon the motion of any party that

1 particularized discovery is necessary to preserve evi-  
2 dence or prevent undue prejudice to that party.

3 (3) PRESERVATION OF EVIDENCE.—

4 (A) IN GENERAL.—

5 (i) TREATMENT OF EVIDENCE.—

6 During the pendency of any stay of discov-  
7 ery entered under paragraph (2), unless  
8 otherwise ordered by the court, any party  
9 to the action shall treat the items de-  
10 scribed in clause (ii) as if they were a sub-  
11 ject of a continuing request for production  
12 of documents from an opposing party  
13 under applicable Federal or State rules of  
14 civil procedure.

15 (ii) ITEMS.—The items described in  
16 this clause are all documents, data com-  
17 pilations (including electronically stored or  
18 recorded data), and tangible objects that—

19 (I) are in the custody or control  
20 of the party described in clause (i);  
21 and

22 (II) are relevant to the allega-  
23 tions.

24 (B) SANCTION FOR WILLFUL VIOLA-  
25 TION.—A party aggrieved by the willful failure

1 of an opposing party to comply with subpara-  
2 graph (A) may apply to the court for an order  
3 awarding appropriate sanctions.

4 **SEC. 202. DUTY TO MITIGATE DAMAGES.**

5 Damages awarded for any year 2000 claim shall ex-  
6 clude any amount that the plaintiff reasonably should have  
7 avoided in light of any disclosure or information provided  
8 to the plaintiff by defendant.

9 **TITLE III—YEAR 2000 CIVIL AC-**  
10 **TIONS INVOLVING CON-**  
11 **TRACTS**

12 **SEC. 301. CONTRACT PRESERVATION.**

13 (a) IN GENERAL.—Subject to subsection (b), in re-  
14 solving any year 2000 claim each written contractual  
15 term, including any limitation or exclusion of liability or  
16 disclaimer of warranty, shall be strictly enforced, unless  
17 the enforcement of that term would contravene applicable  
18 State law as of January 1, 1999.

19 (b) INTERPRETATION OF CONTRACT.—In any case in  
20 which a contract under subsection (a) is silent with respect  
21 to a particular issue, the interpretation of the contract  
22 with respect to that issue shall be determined by applicable  
23 law in effect at the time that the contract was entered  
24 into.

1 **SEC. 302. IMPOSSIBILITY OR COMMERCIAL IMPRAC-**  
2 **TICABILITY.**

3 (a) IN GENERAL.—In any year 2000 civil action in  
4 which a year 2000 claim is advanced alleging a breach  
5 of contract or related claim, in resolving that claim appli-  
6 cability of the doctrines of impossibility and commercial  
7 impracticability shall be determined by applicable law in  
8 existence on January 1, 1999.

9 (b) RULE OF CONSTRUCTION.—Nothing in this Act  
10 shall be construed as limiting or impairing a party's right  
11 to assert defenses based upon the doctrines referred to in  
12 subsection (a).

13 **TITLE IV—YEAR 2000 CIVIL AC-**  
14 **TIONS INVOLVING TORT AND**  
15 **OTHER NONCONTRACTUAL**  
16 **CLAIMS**

17 **SEC. 401. FAIR SHARE LIABILITY.**

18 (a) GENERAL RULE.—Subject to subsection (d), in  
19 any year 2000 civil action, the liability of each tort feisor  
20 or noncontractual defendant shall be joint and several,  
21 subject to the court's equitable discretion to determine,  
22 following upon a finding of proportional responsibility,  
23 that the liability of a tort feisor or noncontractual defend-  
24 ant (as the case may be) of minimal responsibility shall  
25 be several only and not joint.

1 (b) AMOUNT OF LIABILITY.—Each defendant that is  
2 severally liable in a year 2000 civil action shall be liable  
3 only for the amount of loss allocated to the defendant in  
4 direct proportion to the percentage of responsibility of the  
5 defendant (determined in accordance with subsection (c))  
6 for such harm.

7 (c) DETERMINATION OF RESPONSIBILITY.—

8 (1) IN GENERAL.—In any year 2000 civil ac-  
9 tion, the court shall instruct the jury to answer spe-  
10 cial interrogatories, or if there is no jury, make find-  
11 ings, with respect to each defendant and plaintiff,  
12 and each of the other persons claimed by any of the  
13 parties to have caused or contributed to the loss in-  
14 curred by the plaintiff, including persons who have  
15 entered into settlements with the plaintiff or plain-  
16 tiffs, concerning the percentage of responsibility of  
17 that person, measured as a percentage of the total  
18 fault of all persons who caused or contributed to the  
19 total loss incurred by the plaintiff.

20 (2) CONTENTS OF SPECIAL INTERROGATORIES  
21 OR FINDINGS.—The responses to interrogatories, or  
22 findings, as appropriate, under paragraph (1) shall  
23 specify—

24 (A) the total amount of damages that the  
25 plaintiff is entitled to recover; and

1 (B) the percentage of responsibility of each  
2 person found to have caused or contributed to  
3 the loss incurred by the plaintiff or plaintiffs.

4 (3) FACTORS FOR CONSIDERATION.—In deter-  
5 mining the percentage of responsibility under this  
6 paragraph, the trier of fact shall consider—

7 (A) the nature of the conduct of each per-  
8 son alleged to have caused or contributed to the  
9 loss incurred by the plaintiff; and

10 (B) the nature and extent of the causal re-  
11 lationship between the conduct of each such  
12 person and the damages incurred by the plain-  
13 tiff or plaintiffs.

14 (d) SPECIAL RULES FOR JOINT LIABILITY.—

15 (1) IN GENERAL.—Notwithstanding subsection  
16 (a), in any case the liability of a defendant to which  
17 subsection (a) applies in a year 2000 civil action is  
18 joint and several if the trier of fact specifically deter-  
19 mines that the defendant —

20 (A) acted with specific intent to injure the  
21 plaintiff; or

22 (B) knowingly committed fraud.

23 (2) KNOWING COMMISSION OF FRAUD DE-  
24 SCRIBED.—For purposes of paragraph 1(B), a de-

1        defendant knowingly committed fraud if the  
2        defendant—

3                (A) made an untrue statement of a mate-  
4                rial fact, with actual knowledge that the state-  
5                ment was false;

6                (B) omitted a fact necessary to make the  
7                statement not be misleading, with actual knowl-  
8                edge that, as a result of the omission, the state-  
9                ment was false; and

10                (C) knew that the plaintiff was reasonably  
11                likely to rely on the false statement.

12                (3) RECKLESSNESS.—For purposes of para-  
13                graph (1), reckless conduct by the defendant does  
14                not constitute either a specific intent to injure, or  
15                the knowing commission of fraud, by the defendant.

16                (e) CONTRIBUTION.—A defendant who is a jointly  
17                and severally liable for damages in a year 2000 civil action  
18                may recover contribution for such damages from any other  
19                person who, if joined in the original action, would have  
20                been liable for the same damages. A claim for contribution  
21                shall be determined based on the percentage of responsibil-  
22                ity of the claimant and of each person against whom a  
23                claim for such contribution is made.

24                (f) STATUTE OF LIMITATIONS FOR CONTRIBU-  
25                TION.—An action for contribution under subsection (e) in

1 connection with a year 2000 civil action may not be  
2 brought later than six months after the entry of a final,  
3 nonappealable judgment in the year 2000 civil action.

4 **SEC. 402. ECONOMIC LOSSES.**

5 (a) IN GENERAL.—Subject to subsection (b), a party  
6 to a year 2000 civil action may not recover economic losses  
7 for a year 2000 claim advanced in the action that is based  
8 on tort unless the party is able to show that at least one  
9 of the following circumstances exists:

10 (1) The recovery of these losses is provided for  
11 in the contract to which the party seeking to recover  
12 such losses is a party.

13 (2) If the contract is silent on those losses, and  
14 the application of the applicable Federal or State  
15 law that governed interpretation of the contract at  
16 the time the contract was entered into would allow  
17 recovery of such losses.

18 (3) These losses are incidental to a claim in the  
19 year 2000 civil action based on personal injury  
20 caused by a year 2000 failure.

21 (4) These losses are incidental to a claim in the  
22 year 2000 civil action based on damage to tangible  
23 property caused by a year 2000 failure.

24 (b) TREATMENT OF ECONOMIC LOSSES.—Economic  
25 losses shall be recoverable in a year 2000 civil action only

1 if applicable Federal law, or applicable State law embodied  
2 in statute or controlling judicial precedent as of January  
3 1, 1999, permits the recovery of such losses in the action.

4 **TITLE V—EFFECTIVE DATE**

5 **SEC. 501. EFFECTIVE DATE.**

6 This Act and the amendments made by this Act shall  
7 take effect on the date of enactment of this Act.