

Finance and Accounting Service where they are reviewed a second time before GPO is paid. This additional layer of DOD administration has had a sustained negative impact on GPO's ability to collect from DOD since the inception of DPS/DAPS in October 1992.

GPO has been working with DOD management to resolve this problem, including batching invoices to DAPS. GPO is working with DOD to establish deposit accounts or credit cards as a means of receiving payment from DAPS. GPO is also encouraging DOD to use the OPAC system in conjunction with deposit accounts.

OTHER SIGNIFICANT INDICATORS

GPO experienced a consolidated net income of nearly \$7.6 million in FY 1997, compared with a \$16.9 million loss in FY 1996. This represents the first year with net income since FY 1990. A significant portion of FY 1997 net income is attributable to the recovery of printing costs from Congress and the Depository Library Program for work performed in prior years.

GPO's **Office of Budget** adjusted the scale of prices upward by an average of 13 percent to assure the proper recovery of cost. For years, GPO was unable to recover the full cost of printing due to a Congressionally mandated freeze on GPO's internal printing plant rates. Congress had appropriated sufficient funds to cover all the cost but GPO was precluded from billing the total cost due to the freeze. In FY 1997, GPO was able to bill for the prior years' work, which totaled \$12.8 million. Since recovery of the full cost was not assured in prior years, the associated revenue was not accrued in those years and, accordingly, the recovered funds are reflected as part of current year income.

GPO's overall total revenue from all sources has been declining in recent years. Sources include the Congress, Federal agencies, publications sales from the general public, reimbursable services, and miscellaneous revenues. To compensate for less revenue, GPO has made significant strides in reducing its workforce and operating costs through normal separations, early retirements, and employee buyouts. In FY 1993, GPO's personnel compensation and benefit cost totaled \$235.8 million; in FY 1997, \$207.4 million, a reduction of \$28.4 million or 12 percent. The latest costs

are inclusive of the effect of the four intervening employee pay adjustments of different types.

Full-time equivalent staffing has declined 1,162 from 4,761 to 3,599, a drop of nearly 25 percent. As GPO transitions into the electronic information age, traditional craft employment has experienced a 27.5 percent reduction. Blue-collar workers have diminished to a level below 2,000 for the second consecutive year. Since FY 1993, journeymen craftsmen have declined 330 or about 50 percent. In FY 1997, the number of white- and blue-collar workers was approximately equal. The trend over the last five years has been toward more white-collar workers, which aligns with the overall transition occurring in the nature of the work. Two out of every three employees who separated during this five-year period have been either production or administrative support employees.

GPO's internal printing operations generated revenue of \$198.0 million, slightly less than the five-year annual revenue average of about \$199.5 million or less than one percent, despite significant workload volume decreases. Each year since FY 1993, central office work orders received have declined from a high of 33,000 in FY 1993 to a low of 19,700 in FY 1997, a drop of 40 percent.

During this period, Congressional orders decreased about 32 percent, although the percentage of internal printing work for the Congress increased from 70 percent to 80 percent of total in-house production. **The Press Division**, whose major work includes the printing of the *Congressional Record* and the *Federal Register*, saw its volume output drop from 9.2 billion equivalent production units to 4.7 billion, a decrease of nearly 50 percent. New presses were acquired several years ago to enhance the efficiency and quality of printing these two publications. The press runs for the *Congressional Record* and the *Federal Register* have declined to about 9,500 and 22,500, respectively. In FY 1993, press runs were 18,900 and 32,700 for these publications.

GPO's internal printing also includes the production of postcards and passports. About 296.5 million postcards and 7.5 million passports were produced in FY 1997. These two products account for about \$8.0 million annually. Postcard production has been relatively constant in the last few years; while passports have grown significantly.

GPO administers an effective, economical, and efficient printing procurement program using

the services of private sector printers. Procurement revenue has varied over the last five years. In FY 1997, revenue fell to \$488.3 million, representing the first year since FY 1983 that revenue has been below \$500 million. The principal revenue sources for this program are Executive Branch agencies. Many of these agencies have been procuring their printing from sources other than GPO, which had an adverse effect on GPO's workload. GPO work orders have declined from 278,800 in FY 1993 to 197,800 in FY 1997, a drop of nearly 30 percent. A shift in the number of procurement orders has occurred with regional offices now accounting for 70 percent of total printing contracts compared to 60 percent in FY 1993. Only four offices, **St. Louis, Seattle, San Antonio, and San Diego**, have a workload at least equal to or greater than in FY 1993. From a procurement revenue perspective, the same shift has occurred. Regional offices now account for about 40 percent of total revenue, whereas in FY 1993, it earned less than 30 percent of total revenue.

GPO's **Office of the Superintendent of Documents** includes the distribution of publications to Federal depository libraries and the sale of products to the public. Revenues from both operations amounted to \$98.2 million in FY 1997, compared with \$101.8 million the previous year, and \$110.3 million in FY 1993.

Funding for the depository libraries has remained relatively constant, except in FY 1995, when additional funds were provided to initiate an extensive new electronic information dissemination program. In response to **GPO Access** legislation, the Congress provided the financial means to assist in program planning and implementation.

The Sales Program has seen a continuing decline in revenue, down \$13.8 million from the FY 1993 level. This involves a central office mail and telephone order operation, sales of consumer type publications from Pueblo, CO, and a network of 24 bookstores in major cities around the country. Bookstore sales represent about 20 percent of the program revenue. Titles available for sale have decreased from 16,000 in FY 1993 to 11,900 in FY 1997. This decline was caused by various reasons—less titles being printed, conversion to elec-

tronic products and online documents obtained through the Internet, and an improved inventory management activity. Of significance is the fact that many former subscribers to publications are obtaining their products or requirements from the free **GPO Access** online program.

Paid subscribers have declined from about 650,000 in FY 1993 to 438,000 in FY 1997, a reduction of 212,000 or 33 percent. Overall publications sold have decreased by 43 percent since FY 1993 with the most significant decrease in *Federal Register* publications, which have dropped by 3.3 million or nearly 55 percent. From the introduction of **GPO Access** in FY 1994, online retrievals of the *Federal Register* have escalated during the ensuing period. The number of retrievals was about 2.0 million in FY 1995; 12.0 million in FY 1996; and 20.0 million in FY 1997. Current forecast expects this number to reach 30 million in FY 1998. GPO has had to maintain a reasonable balance in sales activities with what is now available online.

Although bookstore revenue has been relatively constant due to increased publication prices and larger dollar orders, customers have been less frequent with current customer count reduced from 330,000 in FY 1993 to 197,000 in FY 1997. In the Washington, DC area, since FY 1993, bookstore orders have decreased 50 percent, while in the field bookstores, the decrease has averaged about 38 percent.

The **FDLP** is seeing a great transition from publications to electronic information with the advent of GPO's electronic access program in June 1994. In FY 1997, actual retrievals reached the level of about 3.8 million per month. The availability of free access, initiated in December 1995, has led to a major increase in retrievals. There are now 70 online databases involving 20 Federal agencies now available for downloading information. Tangible electronic products, which principally included copies of CD-ROMs and magnetic tapes in FY 1993 (before **GPO Access**), represented only .7 percent of the program copy distribution; today, they represent nearly 3 percent. But now there is more access via the Internet since the mix includes online databases.