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LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2001

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED SIXTH CONGRESS

SECOND SESSION

ON

H.R. 4516, 4577, and 5657/S. 2603

AN ACT MAKING APPROPRIATIONS FOR THE LEGISLATIVE BRANCH FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2001, AND FOR OTHER PURPOSES

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LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2001

TUESDAY, FEBRUARY 8, 2000

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:36 a.m., in room SD–116, Dirksen Senate Office Building, Hon. Robert F. Bennett (chairman) presiding.

Present: Senators Bennett and Feinstein.

JOINT ECONOMIC COMMITTEE

STATEMENT OF JIM SAXTON, VICE CHAIRMAN

OPENING STATEMENT OF SENATOR ROBERT BENNETT

Senator BENNETT. The hearing will come to order. This is the first in a series of four hearings that the subcommittee will hold on fiscal year 2001 budget requests. We are doing our best to comply with the desire of the leadership here in the Senate, both the committee leadership in the form of Senator Stevens and the Senate leadership in the form of Senator Lott, to see to it that we get the appropriations process done as rapidly as possible this year, and more rapidly than we have done in the years gone past.

So our next hearings will be February 22 and February 29. And our final hearing, we hope, will be on the 7th of March.

And today we will hear testimony from two agency budgets, the Joint Economic Committee and the Congressional Budget Office. And our first witness, whom we welcome very warmly, Congressman Jim Saxton, who is the vice chairman of the Joint Economic Committee and, all going well, the chairman during the time this particular budget will be in place.

So I am a member of that committee and appreciated working with Mr. Saxton. He has been chairman of that committee and now is the vice chairman.

From that perspective, Mr. Saxton, I look forward to your testimony. We understand you have requested $3,315,000, which is a 3.6-percent increase over last year. That is to cover staff COLAs. And before we hear from you, I want to extend formal congratulations to the JEC on being designated one of the top three House websites by the nonpartisan congressional management fund. I pay attention to things like that. I wish I could get my website up to that standard. But we will be having conversations with my staff.

Thank you for coming, and we look forward to your testimony.

Mr. SAXTON. Well, Mr. Chairman, thank you very much for holding this hearing this morning. Let me return the kudos to you, because I remember, about 1 year ago having been here and having you raising the issue of Y2K well in advance of the turn of the century. Subsequent to that, you became the chairman of a special committee or task force to take care of Y2K. And the first year went by without a glitch. So congratulations on a job well done.

Senator BENNETT. Thank you. Let me just interject. It went by without some reported glitches. We now know there was a fairly widespread number of problems around the world, which other governments, for their own reasons, decided not to tell anybody about, because they did not want to be embarrassed.

Mr. SAXTON. Mr. Chairman, thank you. I have a written statement which I would like to ask be included in the record.

Senator BENNETT. Without objection, it will be included.

FISCAL YEAR 2001 BUDGET REQUEST AND COMMITTEE RESEARCH

Mr. SAXTON. And I have with me today our chief economist, Chris Frenze. He is actually the chief economist to the vice chairman.

And also, Howard Rosen is with us from the minority staff. We are pleased to be here to speak as a bipartisan team.

Mr. Chairman and members of the subcommittee, it is a pleasure to be here once again to express my strong support for the fiscal year 2001 budget request of the Joint Economic Committee, as set forth, of course, by this year's chairman, Senator Mack.

As you know, the JEC is essentially Congress' own in-house think tank. We examine a wide variety of economic and related issues. This budget request will support the JEC's focus on quality research and economic analysis required by Congress and the public. The committee's research is widely cited. And as you mentioned, our website has been given a top rating by the Congressional Management Foundation.

Committee research covers a broad array of fiscal, monetary and international economic issues. One case in point that I might like to mention is the research and analysis that we have done on Federal Reserve policy over the last several years. This policy has focused on keeping inflation in check, and subsequently has resulted in relatively low interest rates. And so we have been pleased to be able to do research and pass along that information to Members of the House and the Senate and the public who are interested.

We also have spent a fair amount of time in examining the International Monetary Fund, how it operates, the cloak of secrecy that the IMF seems to keep itself shrouded in, and issues that have to do with the effects of IMF policy around the world. Mr. Frenze and I were part of a codel last year that went to Russia to examine in some detail the IMF policies and their effect or lack of effect on the Russian economy, and have subsequently made some recommendations about how IMF policy in our opinion ought to be changed.

Most recently, we have spent the last couple of days reviewing oil prices in the northeast, and the resulting economic problems. As I was saying to you before the hearing started, Mr. Chairman, just a few weeks ago, the price of home heating oil was in the neighbor-

hood of 80 cents. Today it is around $2. And the reasons for that are not clear at this point.

As you have mentioned, Mr. Chairman, we have requested a 3.6-percent increase. And I might just say, by way of history on the budgetary sides of the JEC, in the early 1990s, in fact in 1992, our budget then was just over $4 million. By 1995, because of cost saving efforts, our budget was shrunk to about $2.75 million. And so we are in the year 2000 just over $3 million and have requested no increase except for a cost-of-living adjustment for our staff.

PREPARED STATEMENT

So with that, Mr. Chairman, if you have any questions, I will be more than happy to try to respond.

Senator BENNETT. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF HON. JIM SAXTON

Mr. Chairman and Members of the Subcommittee, it is a pleasure once again to express my strong support for the fiscal year 2001 budget request of the Joint Economic Committee (JEC).

As you know, the JEC is essentially Congress' own in-house think-tank examining a wide variety of economic and related issues. This budget request will support the JEC's focus on quality research and economic analysis required by Congress and the public. The Committee's research is widely cited, and our website has been rated one of the top three committee websites on Capitol Hill by the nonpartisan Congressional Management Foundation. Committee research covers a broad array of fiscal, monetary, and international economic issues.

A case in point is our intensive examination of Federal Reserve monetary policy over the last three years. Through hearings with Chairman Greenspan, and a series of research papers, the Committee analyzed the specific content of the most successful monetary policy in U.S. history. Our research concluded that Federal Reserve policy in recent years has essentially been one of informal inflation targeting. In our hearings Chairman Greenspan has agreed that informal inflation targeting is the essence of his Federal Reserve policy.

Since this monetary policy has proved so effective and beneficial to our economy, it is important to provide Congress with an explanation of inflation targeting and how it works. I also believe it would be beneficial to set more formal inflation targets and institutionalize this procedure so it is not dependent upon individual personalities.

Inflation targets are ranges setting permissible changes in some broad price index. For example, one might choose to set a formal inflation target of 0 to 2 percent. Monetary policy is then geared to achieve this inflation target over the designated time frame. As documented in JEC research papers, many other nations have adopted inflation targeting, and the results have been very positive. Our research has also explained how inflation targets can be achieved through use of forward-looking price indicators that reflect signs of potential future inflation.

Another focus of the JEC has been the two-year research program on the International Monetary Fund (IMF). The IMF plays an important role in international economics and finance, but its own financial operations and policy actions had not been transparently presented to policymakers and the public. The JEC review of IMF operations raised a number of important questions about the IMF that could not be answered by public documents. Thus we began to raise the issue of the lack of IMF transparency.

Our research had permitted us to draw a number of conclusions about IMF operations, but many of these could not be confirmed through publicly available information. The Committee's research repeatedly was hampered by a lack of IMF transparency that veiled detailed financial information. With the assistance of the General Accounting Office, the JEC was able to gain access to this information and make it readily available through public hearings. We now know that the U.S. provides over one quarter of the IMF's usable funds, that the G–10 account for 77 percent of these funds, and that most IMF members provide little if any of these funds. We have also found that the IMF interest subsidies are even greater than was first thought.

Our research has found that the IMF has gone far afield in making loans for a wide variety of development and structural purposes unrelated to the appropriate functions of the IMF. These loans are made to borrowers at extremely low interest rates considering the tasks involved. For example, the IMF is lending to Russia and Indonesia at interest rates below the cost of credit to the U.S. government. This doesn't make any economic or financial sense. By the way, these Russian and Indonesian loans account for one third of the credit extended by the IMF.

Several policy implications follow from our research as well as the recent research of others. The IMF should focus on crisis lending only, it should discontinue longer-term development lending, and the pervasive interest rate subsidies should be discontinued. In other words, the IMF should make only short-term loans in economic emergencies at market interest rates. This was the idea behind legislation offered in 1998 that would have mandated use of market interest rates by the IMF. Although its application was narrowed to apply only to some IMF loans, a version of this legislation has become law. Further reforms related to the IMF became law in 1999. Moreover, last month Secretary Summers made an important speech in which he argued that the IMF interest rates were too low, and that the IMF should focus on emergency lending.

It is my hope that the emerging consensus on IMF reform will lead to a broadening of the 1998 legislation curbing IMF interest subsidies. This 1998 legislation, based on JEC research, has not been fully implemented by the IMF, in my opinion. However, even a partial implementation of reforms leading to reform of IMF interest rates will save billions of taxpayer dollars over time. If the applicability of this legislation were broadened through future reform efforts, whether through legislation or consensus within the IMF, further savings would be achieved.

One reason I mention this point is to highlight the tangible results possible from research in very abstract and difficult areas. Progress has been achieved in improving the way the IMF has operated, and more reform appears likely. Although the amount of the resulting savings is hard to precisely determine, they would be sufficient to cover the cost of JEC appropriations many times over.

Thank you for the opportunity to appear before you this morning.

Senator BENNETT. We have been joined by Senator Feinstein. And let me formally, on this first hearing of the year, welcome Senator Feinstein and say how delighted I am that she is the ranking member on this subcommittee. She has been wonderful to work with in the past year. And I am sure we will have the same kind of relationship this year.

Senator, we would be happy to have any statement you would like to make.

Senator FEINSTEIN. Well, thank you very much, Mr. Chairman. I have been very pleased to be able to work with you. I have found you just a pleasure to work with and very diligent and a great chairman of this subcommittee.

If I may, I would like to put my statement in the record.

Senator BENNETT. Without objection.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DIANNE FEINSTEIN

Thank you, Mr. Chairman.

I very much look forward to working again this year with Chairman Bennett in developing the fiscal year 2001 appropriations bill for the Legislative Branch.

I am pleased to join you, Mr. Chairman, in welcoming our colleague from the House, Congressman Jim Saxton, who will be presenting testimony during the first portion of this morning's hearing as Vice Chairman of the Joint Economic Committee. And, following that, I also look forward to hearing from our CBO Director, Mr. Crippen.

Mr. Chairman, since this is our first subcommittee hearing on the Senate side, I would ask that I be allowed this morning just a few extra moments for my personal comments before we get underway.

I would like to say that it has been such a pleasure to serve with you, Mr. Chairman, on the Legislative Branch Appropriations Subcommittee, and I very much look forward to continuing our work this year to craft a funding bill for fiscal year 2001: which sufficiently addresses the needs and concerns of this branch of government

which is responsible for writing the laws of our land, which endeavors to preserve some of the historic treasures associated with the Congress and our Nation's Capitol, as well as the Library of Congress; and which provides realistic funding for the various support offices of the Congress, upon whom we depend so much for our research and statistical data, investigative reports, and comprehensive budget analyses that help us as legislators to make the best choices for our citizens; as well as those whom we rely upon for our printing requirements, documents control, facilities management and security.

Mr. Chairman, thank you for allowing me these few extra moments to extend my comments. I look forward to hearing the testimony of our two panelists this morning.

Senator FEINSTEIN. And, I do have a question of the Congressman. Is this the appropriate time?

Senator BENNETT. Surely. Go ahead.

Senator FEINSTEIN. Good morning.

Mr. SAXTON. Hi.

Senator FEINSTEIN. Why is this effort even necessary? I mean, why is it not redundant or duplicative of things that are already, or could be done, say, by CRS?

Mr. SAXTON. The fact of the matter is that the Joint Economic Committee is Congress' own think tank, as I indicated early in my testimony. We have the luxury, if you will, of concentrating on issues that can be dealt with in a fashion that permits us to do in-depth research. For example, there has been a lot of discussion among Members of Congress about the IMF. And I would like to say that much of the basis of that discussion was research that was done by the Joint Economic Committee.

When we started to research the International Monetary Fund 2½ or 3 years ago, very few people in Congress knew how the IMF operated. I remember the President not too long ago giving one of his Saturday speeches or addresses to the country about the IMF. And he started out by saying, "I'd like to talk to you about the IMF, and it's not a bowling machine."

We have been able to shed a great deal of light on the IMF. The understanding that exists today in both Houses of Congress to a large extent is a result of JEC studies and reports on the IMF: how it operates, its policies, and its effect, or lack thereof, positive or negative, on many economies around the world.

The same is true in understanding Fed monetary policy. When we began to look at fed monetary policy, we found that inflation was used as a target, and the control of inflation did a great deal to stabilize our economy and help it grow.

And we have issued a number of reports on inflation targeting and other monetary issues. Not unlike the IMF, the institutional knowledge that exists today in the Congress on inflation targeting came to some extent, I would like to think to a large extent, from the Joint Economic Committee.

And those, among other issues, are things that I think we have done that are very important.

Senator FEINSTEIN. Let me just say something with great respect. I have never received a report. I have been here 7 years. I did not even know the committee did this report before today. And, if it does great things, it sure keeps it to itself.

I mean, I will be very candid with you. I do not know why we need a Joint Economic Committee. If I want to learn about the

IMF, it would not occur to me to go here. I mean, there are think tanks all over Washington. Why do we need our own think tank?

Mr. SAXTON. Well, let me say that we will be more than happy to share the reports that have been done. On the House side, we do send them out to each Member of Congress on a periodic basis.

Senator FEINSTEIN. Do we on the Senate side? Are they sent out, Mr. Chairman?

Senator BENNETT. I am not aware of how that is done, and I am a member of the Joint Economic Committee. So I had better find out.

Mr. SAXTON. I am just reminded that the Congressional Management Foundation has cited our website, the Joint Economic Committee website, as one of the three best committee websites on Capitol Hill. This is another way that we have chosen to disseminate the information and make it available.

Senator FEINSTEIN. But, have there been reports sent out on the Senate side?

Mr. SAXTON. I would have to defer to Senator Mack, who is the full committee chairman.

Senator FEINSTEIN. Thank you very much.

[The information follows:]

LETTER FROM JIM SAXTON

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, DC, March 7, 2000.

Chairman ROBERT F. BENNETT,
Subcommittee on Legislative Branch, Senate Appropriations Committee, S–125, The Capitol, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for the recent opportunity to testify on the fiscal 2001 appropriation request of the Joint Economic Committee (JEC). After reviewing the record, it became clear that there were some remaining issues that needed to be addressed in writing. I would respectfully request that this letter be made part of the hearing record. In addition, please include the attached research materials in the printed record if you deem it desirable to do so.

During the hearing, questions were raised by another member of the subcommittee that suggest some clarification about the functions of the Joint Economic Committee may be useful. The questions raised the issue of whether JEC research on the International Monetary Fund (IMF), for example, was really needed since a member could request a memo on this subject from the Congressional Research Service (CRS). My response essentially was that JEC research on the IMF, as well as other topics, permits greater depth and thus provides much more information than would be possible in even a very fine CRS memo.

My statement was a general one and since this question was unexpected I did not have full supporting documentation available at that moment. Enclosed please find the 8 JEC studies, together with printed and bound records of 5 JEC hearings on the International Monetary Fund (IMF). Additional information is available on our JEC website, rated one of the top three committee websites on Capitol Hill by the nonpartisan Congressional Management Foundation. Those who follow issues related to the IMF are very aware of this JEC research and the effects it has had on the institution and its reform. This research was the basis of IMF reform legislation passed by Congress in 1998 and 1999 that will save taxpayers many millions of dollars over time.

As a former IMF research director recently wrote, "the Fund's jerry-built structure of financial provisions has meant that almost nobody outside and, indeed, few inside, the Fund understand how the organization works * * *." I believe that Congress should understand how the IMF works because of the important financing and policy making role played by the U.S. Congress has appropriated $50 billion for the IMF, and thus has a responsibility to know how this money is being used.

The factual record shows that this research program has provided much more original information on the financial structure and operations of the IMF to Con-

gress and the public than any other source. I am pleased at the success of this research program given the extremely challenging and difficult subject matter and the lack of transparency of the IMF. Moreover, in response to this research program, the IMF has moved towards more disclosure of its finance, and finally has committed to publicly releasing its budget. These results could not be obtained by a memo reviewing already existing information.

I hope this letter clarifies some of these issues. Thank you again for the opportunity to testify.

Sincerely,

JIM SAXTON,
Vice Chairman, Joint Economic Committee.

SELECTED JEC PUBLICATIONS ON THE IMF AND MONETARY POLICY

1. Can IMF Lending Promote Corruption? (December 1999)
2. Research Findings Regarding the Costs of U.S. Participation in the IMF (October 1999)
3. JEC Statements Before the International Financial Institution Advisory Commission (September 9, 1999)
4. IMF Gold Sales in Perspective (August 1999)
5. Transparency and the Financial Structure of the International Monetary Fund (Hearing, July 21, 1999)
6. Transparency and U.S. Dollar Policy (July 1999)
7. An International Lender of Last Resort, the IMF, and The Federal Reserve (February 1999)
8. Compendium of Studies on International Economic Issues (December 1998)
9. U.S. Dollar Policy: A Need for Clarification (November 1998)
10. IMF Reform: Proposals to Stabilize the International Financial System (Hearing, October 7, 1998)
11. Financial Crises in Emerging Markets: Incentives and the IMF (August 1998)
12. The Transparency and Financial Structure of the IMF (Hearing, July 23, 1998)
13. The International Monetary Fund and International Economic Policy (Hearing, May 5, 1998)
14. IMF Financing: A Review of the Issues (March 1998)
15. The International Monetary Fund and International Policy (Hearing, February 24, 1998)
16. Transparency and Federal Reserve Policy (November 1997)
17. A Response to Criticisms of Price Stability (September 1997)
18. Establishing Federal Reserve Inflation Goals (April 1997)
19. The Importance of the Federal Reserve (March 1997)
20. Lessons from Inflation Targeting Experience (February 1997)

Senator BENNETT. In this same category, let me comment on what I think was a significant contribution of the Joint Economic Committee last year. And I think that because I was involved. That is always the criteria, I think, that many have used.

We held a high-tech summit where we had Bill Gates and Lou Gershner and Alan Greenspan and a whole series of high-tech CEOs come in and discuss with us the impact of high tech on the economy as a whole. It ran over a 3-day period. And we attracted enough attention that one of the freshman Members of the House came over. And I was visiting with him, thanking him for coming. And he said, "My wife was watching this on television and said to me, 'You'd better get over there and be part of that committee, because this is the best thing that has come out of the Government in a lot of years.'" So at least one Congressman's wife responded very favorably to it.

I think, Senator Feinstein, your point is well taken in that there are other venues in which some of this work could be done. And Senator Mack and I looked at that very carefully when he was the chairman of the subcommittee. And he has been chairman of a sub-

committee of the Banking Committee that covers many of the issues that the Joint Economic Committee looks at.

And an argument could be made. There is duplication, for example, in Alan Greenspan's appearance before this committee, which is mandated by law. The chairman of the Fed must make an annual report to the Joint Economic Committee. He is also required to make an annual report to the Banking Committee. So as a member of the Banking Committee and a member of the JEC, I get to hear him twice. It is good for me. I am beginning to break the code. After 7 years I am beginning to feel that I can understand Alan Greenspan.

But the decision of the Congress in 1995 was to continue the Joint Economic Committee rather than assume that these functions could be done other ways. It was a relatively close call with a number of members urging that the JEC be done away with. But the decision was made, and it has gone forward. And I must say that under the chairmanship of Congressman Saxton and then Senator Mack, and they alternate each Congress, the JEC, since it had its near death experience, has been much livelier and, I think, much more productive.

So the issue you raise is not a new one, but the response from the vice chairman here indicates that at least that message has been heard.

I have no further questions.

Senator FEINSTEIN. If there are reports, could I ask to see them, please?

Senator BENNETT. For sure.

Senator FEINSTEIN. Could someone see that I get some?

Senator BENNETT. Sure.

Senator FEINSTEIN. I would appreciate it very much.

Senator BENNETT. We will do that.

Senator FEINSTEIN. I have no further questions.

Senator BENNETT. Thank you, Mr. Chairman, for your service on this committee. And thank you for your testimony here today.

Mr. SAXTON. Thank you very much.

CONGRESSIONAL BUDGET OFFICE

STATEMENT OF DAN L. CRIPPEN, DIRECTOR

ACCOMPANIED BY BARRY ANDERSON, DEPUTY DIRECTOR

Senator BENNETT. Our next witness will be Dan Crippen.

Mr. Crippen, the Director of the Congressional Budget Office (CBO), we welcome you here. I understand you have created a new position, the Executive Associate Director, which has been filled by Mr. Steven Lieberman.

Mr. ANDERSON. I am Barry Anderson. I am the Deputy Director.

Senator BENNETT. Barry Anderson. Okay.

We welcome Mr. Lieberman to the fold, even though he is not here at the table.

Mr. CRIPPEN. He is working.

Senator BENNETT. And we will submit for the record a copy of his résumé, as well as your new organizational chart, because there has been some interest in your organization and in that activity.

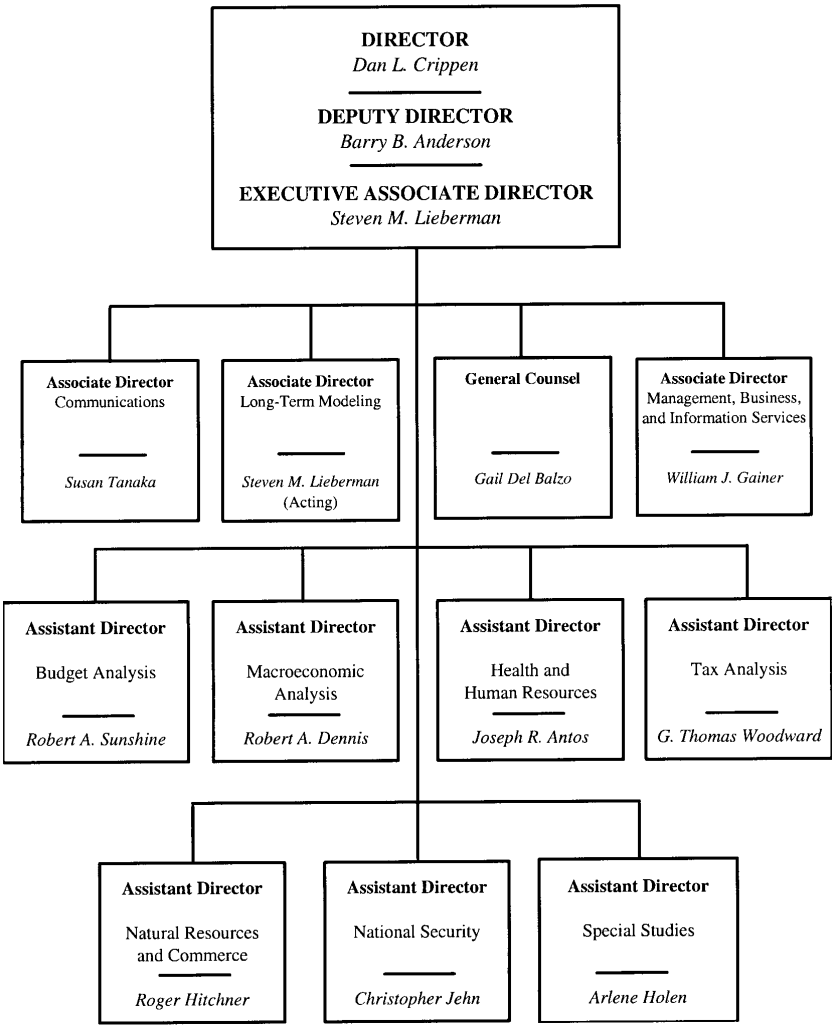
CBO has requested $28,493,000 for fiscal 2001, which is a 9.1-percent increase over your previous level. And we look forward to hearing your description of the increase and your other activities with respect to this budget.

[The information follows:]

BIOGRAPHICAL SKETCH OF STEVEN M. LIEBERMAN

In 1999, Steven M. Lieberman was named to the newly created position of Executive Associate Director of the Congressional Budget Office (CBO). He is also the Acting Assistant Director for CBO's new Long-Term Modeling Group. Mr. Lieberman has a background in federal budgetary and health care issues. Before joining CBO, he was health partner in the EOP Group, a Social Security analytic consulting firm, and vice president of government programs and marketing at Intergroup Healthcare Corporation, a managed care company. Before that, he spent 16 years at the Office of Management and Budget, focusing on Social Security, Medicare, and Medicaid; he then served as assistant director for general management, with oversight of 10 federal agencies.

Congressional Budget Office



Y2K SUCCESS

Mr. CRIPPEN. Thank you.

Mr. Chairman, first I wanted to report, as your previous witness did and as I am sure all of your subsequent ones will, that through your good efforts we made it through the passing of the millennium with nary a hiccup, as near as we can tell.

I would also like to report that our website is up to about 5 million hits a year now. So it was up and running throughout that period—not that a lot of people were hitting it that night—but it was running.

RELIEF FOR SALARY COMPRESSION

Before I get into next year, Mr. Chairman, we want to thank you for the pay raise you granted me and Barry, not only on our behalf but, more important, on behalf of all of my present and future colleagues who are effectively capped by our statutory limits. Our two salaries are included in the Budget Act legislation.

The salary compression that CBO was experiencing is one of the reasons we have had difficulty recruiting and retaining personnel. I also want to thank you for giving us limited bonus authority for the first time—bonuses that will go largely to our nonmanagerial staff on the basis of performance and also to help recruit new employees.

IMPROVED STAFFING LEVEL

Mr. Chairman, I first appeared before you not quite 1 year ago and reported that in 1998, CBO lost many more staff than we were able to replace. The level of actual full-time equivalents (FTEs) in 1998 was 205, down from an actual level of 227 in 1997 and an authorized level of 232. I am happy to report that we have made some progress. We were able to employ 215 FTEs last year and expect to reach 225 by year's end. Our request for next year would allow us to reach 228, just 1 more than in 1997 and 3 more than this year. We hope to reach our full complement by the end of 2002.

In particular, raising the pay levels for our executive and senior staff, which was made possible this year with the support of this committee, has allowed us to provide more competitive beginning-salary offers to top-quality Ph.D.s in economics, as well as to public policy and health experts.

FISCAL YEAR 2000 FUNDING SHORTFALL

Last year your counterpart in the House, Mr. Taylor, asked us, after we submitted our budget, whether we could reduce our request for 2000, given your tight allocation and the attempt to live under the cap. After analyzing the time it would take us to recruit and hire the people we hoped to add, and after assessing our ability to reprogram some 1999 funds, we agreed to a funding level for fiscal year 2000 that was $600,000 below our initial request.

Then we, along with everyone else, saw a further reduction—in our case, about $100,000—through the across-the-board cut. As a result, CBO's appropriation for fiscal year 2000 provided an increase of less than 2 percent. Combining the funding for 2000 with the request that is before you now, CBO's funding would increase by 11 percent over the 2-year period, which is far below that of any of our sister agencies. Both their requests and their subsequent appropriations have far exceeded ours.

I hope you are not surprised to know that I believe in budgets and budgeting—for planning, setting priorities, and establishing real resource constraints. That is why, Mr. Chairman, I agreed to reduce our request for this year, because I thought we could make some adjustments and live with the reduction. And we have.

FISCAL YEAR 2001 INCREASE

But now we need to regain some ground. This is a well-constructed and easily defensible budget. It was built from the ground up; it is not simply an extrapolation from prior budgets. For example, Mr. Chairman, we carefully reviewed our telephone needs and found that we could change equipment and do away with about 50 percent of our telephone lines. We are moving to less expensive data processing. Our library is becoming more virtual. All of these savings are explicit in our request and are not subsumed in increases elsewhere.

Like most of your bill, most of our budget is people and computers—86 percent people and 8 percent computers. We need to build our strength back toward our authorized FTE level. Our request gets us back to where we were in 1997. We are adjusting pay schedules to help us compete with organizations such as the Federal Reserve and the World Bank. And we are rewarding performance and recruiting heavily. While we are happy to be able to report, Mr. Chairman, projected surpluses for the Federal budget as a whole, I assure you that there are no surpluses built into this request.

PREPARED STATEMENT

By the way, I am also happy to report that your monthly budget review remains a best seller, at least in the budget world.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF DAN L. CRIPPEN

Mr. Chairman and Members of the Subcommittee, I am pleased to present the fiscal year 2001 budget request for the Congressional Budget Office (CBO). The mission of CBO is to provide the Congress with the objective, timely, nonpartisan analysis it needs for making decisions about the economy and the budget and to furnish the information and estimates required for the Congressional budget process. CBO does not make policy recommendations; instead, it presents the Congress with options and alternatives in a wide range of subject areas, all of which have economic and budgetary impacts.

The Congressional Budget Office is requesting $28,493,000 for its operations in fiscal year 2001, a 9.1 percent increase over the agency's fiscal year 2000 appropriation. The funding increase is largely necessitated by our need to compensate for a significant funding shortfall in 2000—our appropriation increase for fiscal year 2000 was only 1.8 percent, or $450,000. That was much less than the $1.5 million that would have been needed to cover increases in pay and benefits for our 232 authorized positions. The 1.8 percent increase was also well below the nearly 7 percent average increase that other Congressional support agencies received. If we view fiscal years 2000 and 2001 together, our request implies an 11 percent cumulative increase, which is below the analogous amounts for other Congressional support agencies.

Impact of the Shortfall in Fiscal Year 2000

Because 94 percent of our funding goes to salaries, benefits, and computer technology, the resulting $700,000 shortfall from our request was impossible to absorb without negatively affecting our staffing and technology. To cope with that situation, in fiscal year 2000:

—We will hold actual staffing to 225 positions, well below the 232 authorized, even though additional staff are clearly needed in a number of areas. Our staff resources will therefore be stretched thin in both fiscal years as we endeavor to support major new investments in our long-term modeling and analysis of the Social Security and Medicare programs, and to maintain essential functions such as scorekeeping, budget analysis, and economic and revenue forecasting.

—We will also greatly reduce our spending on computer technology and information resources this year. Because we reprogrammed funds for computer hardware in 1999, we can survive this cutback for one year, but we will also have to delay purchases of needed software and certain network hardware.
—Finally, we must tightly control most other spending and find offsetting savings or reductions.

Summary of the Request for Fiscal Year 2001

The request for fiscal year 2001 would allow us to fund the 228 positions we plan to fill by the end of fiscal year 2000. By early in fiscal year 2002, we hope to reach our authorized staff ceiling of 232 positions. The requested funding also:
—Provides a pay adjustment of 3.7 percent and merit increases of $269,000—both of which are down from fiscal year 2000 to reflect the cumulative cost-of-living increases of January 2000 and January 2001 that will help mitigate the pay gap we still suffer relative to pay in the private sector.
—Contains a $588,000 increase in spending for computer technology and systems, data, and model development, bringing this category back to its historical path after the major cutback in the current year. That amount includes $150,000 to begin the transfer of costly mainframe applications to a more economical platform—a move that could save several hundred thousand dollars each year—and $100,000 to purchase new software for tracking appropriations.
—Supports an increasing workload of 11 studies and mandated reports, 25 papers and memorandums, 2,000 legislative cost estimates and mandate cost statements, and a growing number of testimonies before Congressional committees (estimated at 30 to 35 appearances for both 2000 and 2001).

Even with this request, we continue to be concerned about our ability to offer the salaries and benefits needed to attract and retain staff in today's tight labor market. We lost a number of very good analysts and senior managers in 1999, and we expect a significant number of senior staff to retire in the next 12 months. In fact, roughly half of our managers and more than half of our top executives are currently eligible to retire, and several more will become eligible in the next three years.

Related to these concerns, I would like to take this opportunity to thank the Committee for its support last year in providing CBO with the authority to give lump-sum performance and recruitment bonuses and to raise the pay of our executives. Although we are just beginning to use these new authorities, we are already finding the bonus authority to be a valuable tool for immediately rewarding extra efforts by our employees. The enactment of the new pay levels for my position and that of the deputy director has eased and will continue to ease the salary compression we have been experiencing. It has also allowed us to raise the pay rates for our executive staff, and in turn, we have become somewhat more competitive in our hiring.

Finally, we will do everything we can with the available funding to strengthen our recruitment and retention efforts, which I will discuss in greater detail later.

Cost Savings

Price inflation in our nonpersonnel budget has been quite high, particularly in such areas as subscriptions and software. To help offset that inflation, we have identified a number of operating-cost savings. In fiscal year 1999, for example, we completed moving a portion of our timesharing services to the Library of Congress, which will save roughly $175,000 per year beginning this fiscal year. In addition, we have identified ways to reduce spending on software, timesharing, and communications. Those efforts, which should save another $100,000 per year, will be phased in during this fiscal year.

Accomplishments in Fiscal Year 1999

Budget issues were in the forefront of Congressional debate in fiscal year 1999, as the Congress struggled to stay within the caps on discretionary spending, sought to avoid an on-budget deficit, grappled with the question of what to do with the budget surpluses projected over the next decade, and dealt with major policy issues in a number of significant areas.

CBO's January 1999 baseline projections of growing surpluses, described and documented in *The Economic and Budget Outlook: Fiscal Years 2000–2009*, framed much of the debate that followed. Those estimates were revised in July, when CBO prepared a comprehensive update of economic developments and its baseline budget projections, reporting that better-than-expected economic conditions were likely to result in even larger surpluses. Those reports provided accurate estimates of the outlays, revenues, and surplus for fiscal year 1999. For example, in January, we projected a 1999 surplus of $107 billion, and in July, we revised that estimate to $120 billion. Both figures were very close to the actual result of $124 billion.

The appropriation process lasted until November and culminated in an omnibus appropriation act encompassing five of the regular appropriation bills and a number of other pieces of legislation. Throughout that process, CBO prepared estimates for numerous versions of each appropriation bill and for a variety of proposed amendments. With the intense focus on the discretionary caps and the on-budget surplus, CBO was called upon to provide frequent tabulations of discretionary spending totals, including amounts designated as emergency requirements, with and without scorekeeping adjustments specified by the Budget Committees. The task was complicated by the need to assess the impact of various obligation delays, advance appropriations, and across-the-board cuts. CBO also published a letter report in October that explained the key issues surrounding the appropriation process, as well as an end-of-session summary of the outcome.

In the course of the debate and discussion on the wide array of authorizing legislation addressed by the Congress, CBO provided hundreds of formal cost estimates and even more informal estimates to committees and individual Members. Those estimates addressed a variety of proposals, options, and bills, including the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act; the Defense Authorization Act; the Ticket to Work and Work Incentives Improvement Act; the Water Resources Development Act; and bills dealing with veterans' health care, banking reform, patients' rights, crop insurance, and education initiatives. All formal estimates were promptly posted on CBO's World Wide Web site so that Members and other interested parties could have rapid and easy access to the budgetary figures.

CBO also actively supported the Congress' consideration of the long-term problems facing Social Security and Medicare. We prepared detailed analyses of proposals by the President and others to reform Social Security and Medicare. We testified on Social Security and Medicare before five Congressional committees, and we issued numerous reports and cost estimates. To enhance our ability to analyze the long-term prospects for those programs and the impact of proposed changes, CBO has established a new Long-Term Modeling Group, staffed with experts in demographics, statistics, and modeling.

CBO's estimating responsibilities extend beyond the bounds of the federal budget. They include the review and analysis of hundreds of reported bills to identify and estimate the cost of mandates imposed on the private sector and on state, local, or tribal governments. We determined that legislation included one or more mandates in more than 100 cases and estimated the cost of those mandates. CBO staff has worked closely with the National Governors' Association, the National Conference of State Legislatures, the League of Cities, the National Association of State Budget Officers, and other private, governmental, and tribal organizations to ensure that mandates are identified and their impacts are projected on the basis of the best possible information.

We believe the quality of our estimates and their relevance to the budget process resulted in more requests for CBO to testify before Congressional committees and to provide quick-turnaround answers on budget questions in the waning hours of the budget process. During the year, I and other CBO officials testified 32 times, up from 16 in fiscal year 1998, and did so for a wide variety of committees, including several appearances before the House and Senate Budget Committees, House and Senate Appropriations Committees, Senate Finance Committee, House Rules Committee, House Ways and Means Committee, and a variety of other House and Senate committees.

In 1999, CBO also resumed the publication of its "budget options" report, which details hundreds of possible methods for reducing spending or raising revenues. That volume was made available in an interactive version on CBO's Web site (www.cbo.gov). Finally, as a result of our Year 2000 renovations and preparations, the infrastructure of CBO's information technology and its systems were fully operational on January 1, 2000.

Priorities for Fiscal Years 2000 and 2001

Efforts to reform Social Security and Medicare are expected to continue to be a priority for the Congress. To support those efforts, we will complete the development and documentation of actuarial and microsimulation models for estimating Social Security over the long term (75 years), including a benchmark-estimate comparison with the estimates of the Social Security Administration. We will also begin producing long-range cost estimates and impact analyses of Social Security for both current-law and reform proposals, and we will continue to develop long-range models for the Medicare program.

CBO staff will also devote a substantial amount of time to analyzing the effects of Social Security reform on aspects of retirement and disability policy, interactions

between proposed changes in Social Security and the Supplemental Security Income program, and interactions between Social Security and private pensions.

CBO also anticipates significant Congressional interest in analyses and estimates of legislative proposals relating to commercial, environmental, and trade regulation; the effect of technical progress on the national economy; expanded Medicare benefits; improved federal student-aid programs; the adequacy of funding for defense plans; and federal debt management.

CBO will also continue to focus resources on improving its economic forecasts and integrating its economic and budget forecasts.

In addition to focusing on its mission-related work, CBO, like any effective and highly successful organization, must devote some resources to attracting talented people, developing their skills, and properly equipping them with the needed technology. We must also organize our work to be as efficient as possible. Our goals for strengthening CBO's internal operations follow.

Human Resources Priorities to Enhance Recruitment and Retention

During the next two years, CBO will expand on the initiatives undertaken in 1999 to identify, hire, and retain a highly talented and diverse workforce by strengthening our recruitment strategies, investing more in training and staff development, and reconfiguring our space so that it better meets the needs of our staff. In particular, we will:

—*Strengthen Our Recruitment Strategy*.—Our goal is to focus our efforts and resources on quickly filling key vacancies, particularly in hard-to-attract disciplines, while building a more diverse workforce.

In 1998 and 1999, CBO experienced an unusual number of vacancies. Unfortunately, because of a tight labor market, we were unable to quickly replace the individuals who left. By the end of 1999, we were therefore still short of our staffing needs. Although we were able to meet our mandates, that shortfall created a hardship for many of our staff, and it meant that our ability to produce major studies suffered somewhat.

Our efforts have already begun, and a recruiting task force recently presented me with recommendations on how to improve our recruiting system. We plan to target a more diverse set of schools, develop better recruiting materials, capitalize more on our summer internship program, and devote more staff and travel resources to recruiting. We will also consider a more formal orientation and mentoring program for new employees.

—*Improve CBO's Training Programs*.—Our goal is to improve management and job skills by investing in our people through training, education, and professional development and to take greater advantage of existing technology in our operations.

CBO has always invested in the development of its staff, but the amount we spend on job training and professional development is far less than is spent by world-class firms and other high-impact organizations and much less than the amounts recommended by management and training experts. CBO spent less than 0.5 percent of its personnel costs on training in 1999, compared with as much as 6 percent for high-performing professional firms. During the next two years, we hope to shift some resources to training, education, and professional development, and we are now working on a new training policy to carefully target those resources.

—*Modernize and Revitalize Our Working Environment*.—Our goal is to reconfigure and, where necessary, renovate offices to better use our space and to provide a quality work environment for new employees and those currently in inadequate space.

Most of CBO's space was configured shortly after the agency's creation 25 years ago in a building originally designed to house files, not people. At that time, there were no desktop computers, a much larger number of support staff, less specialization among employees, and an employment marketplace that was not nearly as competitive. Consequently, a significant percentage of the space is configured for clerical staff, while many analysts have work space that is inadequate and much less desirable than that of our competition.

If we are to be competitive in the employment marketplace and attract and retain employees who are highly sought after, our facilities-related problems must be addressed. In cooperation with the staff of the Architect of the Capitol, we have developed a range of strategies to address those problems, and we believe that we can make substantial progress during the next three years without significantly increasing our current spending on equipment and facilities.

Communications Priorities

The value of CBO's work to the Congress and the public is directly related to the quality, readability, and easy availability of our written products. Over time, the electronic versions and electronic delivery of our analyses have increased in importance, and the demand for our electronic products continues to grow. Our Web site currently receives more than five million hits per year, and that activity is expected to continue to grow. At the same time, however, the demand for printed copies of our reports remains very strong.

—*Enhance CBO's Web Site*.—Our goals are to respond to the demand for CBO products in electronic form and expand the number of relevant past publications that are available electronically.

In fiscal year 2000, we plan to add more "best selling" publications from earlier years to our Web site and expand the use of interactive products such as the "budget options" report. Such interactive versions of our publications respond to users' demands for more targeted information that will enable them to quickly locate the portions of the report that are relevant to their interests.

—*Centralize Report Production and Modernize Report Format*.—Our goal is to achieve a consistent, high-quality product and standard "corporate" look for studies, reports, papers, memorandums, testimony, and other products while achieving efficiencies.

We plan to centralize final production of our publications with our editorial staff. That should save analysts' time, improve the appearance and consistency of our documents, and make production more economical.

Internal Management Priorities

As noted earlier, highly effective organizations must build a skilled staff and then provide the technology and work processes necessary to support that staff.

—*Maintain Our Technological Edge*.—Our goal is to continue to provide the best, most affordable technology systems to support the agency's mission while constantly improving the performance of those systems and employees' satisfaction with them. That effort focuses on desktop hardware and software, reproduction equipment, communications, data processing, access to the Internet, and analytical modeling.

CBO has invested steadily in its technology over the past few years. As a result, every employee has up-to-date hardware and software, and our internal network, Web site, and communications are among the best in government. That allows us to accommodate a tight budget in 2000, but we must restore spending in fiscal year 2001 to remain effective and to adequately support the Congress.

Our objectives for fiscal years 2000 and 2001 are to (1) continue to upgrade our network and communications hardware; (2) provide additional training to employees using our current technology and software; (3) identify and implement operating-cost savings; (4) improve network security; and (5) support the reengineering and automation of key work processes.

—*Streamline Procurement*.—Our goal is to modernize our procurement process to emphasize a streamlined, paperless process with greater emphasis on competition in purchasing.

During fiscal year 2000, we will investigate processes and software used by other organizations and begin redesigning our procurement process. In 2001, we hope to implement a new system for processing purchase requests, issuing purchase orders, and tracking obligations, orders, and payments.

—*Reengineer Key Work Processes*.—Our goal is to rethink and redesign all major administrative processes to reduce staff burden and costs.

During the next two years, we will survey our key administrative processes to identify targets for redesign. We will then appoint redesign teams to develop processes that are more efficient and less paper intensive, which will reduce the staff time necessary for performing and recording transactions.

Conclusion

Mr. Chairman, CBO's recent budget requests have been modest. Our actual increase for fiscal year 2000 was only 1.8 percent, well below what was needed to maintain current services and make modest investments for the future. We are operating a sophisticated enterprise in a highly competitive environment. Other agencies, organizations, and businesses offer more attractive compensation packages than we do, and many offer a more attractive work environment. Not only do we find it increasingly difficult to attract highly qualified personnel, but a large cadre of our senior staff is nearing retirement age. Indeed, over the past year, we have lost some key personnel whose absence is keenly felt at the operational level. At the

same time, the Congress is placing ever greater demands on CBO to provide a wider range of assistance than in the past. If we are to continue meeting the needs of the Congress, we must have adequate resources. Although our request may appear substantial, it would essentially bring us even with other Congressional agencies over the two-year period and ensure our ability to maintain the existing level of service.

Senator BENNETT. Thank you very much. I particularly appreciate the attitude toward the budget, which is a build from the ground up kind of exercise, rather than an extrapolation from the previous year. You do not have to do that every year, but you have to do that more often than people often do.

Mr. CRIPPEN. This was our first budget since we arrived at CBO. Last year's budget had already been submitted by the time we got there.

A POSITIVE OUTCOME FOR THE Y2K SCARE

Senator BENNETT. Right. You made a reference to Y2K. And I am going to respond by focusing on an aspect of the Y2K thing that we have not talked about before, that I think may have some interest in your area. A number of people have told me that while they got through the Y2K problem without any difficulty, and that was a major accomplishment, the long-term impact of what they did with respect to Y2K will be the experience of having inventoried all of their computers and actually finding out how many they had and what they did and how they were connected, and that they have made fairly significant changes as a result of that inventorying process. Even if they did not find Y2K problems, they got an investment. Alan Greenspan said to me he feels that will be the most significant long-term benefit from the Y2K experience to the American economy.

In this morning's news we are hearing that the productivity rate, at least through the fourth quarter of last year, was simply stunning, astronomical, an annual rate of 5 percent productivity growth. I do not recall any time in history when they talked about productivity growing at that rate.

Whether that had anything to do with the Y2K inventory phenomenon or not is immaterial. The fact is, I think, that we are seeing a new phenomenon by virtue of the information revolution in terms of productivity increases that simply have no historical precedent. And I would like to, with that buildup, ask a question of you as to how much of your time and resources and attention are being focused on an attempt to understand the impact of that phenomenon and put it into your forecasts.

Would you care to comment?

Mr. CRIPPEN. Sure. Let me say before I respond, though, that I think the preparations for the Y2K problem had benefits even beyond the one you cited—inventorying. Those preparations also allowed people to upgrade a lot of old software, which will not only run more efficiently but will also probably allow them to make more efficient use of computers. In addition, preparing for Y2K involved the training of a lot of personnel in the information technology field who will now be employed in other endeavors, thereby increasing productivity. So Y2K was about more than machines. It was, as you suggested, people and software that we put in place. In the past 4 years, we have seen average productivity growth of

about 2.6 percent compared with 1.6 percent for the previous 20 years. So we finally——

PRODUCTIVITY GROWTH IN THE ECONOMY

Senator BENNETT. Let me get that. The last 10 years?

Mr. CRIPPEN. In the past 4 years, productivity has been 2.6 percent. In the prior 20 years or so, it was 1.6 percent.

Senator BENNETT. Okay.

Mr. CRIPPEN. So that is a full percentage-point difference in the average for the past 4 years. We have been able to identify several factors that have contributed to that difference. A good piece of it, frankly, is simply the manufacture of computers, which is becoming more efficient, and we are getting more power for less money. That is about 25 percent of the increase in and of itself.

We have also had some change in accounting in the national product accounts, which, by definition, changed some of the underlying numbers. But there is a piece of this that is very real and not fully understood. We believe it has to do with the greater capital investment that we have seen in the past several years, and that increase, of course, will pay off.

What we have incorporated in our forecasts—and one of the reasons that our surplus estimates increased between last year and this—is that we took about 0.6 of the 1 percentage-point increase and assumed it was going to continue. That will yield average productivity growth of a little more than 2 percent over the next 10 years. That estimate may be low, but we were a little concerned that we only have 4 years of information on the increases and are not quite sure we know exactly where it is coming from. But we are pretty comfortable with saying that a little more than half of the recent productivity increase is permanent and is going to continue. There is no reason to think, for example, that the computer efficiencies—the more power for less money—are going to slow down. We are not reaching physical or theoretical limits yet. So we expect a good piece of this increase to continue.

PRODUCTIVITY UNCERTAINTY AND THE SURPLUS

Senator BENNETT. This is not the forum for this kind of discussion, but I will comment in case you missed it. In his presentation to the Banking Committee last week, Alan Greenspan was asked: Are your numbers real? That is, are the CBO's numbers real? Particularly with respect to the surplus. And he said, "Well, we don't know, because we have had such a short period of time in which to evaluate what is causing the river of revenue to come in to the Federal Treasury."

And he said if it's permanent, then the CBO numbers are way low. The surplus will be substantially bigger over the next 10 years than the $4 trillion that CBO is projecting. On the other hand, if it is temporary, the surplus could disappear. So he said what CBO has done is just pick a number somewhere in the middle that seems prudent. And he said all of the other forecasters have done the same thing, but nobody really knows, because we have not had a long enough period of time.

And of course, if it turns out we have had a very fundamental change in the way things work so that the 2.6 percent number

stays constant for the next 10 years, then yes, the $4 trillion figure will be low.

Now you are confirming——

Mr. CRIPPEN. Yes. Absolutely. I think we know a bit more about where the revenues are coming from; that is to say, from capital gains realizations and upper-income taxpayers and from more people being pushed into the upper brackets because of real growth in wages and other income. But that is not to say we know the sources of the income.

And that is what I think the chairman was referring to with productivity. He has been talking longer than we have about a new economy and the implications for the future. But again, after 4 years of reality hitting us in the face and of underestimating the flow of revenues, we thought that it was useful to incorporate some of the things that we do know. And we do know about computer production and some other factors that we are convinced will continue to have an effect.

Our latest report, "The Budget and Economic Outlook: Fiscal Years 2001–2010", included a chapter on the uncertainty surrounding our projections, which goes through the many things that could be worse or better than we think. We have a pessimistic alternative that combines a number of bad events, if you will, and an optimistic alternative that suggests much larger surpluses if the productivity increases continue at their recent rates.

So whenever anybody is talking about the next 10 years, as we do in these reports, they are talking about projections, not estimates. Projections are an educated guess. By the end of about the sixth or seventh year, all of the numbers drive back to a steady-state forecast that says we believe the economy can grow at about 3 percent a year, by the end of the decade. But that is a guess.

Senator BENNETT. Senator Feinstein.

Senator FEINSTEIN. I have a question. It is not really on the subject, but it has to do with this. It is really a California question, because our GDP is very good. And about 25 to 30 percent of our jobs are involved in the global marketplace. And yet, the wage gap is becoming profound. I do not have the exact figure, but it is something like a drop of $2,900 per worker in the lower fifth in wages.

California will shortly be a minority/majority State. I have very deep concerns about classes kind of war, rich versus poor kind of war. It is also a high cost of living State. And, I would suspect there is some of this wage gap existing all across the United States, except perhaps not as profound as we are finding it in California.

Do you have any insight as to the reasons or what could be done to correct it?

DISPARATE GROWTH IN INCOME

Mr. CRIPPEN. I agree wholeheartedly with you that a profound public policy issue for the next few years is probably going to be dealing with disparate income growth among people in this country. Despite the way the economy is growing and will probably continue to grow, there is at the moment a group of people who seem to be stuck, whose income is not growing.

We need to be careful about how we frame the issue. If, as I have seen recently in some of the popular literature, we are talking about families, for example, the picture is perhaps partially distorted, because the families in the top income quintile tend to be married, two-worker households—maybe mostly professional—whereas families in the lowest income quintile tend to be households headed by a single mother. When we talk about families, a lot of socioeconomic characteristics go along with the numbers. So we have to be careful about defining the issue.

The bottom quintile also includes a lot of people who move out of that income group. But by definition, of course, because you cut family income into five pieces, somebody is going to be moving in. So there is a migration out and up that we also need to be conscious of.

A recent study concluded that people with less than $10,000 of income (in current dollars) tend to get stuck—that is, they will not move up and out. And it partly has to do with education. Most of those people do not have anything beyond a high school education. And so we need to concern ourselves with that group of people. I do not know enough about the causation to say that it is merely an education problem. But we are beginning, at least, to get a better sense of who the people are and why they are stuck.

In the case of California, I have seen one study that suggests that the disparities there are a little greater than average because the State has a lot of entry-level workers and accounts for a large share of the immigrants that this country accepts, many of whom fall in the lowest income quintile. But many of them do get out of the bottom quintile over the first few years. So California is one of the places where people come into the country, have their first employment, have lower wages, and then move on.

Senator FEINSTEIN. Nationally, does that bottom quintile remain static in numbers, or is it growing in numbers?

Mr. CRIPPEN. Well, no. Because we split income into five pieces, the number of people in there tends to stay the same because it is a fifth of our population, by definition.

Senator FEINSTEIN. Oh, I see. Oh, all right.

Mr. CRIPPEN. So that does not tell you much. You have to look at the people in the group. And that is what some of the newer studies are doing—looking at the people as they grow and move into the second and third quintiles rather than stay stuck in the bottom. So it is very much a changing group of people. And in that sense, it is less worrisome as a policy issue than if that fifth were the same people and stayed there forever. We are finding that is not the case.

Senator FEINSTEIN. But, you see, my point is that we have a growing number of people not making very much money and not being able to get out of it. As a matter of fact, you know, parts of California Bay are beginning to look like a third world country. To be very honest with you, it's a very serious problem; and because everything is high tech and bio tech, our whole manufacturing base has changed dramatically. And yet, as you say, we continue to accept about 50 percent of the nation's migration. It is presenting a huge social dilemma, which really could blow up in some major ways.

And, I do not know what really addresses it. For example, if you have a single mother with two children, it costs her $15,000 a year for the basic lowest rent, lowest food, lowest clothing, lowest child care, which means she has to hold three minimum-wage jobs to be able to pay that amount, as it all works out.

I mean, it is almost an impossible circumstance for people. And, when you get large numbers, too, I think that it presents a deepening social crisis. That is what I believe we are facing—how to diversify a work base, particularly when you have the affluence we have. And, we have a 5 percent GDP.

I guess, for me, this deals with the whole minimum wage thing. California's minimum wage is 50 cents above the Federal minimum wage. But, we have 37 cities in the United States now going for living wages. Part of that is driven, I think, by this phenomenon.

So, I really think we have a brand new phenomenon of a huge growth of a have-not class that the economy does not benefit at all.

SHARE OF TOTAL INCOME IN LOWEST GROUP

Mr. ANDERSON. One of the trends you may be citing is that not only has the composition of that bottom 20 percent changed, but over time that quintile's share of total income has actually shrunk. I do not know exactly what the figures are. I think it is——

Senator FEINSTEIN. That is right.

Mr. ANDERSON (continuing). Down to 1 percent or 2 percent. By contrast, people in the top 20 percent—the same number of people—now have about 50 percent of the total income.

As the chairman said in his introductory remarks with respect to productivity, we at CBO do spend some time looking at international comparisons. Y2K was not a problem unique to the United States, nor were the solutions or computers that were applied to try and fix the problems. But what is relatively unique to the United States is our productivity growth, which is much higher than that of other countries. And we ask, Why are we doing better?

The same thing applies to income distribution. We have a greater share of total income in the upper-income quintile than do most other, if not all other, developed countries. But as Dan points out, we also have mobility; if we had a static group in the bottom 20 percent, I think the social problems would be much, much worse than they are now. But fortunately, we do allow for a lot of mobility. That mobility works in both directions. The people in the top 20 percent—the ones with all that income—sometimes move down, too. But we have that mobility with the people at the bottom.

Senator FEINSTEIN. Let me ask you: Are we sure, are you sure, that such mobility is taking place as much now as it did?

WORKFORCE CONSTRAINTS ON THE ECONOMY

Mr. CRIPPEN. Actually, it looks like it has accelerated a little. I mean, it is happening faster, except for this class. As I said, this study suggests that people without a high school education are stuck, that they are not moving up. But beyond that, there is a lot of mobility up and out.

In your State, in particular, that phenomenon is driven by immigration. And that is something that we are going to have to deal with at the national level. For example, we assume that over the

long run, our economy can grow at about 3 percent a year in real terms. Two percent of that, roughly, is productivity. One percent is an increase in the workforce.

We are becoming constrained, not just in the current low employment rate but in the number of people we can anticipate coming into the workforce. If, for example, that 1 percent became 2 percent because of immigration or some other policy change, you would obviously raise the ability of this economy to grow dramatically.

And as we see in our numbers, the difference between 3 percent and 4 percent, or 2 percent and 3 percent, is a lot. So we are going to have to promote, allow, encourage immigration to help our future economic growth. But at the same time, as you are pointing out, there are certain consequences that the rest of the country may not be feeling uniformly. And our ability to assimilate those folks will depend on more than just the H–1B visa. Is that the——

Senator FEINSTEIN. That is it.

Mr. CRIPPEN. I was talking to Senator Bunning awhile back, and Kentucky is having difficulty finding labor for the farm community—not just migrant workers but labor, period. And so it is not just high-tech companies that need help; it may be others as well. Immigration writ large is going to be an important issue for our economy to face.

Senator FEINSTEIN. If we could just talk for a minute. One of the things that is also happening—and I have spent some time on this now—is very bad farm labor contractors. They go out and bid on something, and they outbid each other. And, the only way they can outbid each other is by not paying the workers. So, increasingly, there are groups of farm workers who are not getting paid even what they should be.

And, I think, it is escalating in our State because we have a lot of monolingual farm laborers in the workforce. In other words, they do not speak English very well. I think there are some huge social problems coming out of all of this affluence, which are masked by the affluence, and the kind of glitz of this new economy.

On the way back yesterday, I sat next to a man on the plane. He was so high tech that I did not understand him. It was like he was speaking a whole different language. His interests were so restricted, so narrow, so lack-of-caring for anything else around him, that it really was kind of arrogant—you know, sort of the sweatshirt and loud on the cell phone. It is a kind of arrogance that is permeating our economic structure.

Mr. CRIPPEN. It used to be investment bankers. Now it is——

Senator FEINSTEIN. Yes. Right. And it is really causing me concern, because I can see what happens in California, both good and bad. Then, it passes on to other States. So, it is serious.

MOBILITY OF WORKFORCE

Mr. CRIPPEN. One of the things that is notable in the U.S. experience is the mobility of our labor force—the ability to change jobs or, maybe, the necessity to change jobs. That mobility distinguishes us from Germany and other European countries in particular.

So Government intervention to help take care of some of the income disparities and other things could be harmful if it interferes with that mobility, which is an advantage in our economy. That is

not to say one should not take notice of and design policies to address disparities, but it has to be carefully done because the lesson seems to be that labor mobility is really what is distinguishing our current economy.

Senator BENNETT. Chairman Greenspan has made that point. And as we look at Europe, if you cannot get a job in Italy, let us say, in the European community, you are much less likely to move to Belgium where the jobs may be, than, by comparison in the United States, if you cannot get a job in California, you may move to Utah. And we have seen a lot of that, by the way.

Senator FEINSTEIN. Yes.

Senator BENNETT. Utah's growth, at least a few years ago, was driven, if I may, by the anti-business attitudes that for a while were in Logan, California. Our Governor used to say that the greatest economic development agency in the State of Utah is the State legislature in California.

And I was one of those. I lived in California and moved to Utah, because we felt we could grow our business better in Utah. That kind of mobility—my children grumbled a little, changing schools and so on. But that kind of mobility is standard in the United States. And in Europe, where you go to a whole new culture, whole new language, you may have the same currency now in the Euro, but you are much less likely to pack up and change citizenships. Whereas in the United States, changing your citizenship from California to Utah, or the other way, you have been the State that has seen the most mobility going in that direction.

Senator FEINSTEIN. Bob, here is the main thing in all this: Our figures predicated that, in the next 20 years, there will be another 15 million people in the State; so we will have 50 million people. I mean, if most of this would go to Utah, if there was a spread; it would be great, because you could handle it. But, go into a school, K through 6, with 5,000 students, 60 different languages; who can ever learn anything? And, that is sort of what it is coming down to without the basic infrastructure to deal with any of this.

Senator BENNETT. We are at our own level facing the same problem in Utah. We are looking at the growth that is coming and saying, how in the world are we going to house all these people? How in the world are we going to transport them?

Senator FEINSTEIN. Anyway——

Senator BENNETT. Anyway.

Senator FEINSTEIN. We are not going to eliminate CBO, right?

Senator BENNETT. We are not going to eliminate CBO.

Mr. CRIPPEN. I was waiting for that question.

USING THE HOUSE COMPUTER

Senator BENNETT. Here is a very minor, very technical question, that we probably ought to have on the record. You include a request for $150,000 to study solutions for the transfer of mainframe applications. Is this related to your pattern of sharing time with the House computer system? And if so, will the House allow CBO to continue to reimburse for this resource, or are you looking for someplace else to go?

Mr. CRIPPEN. The short answer to your question is, yes. We currently have about half a million dollars a year in the budget to pay

House Information Resources (HIR) for computing services, largely for our Budget Analysis Division. As of last night, HIR informed us that they want us to migrate off their mainframe much more quickly than we had anticipated. So we may actually have to begin before next year.

Senator BENNETT. They want you to move from California to Utah.

Mr. CRIPPEN. They do. We can do a lot of this stuff remotely, from almost anywhere. We have already migrated a lot of our systems off the HIR mainframe, because HIR does not want anybody using their computers. And, in fact, HIR will probably get rid of their mainframe eventually and become a micro-park upstairs.

We have moved a lot of things to the Library of Congress and have actually saved a fair amount of money by doing so. The Library charges much less than HIR.

So our dilemma is that we are going to move off the HIR mainframe sooner than we had anticipated, but hopefully not until the end of, roughly, 2002 or so, when we were planning to, rather than by the end of 2000, which may be facing us. If it is 2000, we will have to start this year to figure out how to move some of our systems.

Senator BENNETT. And will that involve increased costs, if you have to move——

Mr. CRIPPEN. No. Actually, the move should save us money once it's completed because we have already saved several hundred thousand dollars in moving other applications from HIR to the Library of Congress, which is willing to give us a fixed-fee service contract. We pay them $100,000 a year: about half of that goes to licensing, and the other half is a fixed fee for as much computer time as we need for our statistical analysis processing.

So it has saved us several hundred thousand already to migrate. We need to. We want to. The question is how quickly we can make that move.

The system, by the way, that is still on the HIR mainframe is for our Budget Analysis Division, which does the true number-crunching. When you report a bill out of another committee and ask for a cost estimate, it is our BAD staff who do the work. So it is not a system that we can blithely shut down, move, and try to re-up. The move has to be made carefully. And there are not many downtimes during the year in which to make that transition.

Senator BENNETT. I want to say thank you to your agency and for your willingness to engage us today——

Mr. CRIPPEN. Absolutely.

Senator BENNETT (continuing). In this conversation.

Mr. CRIPPEN. That is what we are here for.

SUBCOMMITTEE RECESS

Senator BENNETT. The hearing is recessed.

[Whereupon, at 10:26 a.m., Tuesday, February 8, the subcommittee was recessed, to reconvene at 9:30 a.m., Tuesday, February 22.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2001

TUESDAY, FEBRUARY 22, 2000

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:34 a.m., in room SD–116, Dirksen Senate Office Building, Hon. Robert F. Bennett (chairman) presiding.

Present: Senators Bennett and Stevens.

Also present: Senator Campbell.

U.S. CAPITOL POLICE BOARD

STATEMENTS OF:

HON. WILSON LIVINGOOD, SERGEANT AT ARMS, U.S. HOUSE OF REPRESENTATIVES, CHAIRMAN, CAPITOL POLICE BOARD

HON. JAMES W. ZIGLAR, SERGEANT AT ARMS, U.S. SENATE, MEMBER, CAPITOL POLICE BOARD

ALAN M. HANTMAN, ARCHITECT OF THE CAPITOL, MEMBER, CAPITOL POLICE BOARD

GARY L. ABRECHT, CHIEF, U.S. CAPITOL POLICE

OPENING STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. The subcommittee will come to order. I have firsthand experience of what is happening downtown with respect to the semis and the tractors, and expect that we will be having other members of the subcommittee join us as that problem works itself out.

We are happy to welcome Senator Campbell. While not a member of the subcommittee, he is a member of the full committee and has an interest in the subjects we will be discussing today. Senator, we are delighted to have you here.

Senator CAMPBELL. Thank you, Mr. Chairman.

Senator BENNETT. This is the second of four hearings that the subcommittee is holding on the fiscal year 2001 budget request. As I say, we have held one. The other two will be February 29 and March 7.

Senator Feinstein will not be able to join us today. She has asked that her statement be included in the record, which of course we will do.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DIANNE FEINSTEIN

Mr. Chairman, I appreciate the opportunity to comment on the fiscal year 2001 budget requests being presented to the Subcommittee today.

First, with regard to the Capitol Police Board's budget, I believe that we need to do everything we can to see to it that our facilities here in the Capitol complex are as safe as they can possibly be—not just for our Members and staff, but for all our citizens.

During the last two years, we have made major investments for enhancing security. The additional funds provided to the Capitol Police in fiscal year 2000, along with the emergency funds in the Fiscal Year 1999 Omnibus Appropriations Act, have been of great benefit in bringing on board many new recruits, and in helping to provide our sworn officers with the necessary up-to-date equipment, which they need to effectively carry out their mission. And, during this process, we have identified other areas which will need to be addressed with additional resources or manpower in the future. The Capitol Police Board still has a long way to go to bring the department up to where it should be in terms of technology and training.

I congratulate Chief Abrecht and Sergeants at Arms Livingood and Ziglar for the work and dedication they have put into the security enhancement program, but I'm sure they would all agree that we still have much more to do. I look forward to receiving their testimony.

Mr. Chairman, on a personal note, I would like to take this opportunity to express my gratitude to Chief Abrecht for his many years of service to the Congress. It is my understanding that Chief Abrecht will soon retire, and I just wanted to extend to him and his family my best wishes for the future. We will certainly miss him here.

And, as always, I look forward to receiving the testimony of Dr. Billington, the distinguished Librarian of Congress. The Library is constantly undergoing change, not only to adapt to the way in which we operate in Congress, but to address the fluid nature of the public's demand for knowledge. I think that the Library has performed remarkably in recent years, given the dynamics of today's technology.

I also welcome the testimony of our other distinguished witnesses on behalf of the Government Printing Office and the Joint Committee on Taxation.

I do have a few questions, which I would like to submit to several of today's witnesses for response; and, with your permission, Mr. Chairman, would like to have those included in the record.

Senator BENNETT. Now, today we will hear testimony from the Capitol Police Board, the Library of Congress and CRS, the Government Printing Office, and the Joint Committee on Taxation. So we will start with the Capitol Police Board. The chairman of the board this year is Wilson Livingood, the Sergeant at Arms of the House of Representatives. Mr. Livingood, we welcome you on this side of the Capitol, joined of course by Jim Ziglar, the Senate Sergeant at Arms, and the Architect of the Capitol, Mr. Alan Hantman, and Chief Abrecht.

Chief, we notice, take appropriate official notice of your retirement and want to make official comment for the record of thanks for your service, recognition of your dedication in this assignment. You have had an impact on helping make the Capitol Police more professional. I particularly appreciate that and understand that.

I was here as a Senate staffer, began indeed as a Senate intern in the 1950's, and I remember when it was called "the campus cops" because a Senator had the right of patronage for the police, and some of Utah's most prominent lawyers did all of their studying while sitting behind a desk wearing a badge as members of the Capitol Police. One of them who was a member of the State legislature in Salt Lake, who was here on my father's patronage, said, if anything had ever happened that would have required me to draw my gun I would not have had the slightest idea how to do it or what to do with it once I got it out of the holster; I was entirely

a figurehead, going to law school at night and doing all of my studying at my post.

We have come a long way since then. Unfortunately, we need to have come a long way since then. You were part of the effort that has brought that professionalism, and we want to thank you for it officially and acknowledge your contributions.

Mr. ABRECHT. Thank you, Mr. Chairman.

BUDGET REQUEST

Senator BENNETT. Now, the Capitol Police have requested a total of $110,858,000 for fiscal year 2001. For those who follow numbers closely, this is an increase of 31 percent over last year. Everybody is going to gasp at the 31 percent, but there are explanations for that and offsets for it, and it is not really as big a jump as it would appear.

So with that, Mr. Livingood, we look forward to your presentation.

STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. Mr. Chairman, I wonder——

Senator BENNETT. Yes, Senator Campbell, we would be delighted to hear from you at this point.

Senator CAMPBELL. Well, first of all, thank you for letting me sit on this committee. As you did mention, I am a member of the full committee, but not this subcommittee.

I also want to extend my appreciation for the years of service the Chief has given to our community here. I know he will be going on to things that are considerably more fun than police work. As a former deputy myself, I know it is not a bed of roses.

I am sitting in really just for one thing, as you know, Mr. Chairman, and I certainly appreciate the opportunity to ask a couple tough questions when we get to it. But since the police are first up, I want them to know that whatever I have to say and the questions I ask do not reflect on my support for our police department. As a former deputy, as the guy that was the prime sponsor of the Cops on Schools program and the bulletproof vest bill and the national museum bill we have in this year for a National Museum for American Policemen and as a person who was given a service award for coming to the aid of a police officer a few years ago, you know that I am on your side.

But I am really concerned about one specific thing and I talked to the chairman about it and that is why I am here. That is the buy-American provision that we have now in buying American equipment. In particular it is the motorcycles that are in use for the Capitol Police. I have talked to the Chief about this before, Mr. Chairman.

But since 1994 we have purchased only 3 that I know of of American motorcycles out of the something like 75 that they have. The little foreign bikes—I cannot understand this myself because we do have a buy-American policy for all the other vehicles, the four-wheeled vehicles you might say, and yet we buy these things that break down and look like junk. One-third of them are not even operable that the police have now.

In 1994, that was the last time they purchased any American-made motorcycles, and that was my prime concern. It seems to me the intent of Congress last year, when you went to bat for the purchase of six new ones, as Chairman Stevens did, the chairman of the full committee—in fact, that is why the number six was in there. I had recommended three to the chairman of the full committee and he said three simply will not do it, we need to put more in that budget, and so we did.

It just seems to me the intent of Congress was somehow diverted or there was an end run around it. I wanted to ask some questions about that, because I have talked to a number of policemen that are on the force, they are working policemen. There is no question that they are not equipped now to make any traffic stops. They have no lights, as you know. They are inadequate in my opinion. They cannot be used for any escorts for foreign heads of state. We have to keep calling on the Park Service to do that.

It just seems to me that we made it pretty clear last year that we wanted some American heavier motorcycles that could take up the slack, and they have not yet been purchased.

I was also told by one Capitol Police officer if he had spotted Russell Weston, the man that killed Officers Gibson and Chestnut a couple years ago, if he had spotted him driving on the day that he came through town and if he had even seen an open weapon on the seat of the car, he would not have been able to stop him on one of those little things that they ride now.

I think that is just totally unacceptable, to say nothing that I hear from guests at the Capitol all the time, people who come here as visitors, and they end up making sort of a laughingstock of our officers that are riding those, those little throw-away machines, those foreign machines, and I kind of resent that, that our officers should be the butt of ridicule and jokes because of the kind of equipment they are using.

So that was my primary reason for being here, Mr. Chairman. With the 31 percent request on their increase of budget, I have no opposition to that. I have always been one to try to come to the aid of a policeman, whether it is budgetary or any other way. But it seems to me we ought to take this up, and when I have the time I would like to ask a couple of questions.

Thank you.

Senator BENNETT. I think your questions are anticipated, and we welcome your being here and we salute you, Senator Campbell, for your diligence in following up on this issue.

Mr. Livingood.

Mr. LIVINGOOD. Mr. Chairman and Senator Campbell: Thank you for the opportunity to be here today to discuss the key points in the U.S. Capitol Police budget request.

Before I begin, I would like to acknowledge the service of Chief Gary Abrecht. As you are aware, Chief Abrecht has announced that he will retire at the end of April. I would just like to say that during his tenure he has led the department through significant change. He is credited with raising the professional reputation and recognition of the U.S. Capitol Police. This was accomplished in large part through his vision, leadership and guidance.

Chief Abrecht will always be remembered for the strength and compassion he showed following the deaths of our two officers in 1998. On behalf of the board, I would like to thank the Chief for his service to the department and to the Congress, and also to the American people.

ANNUAL BUDGET

Mr. Chairman, the annual budget for the U.S. Capitol Police is driven by a number of factors. Primarily, it is representative of the staffing level required to provide Congress, the public, and the buildings an adequate level of security in such an open environment. The threat to the Capitol complex, the Members, their staffs, and the millions of Capitol visitors can never be discounted as hypothetical. Such threats have been acted on only too frequently in the past and continue to be made today.

In fact, it can be argued that the Capitol complex is threatened now more than ever. In recent years, the White House and other executive branch agencies and their facilities have acquired strengthened security measures. As the most visible and accessible symbol of the United States Government and American democracy, the Capitol is arguably placed in a more exposed situation by the additional precautions taken to safeguard the President and the executive branch facilities.

In contrast to the physical security provided to the White House and other installations, the Capitol complex relies primarily on a cadre of police officers to provide the barrier against terrorist attack and criminal intentions. To repeat, the officers themselves are the main line of defense and security for the U.S. Capitol.

Because of the open nature of the Capitol complex, the access points to our buildings serve as both our first line of detection of a threat and the first line of defense and protection against that threat. It is for this reason that officer staffing at the entry points is such a critical issue.

With regard to the number of sworn officers, a 1998 security survey concluded that, given the nature of our mission, we were severely understaffed. This conclusion was supported by a separate analysis conducted by an independent auditor.

Based on that report, the department was provided funds by the Congress to hire a first increment of 215 additional officers over a 2-year period. Once fully trained and deployed, these officers will allow us to increase our security posture. However, we will still not be able to meet a critical recommendation of this report, to staff all building access points with at least two officers. In order to fully meet that recommendation, which will increase both officer and security for the complex, we will need to increase our sworn FTE's by an additional 100 officers.

The board has endorsed this figure and feels that it is justified, given the security threat and the task force recommendations. Therefore, we have requested funding for these additional officers in our budget submission.

Recently the board and the department working in partnership developed the first strategic plan for the U.S. Capitol Police. We are committed to ensuring that every aspect of this plan is imple-

mented and we will adhere to a structured time line to measure our progress and success.

FACILITIES MASTER PLAN

I am pleased to represent that the Architect, working closely with the department, has completed the United States Capitol Police facilities master plan. Done at the committee's direction, the master plan addresses three major facilities that are critical to the mission of the department. They are the training facility, the vehicle maintenance facility, and the offsite delivery center.

I am deeply concerned about the lack of adequate training facilities for the department. Currently the department must train in a suite of converted offices in the Ford House Office Building and a small amount of borrowed space at Anacostia Naval Air Station. Unlike other law enforcement agencies of a similar size and mission, the U.S. Capitol Police does not have outdoor firing ranges, space and facilities for tactical, protective, or officer safety survival training, or areas to support any kind of specialty training.

Clearly, training facilities are needed to support the important and diverse missions of the department. Training is often cited as one of the most important responsibilities in any law enforcement agency. It serves three purposes: One, well-trained officers are better prepared to act decisively and correctly; two, training results in greater productivity and effectiveness; three, training fosters cooperation, unity of purpose, and overall department morale.

The board has endorsed the facilities master plan and feels that it is imperative that the Architect is provided with the funding he requires to begin implementation before our ability to perform our mission is compromised.

Finally, I would like to commend the men and women of the United States Capitol Police for continually performing their duty in a diligent and professional manner. We have come an awful long way since the days of the campus cops. The level of support and funding provided to the Capitol Police must be commensurate with the level and quality of service expected by Congress and the American people. The funds requested in this budget are intended to meet that goal.

PREPARED STATEMENTS

I would also like to thank the committee for last year's and the year before's support that you have given, particularly in the security enhancement plan. It has been a tremendous increase for the Capitol Police in both some personnel and equipment. It was needed and I think this will help for the future security at the Capitol.

[The statements follow:]

PREPARED STATEMENT OF HON. WILSON LIVINGOOD

Mr. Chairman and members of the Committee, I am pleased to appear before you today to present the fiscal year 2001 Budget Request for the United States Capitol Police.

Mr. Chairman, before I discuss our proposed budget, I would like to acknowledge the service of Chief Abrecht. As you and the members of the Committee are aware, Chief Abrecht has announced that he will retire at the end of April. During his tenure, he has led this Department through significant change. The U.S. Capitol Police is not the agency it was eight years ago when he took over as Chief. Our mission

has broadened, the threats we face have grown, and our capabilities have expanded. Chief Abrecht is credited with taking us into the 21st century and increasing the reputation and professionalism of the Department. The final phases of the professionalization of the U.S. Capitol Police were accomplished, in large part, due to his vision, leadership, and guidance. I will always be thankful for the strength and compassion he showed after the deaths of our two officers in 1998. He led the Department and the Congress through a difficult time and, most importantly, he always had the interests and needs of the surviving families and the members of the U.S. Capitol Police foremost in his concern. On behalf of the Board, I thank the Chief for his service to the Department, the Congress, and the American people.

The budget submission for the U.S. Capitol Police for fiscal year 2001 is $110,858,000, which is an aggregate 31 percent increase. Of the total request, $100,898,000 is for salaries and $9,960,000 is for general expenses. It should be noted that the largest part of the increase is for the annualization of salaries for the approved 260 officers and civilians.

In the past, we have testified before this and other committees regarding the security threat we face on a daily basis. The passage of time has only deepened our concerns. The greatest strength of the United States Capitol Complex, its openness and accessibility, is also its greatest weakness. We must stand ready to respond to a wide-variety of violent acts ranging from a lone gunman, a terrorist bombing, and a chemical or biological release. It is not a question of if a terrorist incident will again occur on U.S. soil, it is now a question of when and where. The United States Capitol was been the target of five attacks last century; three bombings and two shootings. In the most recent event, which occurred in 1998, two U.S. Capitol Police officers were murdered while defending the Capitol from a gunman. These and other incidents prove that we must be prepared to meet a constant, underlying threat to the Capitol Complex. All of these combined factors drive both our mission and our staffing requirements.

In 1998, a comprehensive security survey was conducted of the entire Capitol Complex. A blue ribbon task force, comprised of security experts from five federal law enforcement agencies, was assembled to examine every aspect of our operations and make recommendations for improvement. The final report was used as the basis to request the additional personnel, equipment, and technology which were ultimately approved and funded by Congress. The schedule for bringing these projects on line is contained in the Security Enhancement Plan which was approved in February, 1999.

I would like to inform the Committee on the progress we have made to date in implementing the various initiatives contained in the Security Enhancement Plan. With regard to our staffing increase, we have hired 167 new officers, the majority of which are still in various stages of training. It should be noted that once an officer is hired, it takes six months of training before that officer can be deployed to a field position. We will finish hiring the final complement of officers by the end of this fiscal year. In addition, we have filled 10 new civilian positions, 17 positions are presently being filled, and 18 positions are on hold pending committee authorization. Of the $25.2 million provided for this effort, we expended $1.7 million for salaries and benefits and $7.1 million for overtime in fiscal year 1999. In fiscal year 2000, salaries, benefits, and the cost of living adjustment will amount to approximately $14.2 million.

We have also made significant progress in upgrading the equipment used by our officers. The Security Enhancement Plan included approximately $9.7 million for this effort. We have measured 1,200 personnel for custom-fitted soft body armor and have issued the new body armor to 740 members. We are experiencing a 20 percent return rate which is attributable to vendor error in measuring our personnel or in the manufacturing process. The vendor is replacing this armor at no cost to the Department. We anticipate finishing issuing all new body armor by the end of February. Additionally, 406 officers have been trained with and issued the new GLOCK 22 .40 caliber pistol. These weapons are being issued to our front-line officers first. We will finish the transition for all sworn personnel by the end of the year. We have also expended funds for uniforms for our newly hired officers and we are in various phases of purchasing eight new vehicles. We are currently examining emerging technology for our hand-held radios which meets both our requirements and Federal Communications Commission standards which become effective in the year 2005. We anticipate making a purchase of additional radios in the near future with the ultimate goal of assigning a radio to every officer. Finally, we are in the final stages of procuring bullet resistant podiums to be used by officers at building entrances.

In the past few months we have deployed a significant amount of security technology in the field which is used by our officers. I am pleased to report that 62 new metal detectors have been installed at building entrances and we are awaiting deliv-

ery of another 20 units. We have also deployed 16 new back-scatter x-ray machines at various entrances. Additionally, 6 new large capacity back-scatter x-ray machines have been purchased and installed at the Off-site Delivery Center. These machines will enable us to more effectively screen deliveries to the Congressional buildings, including the House Office Buildings which were recently brought on-line.

The Board and the Department have been moving expeditiously to implement the various provisions of the Security Enhancement Plan and we have made significant progress. However, many of these initiatives are long-term projects which incorporate emerging security technology or require capital improvements to our facilities. We will keep the committees of jurisdiction apprised of our progress.

With regard to the number of sworn officers, the report concluded that, given the nature of the Capitol Complex and the magnitude of our mission, we were severely understaffed. This conclusion was supported by a separate analysis conducted by an independent auditor. As previously stated, the Department was provided funds to hire a first increment of 215 additional officers over a two year period. Once fully trained, these additional officers will allow us to increase our security posture. However, we will still not be able to meet a critical recommendation of the report to staff all building access points with at least two officers. In order to fully meet that recommendation, which will commensurately increase security and officer safety, we will need to increase our sworn FTE level by 100 officers. The Board has endorsed this figure and feels that it is justified given the security threat and the task force recommendation. Therefore, we have requested funding for these additional officers in our budget submission.

Recently, the Capitol Police Board and the Department, working in partnership, developed the first Strategic Plan for the U.S. Capitol Police. This plan was built from the ground up through a succession of workshops, consultations with all managers, focus group input from all levels of the Department, and feedback from outside entities with a stake in the operations of the Department. This Strategic Plan represents an evolutionary step in the Department's development. In preparing this plan, we took a hard look at the Department, objectively identified its strengths and weaknesses, and plotted a course designed to ensure that it is a well-trained and robust organization, prepared for the future, and able to provide the best possible services to the community. One aspect of the Strategic Plan addresses the Department's financial management situation. We realize that there are major problems in our current financial management operation and we are actively working with the Committees and the General Accounting Office to rectify the situation.

The success of the Strategic Plan, or any plan for that matter, is entirely dependent upon how well it is executed. The Board and the Department are committed to ensuring that every aspect of the plan is implemented and will adhere to a structured time line to measure our progress and success. We believe this budget submission reflects the first phase of our effort to address the issues identified in the Strategic Plan.

Another issue that is very important to the Board and the Department is the condition of several facilities used by the police. The Architect was directed by the Committees to perform a study of USCP facility needs and develop a master plan to resolve this pressing issue. I am pleased to report that the Architect has completed this project and copies of the United States Capitol Police Facilities Master Plan have been forwarded to the committees of jurisdiction for review. The Master Plan addresses three major facilities which are critical to the mission of the Department. They are the training facility, the vehicle maintenance facility, and the off-site delivery center.

Mr. Chairman, the capability, proficiency, and efficiency of an organization is dependent upon the level of training, knowledge, and skills of its personnel. The U.S. Capitol Police is no different. In fact, because of the complexity and diversity of its mission, the U.S. Capitol Police relies very heavily on providing high-quality training to its personnel on a myriad of operational, administrative and management functions.

Currently, the U.S. Capitol Police does not have training facilities that are adequate to meet its diverse and important mission. All recruit and in-service training is conducted in two converted offices in the Ford House Office Building and a small amount of borrowed space at the Anacostia Naval Air Station. Unlike other law enforcement agencies of a similar size and mission, the Department does not have outdoor firing ranges, space and facilities for tactical, protective, or officer safety and survival training, or areas to support any kind of specialty unit training. Clearly, the current training facilities are woefully inadequate to support the mission of the Department.

The vehicle maintenance facility, which supports the operation of over 100 police vehicles, consists of a single vehicle lift in a shed which sits in a coal yard in south-

east Washington. This facility suffers from vermin and insect infestation, poor air quality, and lack of adequate space. These factors make this facility unsafe and unhealthy for the personnel who are assigned there and unfit to meet our fleet vehicle maintenance needs.

Likewise, the off-site delivery center is housed in a converted warehouse which is inadequate to fully support the important nature of the security screening being conducted. This situation has reached a critical stage now that the House has been brought on-line for screening of deliveries which is intended to prevent the security risk associated with an explosive device entering a building loading dock.

The Architect has been working diligently to address the facility needs of the U.S. Capitol Police. The Board and the Department have been and will continue to work closely with the Architect to resolve this important issue. The Board has endorsed the Master Plan and feels that it is imperative that the Architect is provided the funding he requires to begin implementation of the plan before our ability to perform our mission is compromised.

I would like to commend the men and women of the United States Capitol Police for continually performing their duty in a diligent and professional manner. The responsibilities which rest on their shoulders are daunting. Each day, they must ensure the safety and security of the Congressional community and the thousands who visit these buildings by protecting them from acts of violence. In doing so, they allow the national legislative process to proceed unhindered. The level of support and funding provided to the U.S. Capitol Police must be commensurate with the level and quality of service expected by the Congress and the American people. This budget, and the funds requested by the Architect, are intended to meet that goal.

In closing, I would like to thank the Committee for your approval and support of the Security Enhancement Plan. Your efforts, and those of the other Committees, have allowed us to make significant improvements to the level of security throughout the Capitol Complex. The remaining recommendations in the Security Enhancement Plan will serve as a blueprint for future improvements. A detailed budget for the U.S. Capitol Police has been submitted to the Committee. I will be happy to answer any questions you may have.

PREPARED STATEMENT OF GARY L. ABRECHT

Mr. Chairman and members of the Committee, I am honored to appear before you today to discuss the fiscal year 2001 Budget Request for the United States Capitol Police.

As you are aware, I have informed the members of the U.S. Capitol Police Board that I will retire at the end of April. I am proud to have had the opportunity to lead the Department for the past eight years. I am also proud that we have made significant strides during that time to complete the professionalization of the United States Capitol Police. That goal was set by Congress years ago and now, through your unflagging support and the hard work of our personnel, it has come to fruition. Together, we have met and overcome the challenge of transforming the U.S. Capitol Police into the agency its mission demanded. The challenge which lies before us now is ensuring the Department receives the continued level of funding and support required to sustain it.

In 1998, shortly after the tragic murders of two of our officers and the bombings of the American embassies in East Africa, a comprehensive security survey of the Capitol Complex was conducted by a task force comprised of several federal law enforcement agencies. The task force made 450 recommendations, including staffing changes which would have resulted in over a 50 percent increase in our sworn personnel. Funding for the recommended security enhancements, which included a first increment of 260 police personnel, providing upgraded equipment to our officers, and obtaining state-of-the-art security equipment, was made available through Public Law 105–277.

We have been aggressively recruiting qualified personnel for sworn positions and I am confident we will have met our goal of attaining the additional personnel stipulated in the Security Enhancement Plan by the end of this fiscal year, although a substantial number will still be in training and not available for deployment.

The increase of officers we currently have onboard, as well as substantial usage of overtime, has allowed us to begin to implement an increased security posture throughout the Capitol Complex. Primarily, we have used the additional officers to staff as many access points as possible with at least two officers, which was a significant recommendation in the security survey. This level of deployment affords greater security to those who work and visit within the Capitol Complex and also enhances officer safety.

However, even when we are able to fully deploy our total authorized sworn FTE level, we will still need an additional 100 officers to staff all access points at the recommended level. Therefore, we have included funding to hire that many officers in our budget request. These additional positions represent the continuation of the staffing increase which began in fiscal year 1999 and are crucial if the Department is to fully satisfy a critical task force recommendation of staffing all building access points with a minimum of two officers.

The requested increase for salaries reflected in the fiscal year 2001 budget submission is due primarily to these additional officers and to the annualization of the 260 FTE previously funded through the Security Enhancement Fund. The increase will also sustain the revised longevity rates, and differentials for Sunday, holiday, and evening shifts that were approved by the authorizing and appropriating committees in fiscal year 1999. The funding request for salaries will also cover the cost of the anticipated CY 2001 COLA and comparability pay, annualization of the CY 2000 COLA and comparability pay, and the associated costs of personnel benefits.

Regarding general expenses, several issues have compelled us to request additional funding. Maintaining the proficiency and effectiveness of our operational and administrative personnel has become a significant concern due to the constantly changing environment and complexity of our mission. In order to ensure that they are able to meet the requirements of their duties, they must receive the knowledge and acquire the necessary skills through training. Also, in order for members to maintain mandatory certification requirements, they must complete continuing education and certification courses.

The financial management system currently used by the U.S. Capitol Police is antiquated and has been a concern of the Board and the committees. Therefore, the Office of Financial Management has entered into a cross-servicing agreement with the General Accounting Office to migrate to the GAO accounting system. The GAO has estimated that the cost of this agreement would be $200,000. If approved, we will migrate to the GAO accounting system at the outset of fiscal year 2001.

As you are aware, the Department currently receives support for computers and telecommunications from the Senate Sergeant at Arms. For the past several years there has been discussion among the Board and committees as to whether the management and accountability for these functions would be better served by having the Department budget for and administer these functions. If approved, the Department would reimburse the Senate Sergeant at Arms for these services. I would like to point out that should these amounts not be approved, they will need to be restored to the Senate Sergeant at Arms fiscal year 2001 budget.

The final significant increase in the fiscal year 2001 budget is in the category of life-cycle replacement costs. It is essential to the operation of the Department that our officers utilize equipment that is modern and able to meet the demands of police and security work. Therefore, we have requested funding to methodically replace physical security systems, vehicles, and police equipment. The Department has been unable to adhere to a life-cycle replacement program, particularly with regard to fleet vehicle replacement, due to reprogramming and other funding restrictions in previous budget cycles.

The final significant increase in general expenses is attributed to the need to modernize the information technology capability of the Department. This budget correlates information technology activities with the USCP Strategic Plan, the Information Technology Strategic Plan, and the IT Modernization Implementation Plan. We are moving forward with seed money that was provided to us last year. The requested increase will allow us to continue to address IT deficiencies and update our system through cross-servicing agreements, outsourcing contracts, and use of in-house personnel.

My concern regarding the inadequacy of several police facilities to support the mission of the Department has deepened. Several facilities currently used by the Department can no longer support our mission. Others are in need of repair or expansion or relocation to another site. Another critical area is our lack of training facilities. I feel it is a testament to the commitment, resourcefulness, and dedication of our personnel to have achieved such a level of training and ability given the lack of any semblance of customary police training facilities. This issue strikes at the heart of my earlier statement regarding ensuring the support necessary to sustain our professionalization.

Last year, the committee provided funding to the Architect to develop a comprehensive facilities needs assessment and space plan for the Department. The recently completed study, known as the United States Capitol Police Master Plan, addresses the long-term facilities needs of the Department in areas of training, administrative and security operations, and personnel support. I am pleased with the recommendations contained in the report and I request your favorable consideration of

the Architect's funding requests to begin implementing the study's recommendations.

In closing, I would like to thank the Committee for the guidance and support you have shown me. We each bear a significant responsibility to the public in determining what level of security should be afforded to the Legislative Branch. I am proud to have led such a dedicated and professional group of men and women for the past eight years. They provide a valuable service each and every day under difficult conditions. It is my hope that Congress continues to ensure the Department remains strong and viable because to do so is in the best interest of both the institution of Congress and the American people.

Senator BENNETT. Thank you very much.

Does any other member of the board have any comment at this point before we go to questions? Mr. Ziglar.

Mr. ZIGLAR. Mr. Chairman, I would just like to reflect on your comments and the chairman's comments with regard to Chief Abrecht. The Chief's many accomplishments have been nicely outlined, but I would add that he is a man of great integrity and that I have come to appreciate him both as a professional and as a person, and I think that his integrity is going to be something that we will remember for a very long time.

Senator BENNETT. Thank you.

Mr. Hantman.

Mr. HANTMAN. I certainly make that unanimous, Mr. Chairman. Chief Abrecht has been a strong leader for us and really set the tone, as you well pointed out earlier on, to change this into a really professional police organization, and we are hoping to build on that foundation.

Senator BENNETT. Very good.

You all heard Senator Campbell's comment. Before I turn it over to him for specific questions, does anyone wish to address the issue that he raised in his opening comment?

Mr. ABRECHT. If I could just make a few other comments perhaps to the chairman, and then I will be glad to address Mr. Campbell's concern——

Senator BENNETT. Yes.

Mr. ABRECHT (continuing). Much of which I share.

First, I would like to thank you for your gracious comments, and the board as well. It has been a great ride these past 8 years. I do believe we have gotten some things accomplished, though not everything we would have wanted to. But I would especially like to thank you and particularly your staff for the support you have given to the department during that time.

We have made mistakes and we have had to go to ask for help from your staff in particular. We have always been well received and given the assistance we needed to straighten out whatever problems we have had, and a sympathetic ear. I will always remember the support that your committee has given to the department.

Senator BENNETT. Thank you.

AMERICAN-MADE MOTORCYCLES

Mr. ABRECHT. To address Mr. Campbell's question, we have indeed done the study of the availability of American-made motorcycles in the general size range that we are interested in. We really do feel that the large Harley-Davidson type motorcycle, of which we

have the three that you mention, is suited for part of our mission. But we really have two missions up here. We have a road type of mission, the escorts, but we also have a mission to patrol the little parks around here, to get in and out of the garages to check them, which is essentially, what we would consider a mobilized type of foot patrol.

The ability to get in and out of those parks in a more rapid way, to patrol parking lots, we do feel that those very large motorcycles are not the most appropriate for that. So what we have been looking for is an American-made smaller, but not small, motorcycle, really nothing the size of the small 250 Hondas that we have a large number of, but looking for something in between, shall we say.

We have identified—it is brand new—a new American-made motorcycle. It is about 800 cc's. We have asked for one to be sent to us for testing and evaluation, and we are hopeful that that will be the ultimate solution to our motorcycle needs, sort of halfway, if you will, between the small motorcycles and the very large ones, which we do not think are suitable for driving on pedestrian walkways in the parks, which are a pretty critical part of our mission.

The Senate side in particular has a lot of park area, a lot by Capitol standards. They have quite a bit of ground that we have to be able to cover, and a small motorcycle is very suitable for that.

We probably could use a small number of additional large bikes for doing the roadway patrol as well and the escorts and that sort of thing. So I do not think that there is great disagreement. I am not sure we need a very large fleet of full sized pursuit type motorcycles that the State police might use, but we do need to modernize our fleet of intermediate sized bikes.

Senator BENNETT. Senator Campbell.

Senator CAMPBELL. Thanks, Mr. Chairman.

Just so there is no misunderstanding, Chief, to my knowledge there are 16 American manufacturers of American motorcycles, 16 of them. Of those, about four or five, including one that you are familiar with, Mr. Chairman, make lighter weight American-mades. Some are composites, they are American made with foreign engines. Some are all American. There are a whole bunch of them out there to choose from.

But let me ask you——

Mr. ABRECHT. We really have not been able to identify. We keep having this disconnect. If you could provide that information, we would love to talk to you.

Senator CAMPBELL. I can. I will get a list of them in fact, so we will be happy to do it.

AREA OF JURISDICTION

Let me just ask you a couple of a little more general questions. Was the area of jurisdiction for the Capitol Police increased after the tragic deaths of the two officers?

Mr. ABRECHT. No, sir.

Senator CAMPBELL. It was not. It covers now what, about a six city block area? It goes down to New Jersey part way? What is it? What are the grounds?

Mr. ABRECHT. There are basically two levels of jurisdiction. We have a primary jurisdiction, which is shown in the red lines on the map that Lieutenant Nichols is showing here. We are responsible for providing police service, we are the sole responding police agency, in that area.

Senator CAMPBELL. You are the sole respondent in that area, okay.

Mr. ABRECHT. Yes, we have the only jurisdiction in that area. The green line, which is the area you are perhaps referring to, is what we call our extended jurisdiction.

Senator CAMPBELL. And you cooperate with the D.C. Metro in that area?

Mr. ABRECHT. Yes, the D.C. Metropolitan Police Department has the primary responsibility for providing police service in that area.

Senator CAMPBELL. You act as backups?

Mr. ABRECHT. We support them to the extent that we can, and we have a number of Congressional facilities located in that area, so we have business out in that area on a fairly regular basis. But we do not undertake to patrol that area for the prevention of crime.

Senator CAMPBELL. Well, the green area is certainly a lot bigger than the red area, both of them are too darn big for a person on foot or a bicycle to get to in a hurry; is that correct? Which means you cover most of that area in a car whether you were backup or the primary responding department.

Mr. ABRECHT. We cover that area with a wide variety of patrol mechanisms. We do use bicycles quite a bit and have found those effective. We use cars and we do have some officers on foot, but most of the foot patrols are pretty localized around the buildings.

Senator CAMPBELL. And do you do some traffic stops? For instance, I know and I think the chairman knows, too, every time you step across the street to the Russell Building you are taking your life in your own hands, because in this town yellow means go like the blazes, not slow down, as you probably know.

Well, if there is a policeman standing there at the corner, he is authorized, I assume, to do a traffic stop, is he not, if there is some running of lights or some routine violations?

Mr. ABRECHT. Yes, foot men can stop a car to the extent that he can do so on foot.

Senator CAMPBELL. How does a foot man stop a car if he does not want to stop?

Mr. ABRECHT. We use the patrol cars primarily.

Senator CAMPBELL. The policemen I see out on the corner sometimes, they are on foot, most of them. Once in a while there will be a motorcycle parked there, sometimes a bicycle. But most of the time they are on foot when they are directing traffic.

Mr. ABRECHT. That is correct.

Senator CAMPBELL. If a car is going to run the lights, it would seem to me pretty unlikely they are going to stop. I mean, what do you do, run down the street and yell at them?

Mr. ABRECHT. The officer directing traffic should not leave his post.

Senator CAMPBELL. Which means they are just going to keep on going. You could not go after them if you wanted to generally.

Mr. ABRECHT. Generally speaking.

FLEET EXPANSION

Senator CAMPBELL. Let me go on. Last year we had $103,000 in existing funds put in the budget, as I remember, to expand that fleet. What happened to that $103,000?

Mr. ABRECHT. That is this current fiscal year. There is no money allocated for this purpose. We were allowed to expend from the security enhancement fund, it is my understanding, up to $103,000 for that purpose. We have not done so as of now. As I say, we have just identified this potential vehicle. Obviously, if you have some other ones that might work that would be even better so we have a choice to go from.

We do hope to purchase some motorcycles this fiscal year.

MOTORCYCLES

Senator CAMPBELL. Let us talk about motorcycles again. Can you tell me what, or the committee, what types of stops can a policeman on a motorcycle do when he has no lights or siren? And those little things you are using, I do not think they develop enough power to fully equip——

Mr. ABRECHT. That is clearly not their primary purpose.

Senator CAMPBELL. The choice you have, you can have all the equipment on them and it will not run, or you can run without any ability to be able to make a traffic stop. So what kind of stops can they make?

Mr. ABRECHT. We do not encourage the officers on the small motorcycles to make traffic stops. That is not their primary purpose. Their primary purpose is to patrol in the garages, in the parks, for deterrence of crime and for visibility and that sort of thing.

We do have a fairly substantial marked fleet of cars and the three large motorcycles, which do do traffic enforcement. Obviously, there is a balance as to what our activities are. I am fairly comfortable that we are doing quite a lot of traffic enforcement, about as much as we need to do for the situation up here, and that the primary purpose of our force is to protect the Congress and the Capitol against things like terrorism. So I really do look for them to be out there observing, watching for criminal kinds of things.

Senator CAMPBELL. It has been my observation that whenever an incoming head of state visits the Capitol we always call the Park Service to escort. Is that correct?

Mr. ABRECHT. No, we do not call the Park Service.

Senator CAMPBELL. You do not call the Park Service.

Mr. ABRECHT. Heads of state are protected by the Secret Service. They bring the motorcade to the Capitol. We typically put a vehicle in front and a vehicle in the rear as they hit the Capitol grounds, bring them onto the grounds. Or often we will meet them at their last rendezvous location if they are coming from the White House or the State Department.

Senator CAMPBELL. Meaning an automobile you put in the front?

Mr. ABRECHT. An automobile or a motorcycle—we use both.

Senator CAMPBELL. Well, do not put those little things.

Mr. ABRECHT. No, we would not use them. We would use the Harley-Davidsons for that.

Senator CAMPBELL. I would not want those foreign dignitaries laughing at us, frankly.

Mr. ABRECHT. Most of the escorts we do are to Andrews for CODEL's, outgoing CODEL's.

Senator CAMPBELL. The ones that you are using are the three, I guess it was, that we got in 1994.

Mr. ABRECHT. That is correct.

Senator CAMPBELL. Which ought to have about 50,000 miles on them by now and ought to probably be turned in.

Mr. ABRECHT. I do not know what mileage they have on them. One of the problems we have in our fleet in general is we have life cycle replacement problems with our fleet. Funding has not kept up with the aging of the vehicles.

Senator CAMPBELL. If I might add, that fleet you have got, we call them throw-away motorcycles. You cannot get 10 cents out of those things when they are done. That is the advantage of the American ones. They cost more, but the return you get when you resell them.

Mr. ABRECHT. That is true.

Senator CAMPBELL. American-made, as you probably know, Chief, American-made police motorcycles, they sell 3 years later for almost the price you pay for them brand new.

Mr. ABRECHT. That is correct.

Senator CAMPBELL. Those things are just I mean literally up for grabs by collectors and people on the street, because they know they have been maintained and they know they are American made, I guess, because they always hold their value. You do not have to throw them away.

SAFETY UPGRADES

Maybe just one last question, Mr. Chairman. That is, as I remember we did appropriate an additional $106 million last year for safety upgrades that you mentioned. Did the majority of that go to the 215 additional hires that Mr. Livingood talked about?

Mr. ABRECHT. No, about a quarter of it did. About a quarter of it went for what is known as task one in the security enhancement plan, which is manpower, additional officers.

Senator CAMPBELL. What percent went to rolling equipment, do you know?

Mr. ABRECHT. None of it went to—no, that is not true. There were about eight additional vehicles, I believe is my recollection, in the security enhancement fund, primarily specialized type vehicles.

Senator CAMPBELL. Emergency equipment, that type of stuff, rather than just squad cars?

Mr. ABRECHT. Six of them were for K–9 vehicles because the size of the K–9 force has been increased. Those have not yet been purchased. Then there were vehicles for transporting anti-chemical and biological warfare equipment and a specialized vehicle for the technical security unit to do more work in terms of preventing explosives, things of that nature.

They are special purpose vehicles rather than routine patrol vehicles, except for the K–9 vehicles, which are routine patrol type vehicles.

Senator CAMPBELL. Well, thank you for that, Chief.

Thank you for letting me sit in, Mr. Chairman. I want to tell you that I am not going to let go of this thing, but I am going to rag it until we get rid of those pieces of junk because I think they are an eyesore for the millions of people that come to our Capitol. This place is supposed to be the capital of the free world, not just this country, and that means, it seems to me, that not only functional use but appearance is important, too.

We have millions of visitors from all over this world come here. I do not want our police laughed at, it is as simple as that.

So hopefully we will get it in the budget to buy American-made equipment, just as we do cars, motorcycles too. If we do not, I am going to be back here every year until we do, Mr. Chairman. And I thank you for letting me sit in.

Senator BENNETT. Thank you very much. Your tenacity is well known and I think appropriately noted here. We appreciate Senator Campbell's calling this to our attention last year and his demonstrated follow-up by being here this year.

One of the buzz items around the Capitol has to do with the television program that ran on Channel 9, the story about the lack of progress in implementing the $106 million worth of security upgrades that was funded. I do not always believe everything I read in the papers or everything I see on the television, but, being a politician, I have to respond because my constituents pay attention to what they read in the paper and what they see on television, and I think the constituents of the Police Board do the same.

So I raise that and ask if anyone would like to make a statement about the Channel 9 story. I am sure I do not need to explain what Channel 9 ran. I am sure you are all very familiar with it. So does someone wish to?

Mr. ABRECHT. I guess I will.

Senator BENNETT. Yes, Chief.

Mr. ABRECHT. There were a number of tasks in the security enhancement plan. The one that drew the most attention was the hiring of the 260 additional members of the department, of which 215 were to be sworn positions. We have actually made great progress on that. The problem, of course, is that from the moment you start hiring police officers until they are actually deployed in the field takes a tremendous amount of time, as Senator Campbell well knows. Training for police officers begins with 6 months just of classroom training. We tack on 6 weeks beyond that of field training to make sure that the officers are fully familiar with the Capitol complex.

We are on schedule for hiring those 215 sworn positions. By the end of this fiscal year they will all be on board. They will not all be deployed even then because a substantial number of them will still be in training as they work their way through the pipeline.

We have deployed 64 so far, who are actually out supporting the mission. There was also substantial funding in that portion of the security enhancement plan for overtime, which we have been using to try and get a visible presence out there, an additional presence in the field in the interim as we bring the new officers on board. So the program in that area is well along.

PHYSICAL SECURITY IMPROVEMENTS

The other larger amounts in the security enhancement fund are for physical security improvements, and many of those are moving along. They are all on schedule and they are moving along right along the schedule and time lines that have been provided to the committee.

A lot of these things are quite complex and require a lot of design and development before they are actually installed. That design is on schedule and within the next few months you are going to start seeing considerably more actual installed base that will make it very clear to everybody that the program is in fact producing the results that are anticipated.

Perhaps one of the other areas I could just mention is the equipment for the officers. Another task, I believe it was task 7, provides for new bulletproof vests for the officers and new firearms. Those are also well along. Over 700 officers now have the new vests; 400 have transitioned to the new weapon. So we are well along, although obviously we have not completed it yet, as it was anticipated it would take 2 fiscal years.

The funding was for 2 fiscal years for personnel, but for 5 or 6 years in fact for physical security improvements, and many of those—as we know, building anything takes an awful lot of time and planning to make sure it is done right, particularly in this monumental environment around here. The Architect demands, correctly so, that we not damage the majestic environment here, that when we run things we do it with a great deal of care, and we have to coordinate with him to make sure that none of the monumental parts of the buildings are damaged by the work we are doing.

Senator BENNETT. Anyone else want to make a comment about the Channel 9 story?

Mr. ZIGLAR. Mr. Chairman, the Chief I think has laid it out very well. As we all know, sensationalism sells, and there is a lot of sensationalism in that. It frankly did not reflect the facts, nor was it a very realistic understanding of what it takes to turn a battleship or turn an aircraft carrier.

I think there have been things that we could have done more quickly possibly. We could have spent maybe less time evaluating the vest. But the fact is that we gave our officers an opportunity to experiment with all the vests that were available out there and they picked one that they thought was the best. From that, they are quite happy with the new vest.

The new gun had to be evaluated in ways that, for example, you do not have in a different environment. We have folks carrying guns in the Capitol and accuracy and the kind of bullets that you can use and things like that are quite important. So we had what we think is a very scientific and thorough analysis of which gun to use, and those have been selected and are being deployed.

As the Chief pointed out, the vest will be fully deployed by the end of this month. We have new X-ray machines, new magnetometers, things that people do not notice, but they are by far more sensitive; a number of other things, locking devices that will be put up on the doors, are being deployed now.

We are doing our best to hire as many qualified officers as we can, and there is competition all over, but we are getting the best and the brightest. It does take a long time to train these folks.

But all that said, Mr. Chairman, I think it is also important to note that the staffing studies that were done with regard to security in the Capitol recommended 776, I think was the number, additional new officers to be hired. The Congress authorized 215; 215 when fully deployed, assuming that we have also replaced any officers that we lose on the basis of attrition, still will not get us to the point where we can fully staff every entrance point with two officers. We still will have to use excess overtime to do that.

That is why our budget request—I am probably getting ahead of myself—our budget request this year is asking for 100 additional officers, which will get us up to a complement that will allow us to have two officers on every door by the time that they are fully hired and deployed, and I think that is in 2002 best case.

I personally, Mr. Chairman, have a very active interest in this issue. I do believe that any situation where you have one officer on an entry point to a building is like having somebody there as a sitting duck because you do not have any backup. I think that is a high priority issue.

So I think the Bruce Johnson piece was distorted and unfair in many respects, but sensationalism sells.

Senator BENNETT. Mr. Livingood.

Mr. LIVINGOOD. Mr. Chairman, I would just like to back up and agree with what Mr. Ziglar said, and that, particularly in the security enhancement plan, it has been a little slow because we had to install and design infrastructure, meaning electricity, to certain spots. There is cable installation and an awful lot of things that you do not see immediate results. I think we are on track and moving ahead now, but there are quite a few things that we have accomplished.

MANPOWER

I'd like to just reiterate what Jim said, and particularly the manpower situation. I come from an agency prior to this life, another life, the Secret Service, where we looked at this very carefully all the time, the number of people on posts and on assignments. I feel very strongly that we are inadequately staffed to man some of these posts and some of the doors, our first line of defense.

We do not have the fence that the White House has. We do not have that luxury. Our first line of defense is right there at the door, and one person cannot do it, as Jim said, and we need more assistance for the officers and for the Capitol itself and the House and Senate buildings at these locations.

That is why our request is more than in the past, and we look for support for that area.

Senator CAMPBELL. Mr. Chairman, may I ask one?

Senator BENNETT. Yes.

Senator CAMPBELL. When you get the full complement of the additional officers that you need, what will be the total complement? What will be the total number for the Capitol Police Department?

Mr. ABRECHT. About 1,500 sworn.

Mr. ZIGLAR. Are you talking about with the additional 100 that we are asking for today?

Senator CAMPBELL. Right.

Mr. ZIGLAR. Assuming we got those?

Senator CAMPBELL. Plus the ones that we have already authorized, what would it be? 1,500 sworn? When you have that many more manpower, do you also need support paraphernalia, bigger dressing rooms? I do not know.

Mr. ABRECHT. Yes.

Senator CAMPBELL. Things that go along with just simply more bodies.

Mr. ABRECHT. Absolutely, and the security enhancement plan provides that.

Senator CAMPBELL. It is factored into the security enhancement?

Mr. ABRECHT. Improving locker rooms. Indeed, we intended to use some of the personnel—remember I said there are 215 sworn. There are also 45 civilians in that 260, and that is because we well understand that our administrative infrastructure in the department is quite fragile. We have sought to use some of those positions to improve our financial management, improve our human resources in particular, in order to support the men and women who are out there doing the baseline job.

The Senate side has been very supportive of that initiative and has approved the authorization of those positions and we are still in considerable debate with the House committees to get them to authorize those positions, which are really holding up the development of our infrastructure unfortunately.

Senator CAMPBELL. Thank you, Mr. Chairman.

Mr. ZIGLAR. Mr. Chairman, could I comment on what the Chief has just said?

Senator BENNETT. Surely.

Mr. ZIGLAR. We would greatly appreciate anything that any of you folks on the committee could do to prompt the House to release some of these positions on the administrative side. As you know, I am a businessman by background and my focus primarily has been at the police department on the management, financial management, human resources, and the technology side. And we have some difficult problems over there in terms of the management structure and the ability to do the job that is necessary.

We are being hampered by the House's refusal to release some very critical spots in order to do that. I have actually deployed a number of people from the Senate Sergeant at Arms operation to help with that. I have out of my executive staff, I have two people that do nothing now but work on police issues over there helping them. I do not mind doing that, but at some point that does not make sense. You cannot bootstrap this.

So anything that you can do to urge the House to help us I think would not only avoid embarrassing mistakes in a business context, but also would do a great deal for the morale of the police officers on the beat, who do not see the services that they deserve to have in the human resources context or reimbursement, payroll context that we all know in the business world are things that you pay attention to when you have employees.

Senator CAMPBELL. The chairman will just go over and tell them.

Mr. ZIGLAR. Will you?

Senator CAMPBELL. The chairman will.

Mr. ZIGLAR. I will tell you what, Senator. We will give you a Harley and you ride over.

Senator CAMPBELL. With that, I better go to my next appointment, Mr. Chairman.

Senator BENNETT. Mr. Livingood, do you want to respond?

Mr. LIVINGOOD. It started way back even before the increase in the size of the Capitol Police. They needed assistance in the infrastructure, particularly in the financial management area and some in the human resources, as well as the information technology. And we have been working toward that end for some time, with the strategic plan and the study by the Booz Allen audit firm which really brought this to light even more so, particularly with the increase in the size of the Capitol Police.

We submitted it to committees and it is being discussed by the committees, and we are working with them. But we need the people. We need more people and we need experienced, experienced people, and some training in security areas.

Senator BENNETT. Well, historically this committee, this subcommittee, has been more generous than the House subcommittee on all aspects of legislative branch appropriations, and I suppose we will be again.

ADDITIONAL COMMITTEE QUESTIONS

Thank you very much. We appreciate your testimony and appreciate the information you have provided to us. If we have any further questions, we will be in touch with you in writing.

Mr. LIVINGOOD. Thank you, Mr. Chairman.

Senator BENNETT. Thank you. And again, Chief Abrecht, thank you very much for your work.

Mr. ABRECHT. Thank you.

[The following questions were not asked at the hearing, but were submitted to the Board for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR ROBERT F. BENNETT

PURCHASE OF AMERICAN-MADE MOTORCYCLES

Question. Please provide the Committee with a copy of the recently completed report on the options available for the purchase of American-made motorcycles.

Answer. The Department is continuing its effort to identify an American made motorcycle that meets its criteria for patrolling parks, garages and open spaces within the Capitol complex. A final report has not been completed, as the Department is awaiting the opportunity to test and evaluate at least one domestically manufactured motorcycle that potentially meets its specifications. Additionally, the Department is contacting sixty motorcycle manufacturers and dealerships identified in consultation with staff. The results of this initiative will be incorporated into a final report for Committee review.

PERIMETER SECURITY IMPROVEMENTS

Question. The Committee recently received a report on the status of the Capitol Square perimeter security improvements project which indicated the construction documents would be completed in May, with construction completed in 3 years. The perimeter security improvements for the Senate office buildings was approved a year earlier than the Capitol Square project. What is the status of that project?

Answer. The Request for Proposals for the Senate Perimeter Security project were sent out the first week in February 2000. A pre-proposal site visit and walk through with potential contractors occurred on February 16th. Proposals are to be delivered

and opened March 9th, 2000. The proposals will then be evaluated, and after negotiations, an award will be made. Assuming that no significant complications arise during the evaluation or negotiation process, an award is scheduled to be made in mid-April 2000.

Construction should begin on site at the first intersection (New Jersey and C Street, N.W.) about mid-May, pending the receipt of the necessary documentation, including bonds, and continue through the four phases of the project. There is scheduled 365 day duration for the work. The $2.9 million preliminary estimate on this project has been slightly revised in the final estimate from RTKL to $3,125,000. We anticipate being able to award the work by using bidding options available in our contract documents during the contract negotiation process.

TRAINING FACILITY

Question. The Police have recently completed their master facilities plan and their strategic plan and seem to have a clearer picture of their needs now and into the future. I understand that you were looking at the possibility of partnering with the State Department for a training facility in Indian Head, MD. Could you explain what has come of that proposal?

Answer. The Department continues its collaborative effort with the State Department to locate a site conducive to satisfying the training needs of both agencies in addition to the needs of the Library of Congress, Supreme Court and GPO police forces. Discussion continues with representatives from the Indian Head Naval Warfare Center, although it appears the site originally considered by the Board for the joint training facility is no longer available. Other areas within the Indian Head installation are being examined, as are areas at the Anacostia Naval Air Station and Quantico, Virginia.

LIBRARY OF CONGRESS SECURITY AND MAINTENANCE

Question. Please provide status of security and maintenance for the LOC.

Answer. Consistent with Public Law 105–277, the Capitol Police Board exercises its responsibility for design, installation, and maintenance through an oversight, approval and coordination process regarding all plans for changes in the physical security systems and equipment for the LOC. The Capitol Police serve in an advisory capacity for the LOC as outlined in the Memorandum of Understanding (MOU) between the USCP, LOC and AOC. As such, the LOC coordinates with the USCP Physical Security Division (PSD) to maintain continuity and consistency of security system design, procurement, installation and operation. The installation and maintenance of security equipment for the LOC is still the responsibility of the Architect of the Capitol. I have included a copy of the MOU for the record.

Question. How does this relate overall to security on the Capitol grounds.

Answer. The support that the Capitol Police provides to the LOC ensures that the equipment and systems purchased for the perimeter security at the Library of Congress is compatible with the equipment purchased for the Capitol complex. It will also allow for the future interoperability of physical security systems at the LOC and with the physical security systems of the Capitol complex.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

CAPITOL POLICE REVIEW OF SELECTED ADMINISTRATIVE PROCEDURES

Question. Booz-Allen conducted a management review of selected administrative procedures of the Capitol Police a little over a year ago. They identified several areas of deficiency in the administration and operation of the Capitol Police Board. Would you update the committee on the status of the Board's improvement plan which stemmed from that deficiency report? Are there any critical functions of the department which still have not been satisfactorily addressed?

Answer. Booz-Allen made three overarching recommendations:

1. The USCP should reorganize and establish a new position of Assistant Chief of Police for Administration.

—All infrastructure support functions have been consolidated under the Deputy Chief of Police for Administrative Services to ensure a fully integrated administrative infrastructure to support the core mission.

2. The USCP should develop a strategic plan for infrastructure support.

—The USCP has developed and implemented an overall strategic plan that incorporates the necessary strategic elements for infrastructure support functions.

3. The infrastructure support organizations of the USCP should develop and execute a plan for reviewing, documenting, and distributing policies and procedures for all support activities.

—A complete overhaul of the Department's system of directives and manuals will be accomplished in conjunction with the execution of the strategic plan, including those of the infrastructure support organizations reviewed by Booz-Allen.

Booz-Allen also made a total of 26 detailed recommendations in the areas of financial management, human resources management, and information technology management.

—Each of those recommendations was addressed in the Department's overall strategic plan. In particular, we are prioritizing our attention on the need for improved financial management through systems and personnel. We are on-track with the planned migration of our accounting systems to the GAO and plan to be operational at the outset of fiscal year 2001. As you are aware, the antiquated system currently in use has been unreliable and labor intensive and has led to significant failures in our ability to manage funds. In addition, we are in need of the five positions for financial management that were identified in our staffing proposal for the Security Enhancement Plan.

—The overall strategic plan includes an implementation schedule that assigns responsibility for completion of tasks, completion dates, and review frequencies.

—With the exception of tasks related to the hiring of infrastructure support personnel, tasks outlined in the plan are on schedule and will be completed on or before January 1, 2002.

—Those tasks related to the hiring of infrastructure support personnel were scheduled to begin on November 1, 1999, and be completed by April 30, 2000. Work on these tasks will begin as soon as the relevant positions have been released and will be completed within the six-month time frame originally scheduled.

ASSISTANT CHIEF OF POLICE POSITION

Question. Last year, you talked about creating a position for an Assistant Chief of Police for Administration, with a strong managerial background in order to bring more efficiency to the administrative functions for the organization. Has that been done?

Answer. The administrative functions of the department have been consolidated under a Deputy Chief for Administration. This has enhanced the Department's ability to communicate more effectively with the operational units and has fostered efficiency among the administrative units. Additionally, the department is currently creating a separate budget office from the Financial Management Division which will allow more attention to areas that have been understaffed in prior years.

ADMINISTRATIVE PERSONNEL

Question. Do you feel that the current number of administrative personnel is sufficient to meet the demand of providing support for an increased police force?

Answer. No, there is an urgent need to fill critical administrative positions. For nearly a year, the department has been operating without the 14 administrative positions that were requested in the staffing proposal for the 260 positions authorized in the Omnibus supplemental in 1999. We continue to work with the oversight committees in the House of Representatives to gain approval to fill these positions.

ADMINISTRATIVE SUPPORT

Question. Last year's Booz-Allen study described the administrative support of the department as "fragile" and unlikely to be able to adequately support services in the future without changes in strategy. Has this "change in strategy" happened?

Answer. As previously cited, the "overarching" recommendations of the Booz-Allen report called for a strategic plan, policies and procedures, identification of skill sets, and improved automated systems. Along with the organizational changes, each of these recommendations has been addressed in the Department's strategic plan with milestones and time tables for completion.

FINANCIAL MANAGEMENT

Question. The Booz-Allen report was also critical of the financial management aspects of the department, noting that they did not possess or have access to an efficient and effective financial management system. This has caused serious problems with being able to effectively manage and control funds. There continues to be con-

cern expressed by members of the rank-and-file. What has been done in the past year to improve the situation with your financial management?

Answer. The Department has been planning for several years to migrate its accounting system to the GAO through a cross-servicing agreement. The Booz-Allen recommendation endorsed this approach. During the past year, preliminary testing was completed and a cross-servicing agreement with the General Accounting Office established. A migration team comprised of personnel from both agencies has been working toward a completion date of October 1, 2000. This effort has been slowed somewhat by the lack of additional personnel as well as the impact of the workload created by the omnibus supplemental appropriation of $106 million.

TRAINING PROGRAM

Question. Some of the department's sworn personnel have recently expressed frustration with the slow process of your training program. We realize that part of the problem with that is the lack of adequate training facilities, and we hope something can be done to address that problem in the near future. But, I would like to know that steps the Board has taken itself to pursue temporary alternatives, such as the use of independent contractors to provide training at outside facilities, or collaborative efforts with other federal agencies who have similar training needs. Would you share with the committee some of your ideas for addressing the department's training needs?

Answer. Frustration with the slow process of the Department's training program most likely refers to the on-going 40 hour in-service training program which includes, as a major component, firearms transition training to the new .40 caliber Glock semi-automatic pistol. While more than a third of the Department has completed the transitional firearms program, inadequate firearms range space has contributed to the slow process, as Department personnel must utilize the small, eight point in-door range in the Rayburn House Office Building. The Capitol Police have taken steps to expedite this program by running two shifts of training per week and expect to complete the program by the end of this year. We would note that officers who have completed the training program have been enthusiastic in their praise of its content, delivery and rigor.

The Board has diligently pursued alternative firearms range sites that would permit the Capitol Police to expedite its transitional training program. For the past ten months, the Board has collaborated with the State Department to locate a site conducive to satisfying the training needs (including firearms training) of both agencies in addition to the needs of the Library of Congress, Supreme Court and GPO police forces. Earlier attempts by the Board to secure firearms ranges at Fort Meade for Department use were unsuccessful. Most recently, the Board initiated discussions with the Marine Corps to determine costs associated with utilizing outdoor pistol and rifle ranges at Quantico.

The long term solution to the Department's training facility needs has been comprehensively described in the United States Capitol Police Master Plan which was forwarded to the Committee for its review this past December. The ideal site for a training facility would be land owned by the federal government within a reasonable distance to the Capitol that provided sufficient space to build firearms ranges, academic classrooms and practical exercise areas that could be shared by a number of local federal law enforcement agencies. To this end, the Board has visited several military installations in the metropolitan area to determine the feasibility of developing a multi-agency training facility.

BIOHAZARD TRAINING

Question. Does the department offer in-service training for such things as bio-hazard situations?

Answer. The Department trains all of their personnel in bio-hazards in the Advanced Law Enforcement Response Training-1 (ALERT–1) program. This is an eight hour block of instruction on weapons of mass destruction to include biological weapons. The designated response teams receive a 40 hour block of instruction entitled ALERT–2. This course provides more detail in the bio-hazard area to include detection, protection, and decontamination.

The Department also has a Blood-Borne Pathogen Exposure Control Plan which involves a one hour block of instruction provided on a yearly basis.

NEW POLICE PERSONNEL

Question. Last year, Congress provided funding to hire the first increment of about 260 new police personnel. I understand that you have not yet reached that

number of new hires, but you anticipate to meet that goal by the end of the current fiscal year. Are you experiencing difficulty in your recruitment efforts?

Answer. To date, 167 officers have been hired. The current status of hiring is not inconsistent with our original expectations. As indicated in our original staffing proposal, there is an approximate six month training "pipeline" associated with each recruit class that is scheduled through the Federal Law Enforcement Training Center (FLETC). The FLETC conducts training for all federal law enforcement agencies, and as such, is limited in the number of classes that can be offered. We feel that we have been able to recruit at a rapid pace without lowering any of the standards that have been in place.

STAFFING AT BUILDING ENTRANCES

Question. There have been complaints about the lack of staffing at the building entrances; although I understand that recent efforts have addressed this problem to some extent. Is the staffing situation such that it becomes difficult to post two officers at these building entrances?

Answer. We have requested an additional 100 FTE's for fiscal year 2001 which will enable the Department to post a minimum of two officers at each of the access points to the Congressional Complex. Currently, the Department is not funded to staff two officers at every access point.

NEW HIRES

Question. How many of the total number of new-hires in the last year have been sworn officers (non-management personnel) and how many have been administrative support personnel?

Answer. Sworn—167 officers have been hired.

Civilian:

—10 civilians have been hired.

—Of the 10 hired—9 are currently deployed and 1 has separated.

—17 civilian positions are in various stages of selection.

—18 civilian positions are on hold pending committee authorization.

Question. Of the new hires, how many do you estimate were hired as a result of new positions and how many were a result of other personnel retiring (attrition replacements)?

Answer. The make-up of hires to the sworn ranks in fiscal year 1999 was as follows: (1) two recruit officer classes (totaling 47 hires) were held in October 1998 and December 1998 to fill vacancies due to attrition during 1998, (2) the remaining three recruit officer classes held in fiscal year 1999 (March, May, and August, totaling 120 hires) were in support of hiring goals under the Security Enhancement Plan.

There are two recruit officer classes scheduled in fiscal year 2000 which will again begin to fill vacancies due to attrition that occurred during 1999 and 2000.

ADDITIONAL POLICE PERSONNEL

Question. How many additional police personnel do you think will be needed after you have fully staffed to that 260 target number which we provided funding for last year? Have you done a needs assessment for the out years?

Answer. We have requested 100 additional FTE's for police officers in fiscal year 2001. This will allow the Department to staff each access point to the complex with a minimum of two officers at all times. The 1995 and 1998 security surveys and the 1998 Booz-Allen, Hamilton study identified the requisite staffing profiles. Consistent with the last two fiscal year requests, we will identify our out-year needs based on those surveys and contemporary developments and make the appropriate FTE requests, as necessary, in lots of no more than 100 FTE's per year.

LACK OF EQUIPMENT

Question. Some of the rank and file have also expressed concern that the department is ill-equipped to appropriately perform its mission. There have been complaints that there are insufficient numbers of radios, protective vests, and other items issued to police personnel. Can you address this issue?

Answer.

Glock .40 caliber

—432 officers have been issued the Glock 22 .40 caliber pistol.

—All sworn members will have been qualified and issued the new weapon by December 2000.

Soft body armor

—940 members have been issued and are wearing the new soft body armor.

—Another 87 vests have been delivered and are in the process of being issued.
—The balance of 188 vests have been returned to the manufacturer for re-fitting and will be issued in the very near future.

Radios

—The Department's inventory of portable radios was re-distributed last year to provide each on-duty officer a radio during normal (non-special event) operating conditions. A radio assessment panel comprised of members selected by the USCP Labor Committee and USCP management will begin field testing a new portable radio the first week in April to determine its suitability for Department use. Should this radio meet the Department's needs, a sufficient number of units will be purchased to ensure every officer and security aide is personally issued a radio.

LIBRARY OF CONGRESS

STATEMENT OF JAMES H. BILLINGTON, PH.D., LIBRARIAN OF CONGRESS

ACCOMPANIED BY:

DONALD L. SCOTT, DEPUTY LIBRARIAN OF CONGRESS
DANIEL P. MULHOLLAN, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE
TERESA SMITH, DIRECTOR, HUMAN RESOURCES SERVICES
MARYBETH PETERS, REGISTER OF COPYRIGHTS
WINSTON TABB, ASSOCIATE LIBRARIAN FOR LIBRARY SERVICES
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RUBENS MEDINA, LAW LIBRARIAN
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LINDA WASHINGTON, DIRECTOR, INTEGRATED SUPPORT SERVICES
HERBERT S. BECKER, DIRECTOR, INFORMATION TECHNOLOGY SERVICES
KENNETH E. LOPEZ, DIRECTOR OF SECURITY
FRANK KURT CYLKE, DIRECTOR, NATIONAL LIBRARY SERVICE FOR THE BLIND AND PHYSICALLY HANDICAPPED
JOHN D. WEBSTER, DIRECTOR, FINANCIAL SERVICES
KATHY A. WILLIAMS, BUDGET OFFICER

BUDGET REQUEST

Senator BENNETT. Our next panel is the Library of Congress. We welcome Dr. James Billington, the Librarian of Congress, and his Deputy, General Scott, and also Dan Mulhollan, who is the Director of the Congressional Research Service.

The Library has requested a total of $461.7 million of appropriated funds. The total Library budget, including funds for building maintenance, is $622.4 million, which is a 10 percent increase over the fiscal 2000 budget.

Dr. Billington, we will start with you and then perhaps Mr. Mulhollan, unless you want to defer any of your testimony to General Scott, from whom we are always glad to hear.

Dr. BILLINGTON. Thank you, Mr. Chairman. First let me present the one new face among our witnesses, Teresa Smith, our new Director of Human Resources Services.

In this our bicentennial year, Mr. Chairman, our first pleasant task is to thank you, thank the subcommittee, and to thank Congresses past and present for being over the years the greatest single library patron of all time. No royal house, no Medici, have ever created or sustained anything that can match America's oldest Federal cultural institution and to match the constancy with which the Congress has enabled it to become the largest repository of knowledge and creativity ever created on this planet and to become in more recent times the leading provider of high quality free educational material in this revolutionary new world of the Internet.

The Library brings before the Congress this year a budget derived from a vision and strategy to secure the infrastructure and put in place the personnel to perform the truly unique services that it can and must provide for the Congress and the Nation in this information age.

NATIONAL DIGITAL LIBRARY

Thanks to the Congress, the Library has built a platform for leadership in this new digital world. Our pioneering 5-year National Digital Library Program has been stunningly successful. Just a few weeks ago, it was awarded the prestigious Global Information Infrastructure Award for Education, the last in a long series of recognitions that it has received. We have now developed over the past year a Digital Futures plan that will systematically begin building a new kind of 21st century library for all Americans, the National Online Library.

Now, as we all know, the Internet is creating a profound shift in the way knowledge is stored and communicated. Projections now suggest that by the year 2003, 80 percent of all business transactions will be conducted over the Internet, to which nearly 100 million Americans are already connected. Further worldwide exponential growth seems inevitable.

This new communications medium offers the Congress' library extraordinary opportunities to provide new and cost effective benefits to Congress and the Nation. Almost all libraries and an estimated 89 percent of our K through 12 public schools are now connected to the Internet, and most of them have direct Internet access into the classroom.

Demand continues to grow nationwide for the kind of high quality, interesting, and even inspirational primary materials of our history and culture that the Library of Congress web site alone provides free of charge through the Internet. By making it free, the Library helps sustain the whole tradition of open access to knowledge in the electronic age and it helps bridge the information gap between the have's and have-not's by providing not only a free but dependable vehicle for improving K through 12 education in America.

The Library also has an immediate national responsibility to do what is being done nowhere else, namely to develop rapidly plans and pilots for preserving and making accessible to the Congress the rising flood tide of digitized materials that are created elsewhere only in digital form, so-called "born digital." These materials are presently available only in highly impermanent electronic formats.

DIGITAL FUTURES BUDGET REQUEST

The main new request in our fiscal year 2001 budget is for an increase of $21.3 million to systematically incorporate digital materials into the Library's historic and enduring mission, which is to acquire and preserve useful content, to provide free access to it for Congress and the public, and to sustain the backbone of infrastructure that makes access to content possible.

We need, in short, $11 million for the backbone of an electronic service that exploded from 20,000 transactions a day on our American Memory site in 1995, just 5 years ago, to 4 million a day for

our expanded and diversified web site in the year 2000. $7.6 million is for additional domestic and international content and $2.6 million is for outreach services that will maximize access and impact nationally.

We realize this represents a significant increase, but the Library has already severely strained its human and material infrastructure during this explosive expansion of the past decade to test and determine these needs. Content, access, and infrastructure, moreover, are interrelated. They are the core needs of any library. They must be met for this new type of material if the Library is to provide relevant service in the years ahead.

There is little point having content without access and no possibility of sustaining either without backbone, and there is no realistic possibility, Mr. Chairman, that we can continue even our present level of services, let alone realize the extraordinary added service potential of this Library, by further diverting resources from our traditional services based on books, periodicals, and other artifactual materials, whose volume also continues to rise globally.

This Nation's library, Mr. Chairman, cannot be permitted to drift into being either just a vast "museum of the book", a vast museum of past knowledge on the one hand, or on the other a mere electronic switchboard for providing current information. This institution has the world's best staff of knowledge navigators and it has a unique capacity for leadership in mixing in the world's largest collection of traditional material with an expanding electronic network in ways that will advance both the creativity and the practical wisdom that will keep our legislature and our democracy dynamic.

Libraries in general—and you are celebrating them all in this bicentennial year, not merely the Library of Congress—are a link in the human chain that connects yesterday's memories and today's experience with tomorrow's future possibilities, with the prospects of a better tomorrow. That is the American dream, that whatever the problems of today, tomorrow can always be better than yesterday, if we do not forget the lessons of yesterday and if we are able to digest the flood of information that we are receiving daily.

PREPARED STATEMENTS

So I ask the committee's support in order for the Congress' library to have the material and human resources to sustain its leadership role in the digital age and to modernize its services to the Congress and the Nation as we enter our third century.

[The statements follow:]

PREPARED STATEMENT OF JAMES H. BILLINGTON

On April 24, 2000, the Library will be 200 years old. It is the oldest Federal cultural institution in the United States and the largest and most inclusive library in human history. In pursuit of its mission to make its resources available and useful to the Congress and the American people and to sustain and preserve a universal collection of knowledge and creativity, the Library has amassed an unparalleled collection of 119 million items, a superbly knowledgeable staff, and cost-effective networks for gathering in the world's knowledge for the nation's good.

As we enter the third millennium and the Library's third century, we ask the Congress to support the Library's leadership role in delivering free electronic information to the nation. Building on the overwhelming success of the Library's five-year pioneering National Digital Library Program, we have developed an overall

strategy for the Library's electronic future and an appropriate budget request for fiscal 2001. With Congressional support, our goal is to begin building a new kind of 21st century library for all Americans—the National On-line Library.

The Internet is creating a profound, fundamental shift in the way people communicate. An estimated 100 million Americans now use the Internet, which is producing dramatic alterations in the workplace and in daily life. The extent of these changes far outpaces our understanding of their implications. However, it is already clear that the new communications era offers this unique institution extraordinary opportunities to achieve new levels of cost-effective service for the Congress's legislative work and for citizens in every congressional district.

The Library is now a proven and dependable Internet site for primary source material on the Congress and on American history as well as for cataloging, copyright information, and much more. Our web site now receives an average of four million electronic transactions every working day.

The Library is the 1999 winner of the Global Information Infrastructure Award for Education for the primary source materials we provide about our American heritage. Our award-winning site demonstrates how the Library's services will be increasingly made available to serve national needs in the future. An estimated 90 percent of K–12 public schools are now connected to the Internet, with most schools having direct access in the classroom. The tidal wave of Internet growth coincides with a growing and increasingly insatiable demand for access to high-quality primary materials of real educational value. Congress's library is the world leader in providing such material—and is almost alone in providing quality content both free of charge and with authoritative explanatory material. Congressional vision and support have uniquely positioned its Library to make a major contribution through the Internet towards the nation's educational development and future productivity.

Fiscal year 2001 will be the critical one for permanently putting into place the people and support systems required to secure the Library's digital leadership role for the nation. The Library is now ready to build on the experience of the last five years to begin transforming traditional library services in ways that will meet America's new information needs by building a National On-Line Library.

We ask the Congress to support these essential elements required to sustain our future:

—*Digital Futures Initiative*.—Create a National On-line Library by providing permanent funding for the Library's innovative National Digital Library Program (NDLP), that is currently due to expire in fiscal 2000. By funding the lean and extraordinarily talented staff of the NDLP, the Congress will permit the Library both to begin capturing and preserving materials that exist only in digital form (i.e., "born digital") and to continue the conversion of unique educational content that will include important international as well as national materials;

—*Succession Planning*.—Extend our staff succession program to include the Law Library in addition to the Congressional Research Service (for a third year) and Library Services (for a second year). This is essential to ensure the continuity and quality of core services at a time when unprecedented numbers of staff will be retiring;

—*Security of Staff and Collections*.—Permanently fund both the police positions authorized by a fiscal year 1999 emergency supplemental appropriation and item-level tracking and inventory collections security controls now made possible through the new Library of Congress Integrated Library System (LCILS); and

—*Preservation and Storage of Collections*.—Permanently fund a mass deacidification program and the full operation for the first off-site storage module at Fort Meade, Maryland.

The Library's budget request for fiscal year 2001—$428.1 million in net appropriations and $33.6 million in authority to use receipts—supports the Library's mission to make its resources available and useful in the 21st century. This is a net increase of 11.4 percent over fiscal 2000. A major part of this increase ($16.6 million) is needed to fund mandatory pay raises (driven largely by the January 2001 pay raise of 3.7 percent) and unavoidable price-level increases; $27.1 million is needed to meet critical, growing workload increases (net of program decreases). The Library is requesting an increase of 192 full-time equivalent (FTE) positions—from 4,076 to 4,268 FTEs. Even with this increase, the Library's FTEs would still be fewer by 281 FTEs or 6.2 percent lower than in fiscal year 1992 (see attachment 1). The Library has been doing more with less since 1992, but the tidal wave of Internet activity now imposes a level of workload that requires the Library to rebuild a portion of its workforce that has been reduced or funded privately since 1992.

The Library will use its Bicentennial in the year 2000 more to leave a legacy for the future than to celebrate our past. We invite the Congress and the nation to join with us in celebrating our 200th birthday, which is being done largely with private funds. At the start of our third century, we ask the Congress to support the increase in resources required to meet the new mission-driven workloads brought on by the Internet age.

Funding our fiscal 2001 budget request will enable the Library to sustain its basic, traditional services while comprehensively addressing its inescapable, digital future. We hope the Congress will continue its historic and fruitful investment in the Library as it enters its third century of serving the nation's legislators and their constituents.

THE LIBRARY OF CONGRESS TODAY

The core of the Library is its incomparable collections—and the specialists who interpret and share them. The Library's 119 million items include almost all languages and media through which knowledge and creativity are preserved and communicated.

The Library has more than 27 million items in its print collections, including 5,700 volumes printed before the year 1500; 12 million photographs; 4 million maps, 2 million audio recordings; 800,000 motion pictures, including the earliest movies ever made; 4 million pieces of music; 53 million pages of personal papers and manuscripts, including those of 23 Presidents of the United States as well as hundreds of thousands of scientific and government documents.

New treasures are added each year. Notable acquisitions during fiscal year 1999 include: Harry Blackmun Papers and Ruth Bader Ginsberg Papers—more than 600,000 new items of these Supreme Court Justices; Marian Carson Collection—10,000 papers and documents relating to the early history of the U.S.; Bronislava Nijinska Collection—multi-medial collection of the noted ballet choreographer; Carte de Canada et des Etats Unis de l'Amerique—the first map (1778) to recognize the independence of the U.S.; Persian Manuscript Celestial Globe—ca. 1650; The First *American Haggadah*—published in New York City, 1837; 337 issues of the important Revolutionary American newspaper *Claypoole's Daily Advertiser*, 1791–1793; the extraordinary J. Arthur Wood, Jr. Collection of Cartoon and Caricature—40,000 works by more than 3,000 artists; Victor Hammer Archives—the works of one of the great hand-press printers, print makers, and type designers of the 20th century; and *Politica* by Aristotle (Cologne, 1492)—the earliest printed version of Aristotle's work to become available in the West.

Every workday, the Library's staff adds more than 10,000 new items to the collections after organizing and cataloging them and finds ways to share them with the Congress and the nation—by providing on-line access across the nation, by assisting users in the Library's reading rooms, and by featuring the Library's collections in cultural programs.

Major annual services include delivering more than 550,000 congressional research responses and services, processing more than 600,000 copyright claims, and circulating more than 22 million audio and braille books and magazines free to blind and physically handicapped individuals all across America. We annually catalog more than 250,000 books and serials and provide the bibliographic record inexpensively to the Nation's libraries, saving them an estimated $268 million annually.

The Library also provides free on-line access, via the Internet, to its automated information files, which contain more than 75 million records—to Congressional offices, Federal agencies, libraries, and the public. Internet-based systems include major world-wide-web (www) services (e.g, Legislative Information System, THOMAS, LC-web, Global Legal Information Network), the Library of Congress On-line Public Access Catalog (catalog.loc.gov), and various file transfer options.

The Library of Congress programs and activities are funded by four salaries and expenses (S&E) appropriations which support congressional services, national library services, copyright administration, library services to blind and physically handicapped people, and management support. A separate appropriation funds furniture and furnishings.

DIGITAL FUTURES INITIATIVE (NATIONAL ON-LINE LIBRARY)

The Library of Congress is committed to bringing America's story—in all its variety—to everyone, whether at work, in their homes, in schools, or in libraries. We realize that the fiscal year 2001 budget request of $21.3 million for our digital futures initiative represents a significant increase in resources. However, the need for a bump-up in our appropriations has emerged inescapably from our extended internal review of the Library's digital future needs to support additional domestic and

international digital content ($7,590,392), to implement the critical technology backbone ($11,049,182), and to enhance the educational outreach access services begun by the NDLP ($2,644,205).

We must make permanent the National Digital Library/American Memory effort by assuring that the priceless technical know-how and substantive knowledge acquired by the staff and now embedded in this program are retained and deployed for the National On-Line Library of the future. Fiscal year 2000 marks the end of the initial five-year digitization program at the Library, which was funded by both public and private funds. As the Library now moves to build and sustain a core set of on-line services for the nation, the NDLP's technically skilled staff has to be funded on a permanent basis. If we are not able to retain these talented—and, by now, uniquely experienced—people, we will simply not be able to continue servicing the new national constituency we have built. Indeed, without this cadre of professionals, the Library will not be able to begin the long overdue work of capturing and making usable for the Congress materials created by others that are now increasingly available only in electronic form.

The Library must tackle the unprecedented challenges posed by ever-changing digital content embedded in rapidly changing technologies. The Library has been deeply studying the complex problem of preserving and accessing digital materials. But unless the Library can retain the professionals that it has already uniquely trained, there is little chance that the Library will be able to find and hire the people needed to deal with this problem for many years to come. The Library simply must have the people and the resources to build a state-of-the-art software, hardware and telecommunications technology backbone able to support and make accessible the electronic materials that Congress and the nation will want in the future.

Finally, for the new millennium, the Library has a unique opportunity to become a global leader in digital information: the hub of an international network to advance education and understanding. Following the Congress' lead in establishing in the Library a "Meeting of the Frontiers" project with Russia, we have taken the first steps to create a global on-line library, using the Library's international materials to provide stunning digital images of America's dynamic interaction with the world. The Library is exploring partnerships with the world's great archives beginning with Spain.

COMPUTER SECURITY

The Library's on-line services represent a critical infrastructure asset, which is vital to the operations of the Legislative Branch and the nation. But, the new age of Internet opportunities also brings with it the vulnerabilities of the Library's automated systems to intrusion and destruction. The Library's fiscal year 2001 budget requests $660,690 and five FTEs to support our computer and network security programs. The President has developed a National Plan for Information Systems Protection, which calls for a major effort to improve computer security. The Library also recognizes the urgent need to address this vulnerability by implementing its plan and requests approval of the resources to ensure the protection of our information assets.

SUCCESSION PROGRAM

The Library's ability to serve Congress and the nation depends in large part on its expert staff, particularly those who perform legislative analysis, have intimate familiarity with the special collections, or have fluency in foreign languages. The Library's fiscal year 2001 budget requests an increase of $2,568,882 and 34 FTEs to support a three-part succession program: (1) $1,033,788 and 28 FTEs to support the hiring of Library Services technicians to provide for the timely upward mobility of the most qualified technical staff into a few of the key professional positions, which are being vacated by retirements; (2) $1,130,772 to support the hiring of additional CRS analysts to ensure the continuity of in-depth analysis to support legislative deliberations; and (3) $404,322 and 6 FTEs to support the hiring of additional foreign legal specialists to ensure the continuity of congressional services in foreign law provided by the Law Library.

Library Services's analysis of its vulnerability to retirements, particularly in those areas requiring extensive familiarity with special collections and fluency in foreign languages, indicates that 27 percent (555) of Library Services staff is already eligible to retire during fiscal year 2000, and that number will increase to 52 percent (1,088) by fiscal year 2005.

We are grateful that the Congress funded half of Library Services' request as part of the fiscal year 2000 budget, but the situation outlined in last year's budget has grown even more critical. The retirement rate in fiscal year 1999 increased 19 per-

cent over fiscal year 1998, and we fear a similar increase this year. To respond to this critical need, the Library requests $1,033,788 to keep this five-year program on track. If we cannot move expeditiously in these few specially-targeted areas, senior staff are likely to retire without being able to impart their specialized subject and language skills to the next generation.

The Congressional Research Service also faces serious challenges to ensure its capacity to continue, without interruption, its legislative support of Members and committees on all public policy issues. Half of CRS' staff will be eligible to retire by 2006. Since 1996, CRS has used a risk assessment process in order to identify specific subject areas where staff were likely to retire in the next few years. Based on this assessment, CRS projects reduced analytic capacity in a significant number of subject areas as early as calendar year 2000. These losses will accelerate and, by 2004, will affect almost every area of legislative support to the Congress. Rebuilding this capacity requires a multi-year transition period during which new staff develop the breadth and depth of knowledge of specific issues and master the legislative process.

CRS has developed a three-phase plan to begin hiring replacement staff using the Graduate Recruit Program, the Law Recruit Program and the Presidential Management Intern Program. In fiscal year 1999, the Congress appropriated $435,858 to support hiring of ten staff. In fiscal year 2000, an additional $559,052 was initially provided to support the hiring of another ten staff, but because of the across-the-board spending cut, this amount was reduced to $288,325, which supports the hiring of five additional staff. In fiscal year 2001, the Library is requesting $1,130,772 to hire the third phase of the program and to restore the positions lost in the fiscal year 2000 rescission. With this funding, CRS will be able to continue to provide uninterrupted policy analysis to the Congress.

Finally, the Law Library estimates that 59 percent of its foreign law specialists will be eligible to retire by fiscal year 2004. The recruiting and training of foreign legal research specialists with both unique language skills and foreign legal expertise require a lengthy time period. To ensure the continuity of congressional services in many foreign jurisdictions of interest to the Congress, such as Arabic-speaking nations, China and Taiwan, and Japan, the Law Library is requesting $404,322 and six FTEs to hire and train foreign law specialists.

SECURITY OF LIBRARY STAFF, COLLECTIONS AND FACILITIES

During 1998, the Congress approved supplemental appropriations totaling $16,975,000 for the Library's physical security. The law included funding for fiscal years 1999 and 2000 to increase the Library's police staffing. The fiscal year 2001 budget requests permanent funding of $2,530,886 to sustain the increased police staffing originally approved two years ago, which is essential to protect the Library's staff, collections, and facilities.

The supplemental provided funding for physical security, but the supplemental did not provide funding for collections security. For the fiscal year 2001 budget, the Library is requesting an increase of $4,449,718 to improve bibliographic and inventory collections security controls, which have been identified as a significant deficiency by auditors and security consultants. Key elements of this major request include tracking books at the item level from the point of receipt through various processing steps to the Library's secure storage areas; conducting a physical inventory of the Library's 18 million book collection; and converting card files contained in the Law, Music, Geography and Map, and Rare Book reading rooms into automated format accessible through the Library of Congress Integrated Library System (LCILS). The LCILS provides an excellent tool to capture, for the first time, item-level information for much of the Library's collections, as well as to flag problems such as the non-receipt of expected serials. Establishing item-level inventory control, a fundamental part of the Library's approved security plan, has now been made possible with the implementation of the LCILS.

Congress approved funding for the LCILS with the understanding that the Library would develop a detailed cost-savings plan, "return" those accrued savings to the Congress, and request new authority to use any savings realized from the LCILS. Accordingly, the Library is incorporating $1,991,842 (a cumulative savings of $2,530,000) of LCILS-related savings in this fiscal year 2001 budget. At the same time, we are requesting new funds for the important collections security requirements outlined above, which the LCILS—for the first time—makes feasible for the Library to undertake. When these security initiatives are implemented, the Library will be better able to answer with assurance the key questions, "What do you own?" and "Where is it?" and to both identify and obtain missing serials before they go out of print or become extremely expensive to purchase. The Library requests that

the Congress re-invest LCILS-related savings into collections security to better secure the Library's priceless collections.

PRESERVATION AND STORAGE OF THE COLLECTIONS

A primary mission of the Library is to preserve its vast and largely irreplaceable collections for the benefit of the Congress and the American public. A priority of the Library's preservation efforts is deacidification of a significant portion of materials printed on paper with high-acid content since the middle of the 19th century. The Library has in place a successful mass deacidification program using the Bookkeeper process, which has been supported using no-year funding since 1997.

The Congress has been a stalwart supporter over the years of the Library's program to develop an effective, inexpensive method of solving one of the most pressing problems libraries have faced in the late 20th century: deacidifying the paper used since the mid-19th century for books, periodicals, maps, manuscripts, and other paper-based collections. The fiscal year 2001 budget requests an increase of $1,215,801 to make mass deacidification a permanent part of the Library's preservation program. The Library estimates that 5.3 million existing books (out of the entire classified book collection of 18 million items) and that an annual addition of 100,000 books are printed on acidic paper.

The fiscal year 2001 budget request proposes to establish an overall 30-year (one generation) plan to deacidify older books as well as the new, acidic acquisitions. The plan scales up to $5.7 million by fiscal year 2005 to fund the capacity to deacidify annually 300,000 books and 1,000,000 manuscript sheets.

Equally critical for preserving the Library's collections is providing environmentally safe storage. The Library continues to work closely with the AOC and their contractors to ensure that the first storage module at the Fort Meade, Maryland campus meets the necessary environmental requirements to house and preserve the transferred collections and that materials handling will be as efficient as possible. The Library is very pleased that later this year, we will be able to begin using the space at Fort Meade made available by the Congress for storage of Library collections. The module will house 2.2 million items of paper-based material, primarily books, shelved on wide-span shelving by size in containers.

As overcrowding in collections storage areas on Capitol Hill becomes more serious each day, speedy completion and occupancy of the first module at Fort Meade is a high priority. To fund an accelerated transfer program enabling the Library to secure, track and move 4,000 items daily for a period of two-and-a-half years, the Library's fiscal year 2001 budget requests an increase of $824,648 and 22 FTEs. In addition, the Library is requesting $707,265 and 12 FTEs to fund start-up costs for Module Two. Because most of the materials to be transferred to this second module come from the Library's unique, special "gold" collection areas, substantial advance work is required to place these heritage assets in containers that meet the highest preservation and security standards. The Library has developed a cost-effective "handle it once" approach for this activity and requests funding in fiscal year 2001 so that the collections can be made ready for prompt transfer to Module Two immediately upon its completion.

Finally, the Library's fiscal year 2001 budget requests an increase of $501,160 and 12 FTEs to fund the shifting of collections on Capitol Hill, which will be made possible by the transfer of materials to the Fort Meade storage. At the present time, more than 50,000 items are stacked on the floors of Capitol Hill storage areas. A three-year program to shift all of the collections remaining on Capitol Hill is needed to relieve overcrowding in many areas and improve the storage conditions. Although the Library was able to open splendid new reading rooms for the foreign-language collections when the Thomas Jefferson Building renovation was completed in 1997, it was neither fiscally nor logistically possible to move the collections served through the Asian and African/Middle Eastern reading rooms from the John Adams Building at that time. The completion of Fort Meade Module One will enable the Library to initiate a 3-year project to improve the preservation and security of these valuable Capitol Hill collections and to resolve long-standing reader complaints about slow service.

LAW LIBRARY

The Law Library of Congress maintains the largest collection of legal materials in the world and also houses a unique body of lawyers trained in foreign legal systems to supply legal research and analysis, primarily for the Congress, on the laws of other nations, international law, and comparative law. More than 200 jurisdictions are covered by Law Library specialists, some 80 percent of the sovereign entities of the world that issue laws and regulations. The Law Library utilizes this tal-

ent to maintain and develop the breadth and depth of a demanding collection, as well as to provide reference services whenever either chamber is in session (as mandated by the Congress). These are daunting responsibilities. The U.S. Courts, the executive branch, and the legal community also depend heavily on the Law Library's collections and the unique expertise of its foreign legal staff.

The Law Library has been creative in attempting to meet its responsibilities, particularly with the development of its Global Legal Information Network, but funding for nine FTEs ($503,124) is crucially required. The funding would ensure adequate staffing for research and reference services, improve the processing of incoming legal materials and retrieval services, and improve administrative capabilities.

COPYRIGHT OFFICE

The Library's Copyright Office promotes creativity and effective copyright protection—annually processing approximately 620,000 claims (representing more than 900,000 works transferred to the Library) of which more than 590,000 claims are registered for copyright. The Office also records approximately 16,500 documents with more than 200,000 titles and responds annually to more than 436,000 requests for information.

The Copyright Office increased statutory fees for registration and recordation services on July 1, 1999. (The basic filing fee for registering a claim increased from $20 to $30.) I am pleased to report that the Copyright Office is forecasting that fiscal year 2000 receipts will meet the budgeted level of $20.8 million and is projecting a slight increase to $21 million for the fiscal year 2001 budget. As more experience is gained under the new fee schedule, the Library will advise the Committee of any changes in our projections.

The Digital Millennium Copyright Act, "DMCA," enacted at the end of the 105th Congress, gave the Copyright Office many new duties and responsibilities. The Register has elaborated on these legislative changes in her statement before this Committee. One major change is a new type of protection for the original designs of the hulls of boats. Registration is required and there are complicated cancellation procedures. The Copyright Office, following the adoption of new regulations and practices and a new registration form, made the first such registration in July 1999.

On November 29, 1999, the Copyright law was amended to extend the compulsory license for retransmission of network and superstation signals by satellite carriers for another five years, and the royalty rates were significantly reduced. The Copyright Office is in the process of implementing this new law. The fiscal year 2001 budget request includes an increase of $150,000 to enable the Office to meet better its compulsory licensing responsibilities.

As part of the Library's digital futures initiative, the Copyright Office is requesting an increase of $80,135 for one additional FTE to continue work on CORDS, including activities related to a joint digital repository project. A coordinated effort between the Copyright Office and the Library's digital program is critical for the protection of copyright owners and for access by Library users.

NATIONAL LIBRARY SERVICE FOR THE BLIND AND PHYSICALLY HANDICAPPED

The Library administers a free national library program of braille and recorded materials for blind and physically handicapped persons, through its National Library Service for the Blind and Physically Handicapped (NLS). Under a special provision of the U.S. copyright law and with the permission of authors and publishers of works not covered by the provision, NLS selects and produces full-length books and magazines in braille and on recorded disc and cassette. Reading materials are distributed to a cooperating network of regional and subregional (local, non-Federal) libraries where they are circulated to eligible borrowers. Reading materials and playback machines are sent to borrowers and returned to libraries by postage-free mail. Established by an act of Congress in 1931 to serve blind adults, the program was expanded in 1952 to include children, in 1962 to provide music materials, and again in 1966 to include individuals with other physical impairments that prevent the reading of standard print.

The fiscal year 2001 budget maintains program services by funding mandatory pay and price level increases totaling $1,181,339. The budget also supports the exploration of alternative digital technological possibilities that would provide a less costly, more efficient, internationally acceptable, user-friendly delivery system. Funding the fiscal year 2001 increase is necessary to ensure that all eligible individuals are provided appropriate reading materials.

LIBRARY BUILDINGS AND GROUNDS

The Architect of the Capitol (AOC) is responsible for the structural and mechanical care and maintenance of the Library's buildings and grounds. In coordination with the Library, the AOC has requested a capital budget of $9,590,000, an increase of $4,959,000. The AOC capital budget includes funding totaling $5,835,000 in appropriations for four projects that were requested by the Library. The AOC deferred one Library-requested project, air conditioning improvements costing $350,000, until fiscal year 2002.

The largest Library-requested project, amounting to $5 million, is for the National Audio-Visual Conservation Center in Culpeper, Virginia. The Congress approved the initial matching appropriated share for the Center in fiscal year 2000, and the fiscal year 2001 request would continue to build towards the Federal share of $16.5 million (25 percent) for renovating and equipping the facility. The owner of the facility, the Packard Humanities Institute, has now with extraordinary generosity offered to provide up-front funding to facilitate timely completion of the entire project, with the understanding that the government will pay up to $16.5 million (25 percent of the projected $66 million cost) at the time the property is transferred to the AOC. We have informed both our authorizing and appropriations committees about this offer, which will accelerate dramatically the completion of this much-needed facility. To achieve the public portion of this match in a timely manner, the Library is requesting $5 million for fiscal year 2001. The other three Library-requested projects support the preservation of the Library's collections and space modifications in the James Madison Building. Library-requested projects, as well as AOC identified projects, are prioritized based on critical need and in accordance with both the Library's Strategic and Security plans.

I urge the Committee to support the Architect's Library Buildings and Grounds budget, which is critical to the Library's mission.

During fiscal years 2000 and 2001, the Library will continue its participation in planning for the proposed Capitol Visitor Center. Since 1991, the Library has worked with Members of Congress and the Architect of the Capitol as an integral part of the Visitor Center. The Library offers unique resources for contributing to the mission of the Visitor Center through facilities that will permit both sharing the Library's incomparably rich collection of recorded performances in the performing arts and displaying the primary materials of American history in the Library's collections. The Library has emphasized to the members of the Capitol Preservation Commission the importance of that part of the Visitor Center design plan that includes the construction of a tunnel connecting the Center to the Thomas Jefferson building, thereby permitting all-weather direct access for the Congress to the Members' Room, for the Congressional staff to the Library's resources, and for the public to the exhibitions and public spaces in the building so beautifully restored by the Congress.

JAMES MADISON BUILDING WORKSTATION MODERNIZATION PROJECT

The Library is requesting an increase of $433,500 to complete its accelerated workstation modernization project in the James Madison Building by 2004. In fiscal year 2000, the Congress approved $878,040 for this replacement program. Improving workstation design reduces the risk of injuries and increases staff productivity. An increase in funding would complete the project by 2004 instead of 2006, which the current level of resources would permit.

PROPOSED LEGISLATION

The 105th Congress approved a revolving fund to improve the accountability and statutory authority for the Cooperative Acquisitions Program. We are seeking similar authority during the 106th Congress to modernize the business operation and enhance Congressional oversight of the Library's other cost-recovery services. Our draft legislation also enhances the continuity of the Library's Trust Fund Board and modernizes an archaic statute governing our Cataloging Distribution Service. This legislative proposal, which we are working on through the Library's oversight committees, is our top legislative priority for the 106th Congress. Passage of this legislation would cap our long-term efforts to put the Library's financial operations on firm footing.

The Library is also seeking an amendment to the statute authorizing the National Audio-Visual Conservation Center in Culpeper, Virginia (2 U.S.C. 141 note) which would allow a limited exception to the act's reimbursement prohibition. This would allow us to take advantage of an unprecedentedly generous private funding offer

and permit us to complete the project a full three years earlier than now scheduled with a savings of $6.5 million.

In its first session, the 106th Congress enacted legislation directing the Library to oversee the publication of a chronological, illustrated history of the House of Representatives. We have begun the process of establishing an advisory board and consulting with publishers. We will be working with the Committee on House Administration and are pleased to be integrally involved in this worthwhile project.

THE LIBRARY'S BICENTENNIAL

We have crafted—largely with privately raised funds—a multi-faceted Bicentennial program "to inspire creativity in the years ahead by stimulating greater use of the Library of Congress and libraries everywhere." A centerpiece is our "Local Legacies" project to document unique local traditions from congressional districts throughout the nation for possible inclusion in the American Folklife Center's collections and in the National On-Line Library. Other Bicentennial projects include: reconstituting Thomas Jefferson's original library through private donations; a "Favorite Poem" project spearheaded by the Library's Poet Laureate; and a national photography contest, "Beyond Words: Celebrating America's Libraries," jointly conducted with the American Library Association. The program also includes a commemorative stamp, commemorative coins, exhibitions, publications, symposia, and Bicentennial-related activities at libraries nationwide.

The Bicentennial theme of *Libraries-Creativity-Liberty* was reflected in our first two Bicentennial exhibitions, The *Work of Charles and Ray Eames: A Legacy of Invention* (American creativity) and *John Bull and Uncle Sam: Four Centuries of British-American Relations* (materials from the Library of Congress and British Library). The first of our major Bicentennial symposia, *Frontiers of the Mind in the Twenty-First Century*, was held at the Library and cybercast nationally in June 1999.

The concept of "Gifts to the Nation" is central to the Bicentennial effort. The Library itself is a Congressional "Gift to the Nation." Sharing the Library's collections and information about the Congress with Americans in their local communities through an expanded National Digital Library is the Library's major gift to the nation.

SUMMARY

We ask the Congress to support the Library's—and America's—digital future, as well as its traditional services provided in Washington, D.C. The Library's digital responsibilities impose on us a new mission-critical workload, which we cannot fund by diverting resources from our equally critical traditional services of acquiring, cataloging, preserving, serving, and storing artifactual materials. Our traditional role will not diminish (indeed, print publishing is significantly increasing). The digital future will enable the Library to expand greatly our direct contribution to K–12 education and to the American public. Providing free, electronic access to knowledge and information for life-long learners everywhere is essential to the future of our democracy. Free, high-quality content from America's library is bridging the digital divide—the growing division in the U.S. between information "haves" and "have-nots."

By funding the Library's fiscal year 2001 budget request, the Congress would make possible our digital future and support our traditional services—enabling the Library of Congress to continue in the new era ahead its dedicated service to the work of the Congress and to the creative life of the American people.

Library of Congress total library appropriations-actual full-time equivalent (FTE) positions

	Total actual FTEs
Fiscal year:	
1992	4,549
1993	4,492
1994	4,163
1995	4,180
1996	4,114
1997	4,010
1998	3,958
1999	[1] 3,923
2000	[2] 4,076

Library of Congress total library appropriations-actual full-time equivalent (FTE) positions—Continued

	Total actual FTEs
2001	[2] 4,268

[1] Cumulative decrease of 626 actual FTEs or 14 percent from 1992 to 1999.
[2] Budget.

PREPARED STATEMENT OF MARYBETH PETERS

Mr. Chairman and Members of the Subcommittee: I appreciate the opportunity to present the budget request of the Copyright Office for fiscal year 2001. In the new millennium, the Office is pleased to provide leadership in the establishment of U.S. copyright policy and service to the nation in the digital age. To strengthen and improve our ability to serve the Congress and the copyright community, the Office will focus on several programs in fiscal year 2000, including a study to reengineer the registration and recordation processes.

During the past year, the Copyright Office continued to advise the Congress on national and international issues and provided valuable assistance to the United States Trade Representative and other executive branch agencies. It also continued to create and maintain the on-line catalog of copyright and mask work registrations and recorded documents, to administer the various compulsory licenses and statutory obligations, to further the effort to create a workable automated registration, recordation and deposit system, and to offer technical, and educational assistance in the international arena.

The Copyright Office's public services include, responding to copyright information and reference requests in person, over the telephone, through written correspondence, and electronically through the Web; producing and supplying Copyright Office regulations, studies, forms, informational circulars, and other publications in paper and digital formats; maintaining a 24-hour forms hotline and fax delivery service; providing up-to-date information digitally via the Copyright Office Website and through an electronic mailing list. The Website offers most of the information circulars provided by the Office and the ability to fill-in on line and down load application forms. The Copyright Website was accessed more than 1.9 million times during the year, almost a 100 percent increase over the prior year.

In fiscal year 1999, the Office processed approximately 620,000 claims, representing more than 900,000 works, registered more than 590,000 of these claims, recorded 16,500 documents, that included more than 200,000 titles, and responded to 436,000 information requests. The Office transferred to the Library approximately 954,000 copies of works at a value of $36,435,428. The Office collected approximately $16,000,000 for registration, recordation and related services and approximately $214,000,000 in royalty fees for compulsory licenses.

Fiscal Year 2000 Focus

In fiscal year 2000, the Copyright Office will focus on four activities:

—Maintain and enhance the policy role of the Copyright Office in domestic and international copyright matters;
—Continue to develop, test, and implement the Copyright Office Electronic Registration, Recordation, and Deposit System (CORDS);
—Improve the security of copyright deposits and records through the continued implementation of the Library's Security Plan and the Copyright Office's risk assessment recommendations, including the introduction of automated item-level tracking and electronic access controls; and
—Continue to improve the efficiency and timeliness in registration and recordation processing, including the initiation of a business process reengineering study.

Policy Role

Although there was less legislative activity in the copyright sphere in 1999 than during the previous two years, the Copyright Office played a very active role assisting Congress in crafting one major piece of legislation extending and revising the Satellite Home Viewer Act. The legislation concerns the satellite compulsory license that the Office administers; it extends the license until December 31, 2004; it creates a starting framework to allow satellite carriers to provide local TV signals, and it reduces royalty fees.

A major focus of the Copyright Office's legal efforts during fiscal 1999 was completing tasks entrusted to us by Congress in the Digital Millennium Copyright Act

(DMCA) of 1998. The DMCA requires the Copyright Office to conduct several studies on various subjects. The first study, due six months after the date the DMCA was enacted, was on copyright and digital distance education. At the urging of libraries and educational institutions, Congress addressed the issue of distance education during consideration of the DMCA. Since it was not possible at the time to reach a resolution that all of the affected parties could live with, further consideration of the issue was deferred until the Copyright Office had time to study the issue and report to Congress.

The Office held three public hearings and received numerous written comments during the course of the study. The Office also engaged a consultant to report on the market for licensing in digital distance education. The Copyright Office report concludes that technological changes since the adoption of the current Copyright Act make it appropriate to revisit the existing exemption for distance education in section 110(2) in order to restore the policy balance that Congress had intended. Congress has held hearings on these recommendations, but no legislation has been introduced.

In addition to the distance education study, the DMCA requires the Copyright Office to conduct a rulemaking on an exemption to 17 U.S.C. 1201 that would permit circumvention of technological access control measures in order to engage in noninfringing uses of copyrighted works. The exception would apply only to categories of works as to which the Office, through this rulemaking procedure, determines that the ability of users to engage in noninfringing uses has been or is likely to be adversely affected by the use of technological access control measures.

The rulemaking process was initially delayed by the inclusion of the phrase "on the record" in the statute, which appeared to imply that the Office would have to conduct a costly quasi-judicial proceeding presided over personally by the Librarian of Congress. After extensive discussions with the affected parties and the Congressional committees, a provision was included in the satellite legislation that removes the requirement that our rulemaking pursuant to 17 U.S.C. sec. 1201(a)(1) be "on the record."

The Office has since initiated the process of consulting with affected parties by publishing a Federal Register notice on November 24, 1999 seeking a first round of public comments. The initial comments are now due on February 17, and reply comments are due on March 20. We plan to hold two public hearings, one in Washington, D.C. and one on the West Coast. We will make our recommendations to the Librarian, who will publish his findings by October 28, 2000.

In the coming year, we anticipate that we will continue to assist Congress in legislative matters on such issues as protection of the investment in databases, restoration of remedies for intellectual property infringements by States, and extension of the cable compulsory license online service providers who wish to bring television programming through the Internet to these subscribers. We will also continue to advise executive branch agencies on international matters, including assuring that foreign countries live up to their obligations under the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights, provide adequate and effective intellectual property protection to U.S. right holders and will fully participate in the World Intellectual Property Organization's norm setting activities, especially its effort to establish a new international treaty to protect the interests of performers of audiovisual works, e.g., screen and television actors.

Copyright Office Electronic Registration, Recordation, and Deposit System (CORDS)

In fiscal year 2000, the Office will expand CORDS, the system that allows the submission of copyright claims and deposits electronically over the Internet. Building on the successful fiscal 1999 implementation of the CORDS system-to-system submission and the processing of 10,000 doctoral dissertations and master's theses submitted by Bell and Howell Information and Learning Corporation (formerly UMI Co.), CORDS will be expanded during fiscal 2000 to test the receipt of claims and deposits from music publishers, coordinated centrally through the Harry Fox Agency, a subsidiary of the National Music Publishers Association. Other CORDS test partners will begin submitting copyright claims electronically through Mixed CORDS, with hard-copy deposits, resulting in time and efficiency gains for both the Mixed CORDS partners and the Copyright Office. CORDS is the only major objective that requires additional resources in fiscal year 2001. One GS–13 Computer Specialist is needed to continue work on the CORDS system.

Registration and Recordation Operations

The Copyright Office's goal is timely, efficient, and quality service. Throughput time is a major concern to the copyright community. Despite valiant efforts by supervisors and staff, registration time rose from the norm of six to eight weeks in

1993 to six to eight months today. Although we were able to shorten the throughput time by two weeks in 1999, this existing time frame is clearly unacceptable. Annually, we process approximately 620,000 claims to copyright covering more than 900,000 works and more than 1,000,000 deposit copies.

Staff reductions due to retirements, resignations, and hiring inefficiencies have contributed to our inability to reduce the processing times. The Copyright Office has endeavored to compensate for staff reductions and other pressures in major processing divisions. Overtime has been focused on reducing backlogs on an as-needed basis in some areas, and regularly in the Examining Division.

New workload arising from legislative initiatives included implementing a system for registration of vessel hull designs and recordation of Online Service Provider Agent, and Copyright Owner Notice to Libraries and Archives of Normal Commercial Exploitation or Availability at Reasonable Price. These new activities required the Office to develop new forms, fees, and work procedures using existing staff. In the case of vessel hull registration and Online Service Provider Designations of Agent, staff had to be assigned to ensure the rapid posting and indexing of information on the Copyright Office Website.

The Office reorganized the Receiving & Processing Division's Mail Center operations to create a more logical and speedier workflow by transferring the metering functions into the Library of Congress's mail service, and shifting responsibility for handling correspondence functions into the Examining Division. Additional staff were added to the Receiving & Processing Division to perform new marking, tagging and tracking duties to enhance the security of materials.

The Examining Division completed its work with labor organizations to create new standards for distribution and performance, continued to hold facilitative sessions with staff to improve practices and procedures, utilized cross-trained staff from other divisions, increased its use of fax and email correspondence with applicants, expanded its use of a streamlined correspondence system with frequent applicants, and cross-trained technicians to process uncomplicated claims. The division is hiring additional examiners with funds approved for this purpose in the fiscal 2000 budget, and has reorganized its training program to ensure that trainees contribute to production of claims earlier in their first year of employment.

The Cataloging Division engaged in a significant effort to continue cross-training catalogers, further simplified copyright cataloging rules, completed and issued a training manual, and introduced improvements to automated cataloging programs to speed data entry. The implementation of CORDS mentioned above, has made possible the more rapid cataloging of claims received through this system.

The unacceptable throughput time of more than six months for document recordation is being vigorously addressed. A contractor study has just been completed, and a plan for improving the process and implementing the recommendations is being prepared. This plan will include improvements to workflow, rewritten practices, revised procedures for correspondence, clearer instructions for use of the document cover sheet (a form which assists the Office in processing the document), and steps to update or replace some automated systems. Additionally, new supervisory staff assigned to the Documents Recordation Section in September, 1999, brought much needed leadership and vision.

These various Copyright Office efforts have helped to hold the line against the lengthening of an already unacceptable cycle time for registration claims and documents. The near term requires filling vacant and newly approved positions in these crucial areas, which we are doing. However, to bring cycle time down to acceptable levels requires more fundamental change—a full-scale business process reengineering effort.

Business Processing Reengineering (BPR)

In fiscal 2000, the Copyright Office initiated plans to reengineer its business processes. Authors, other copyright owners, users of copyrighted works, copyright industries, libraries, and members of the public rely on our records relating to registered claims in copyrighted works and recorded documents concerning ownership of works. The value of the records is greatest when up-to-date information on new works is added to the record and is available to the public in a timely manner. This BPR initiative will result in improved overall service by the Office.

This initiative will also complement the Library of Congress' major security effort with regard to its collections. The BPR effort will result in the reduction of lost materials by eliminating excessive movement and handling of materials that enter the Library through Copyright Office registration and mandatory deposit systems. It will also allow the Office to share data more effectively and to contain costs.

Reengineering will accomplish the following objectives: Improve operations and service that will achieve better processing times, create timely public records opti-

mum response time for requests from the public; enhance operational efficiency through use of new (alternative) technologies; contain costs of registration, recordation and other services; strengthen security within the Copyright Office; and more efficiently use staff and space.

The Office has completed and submitted a Statement of Work for a BPR Study and Implementation Plan to the Library's Contracts & Logistics Office for issuance of a Request for a Quotation (RFQ). A position has been established and will soon be posted for a GS–15 Project Manager (NTE 4 years) who, as an expert in Copyright Office procedures, will be the Contracting Officer Technical Representative (COTR) with the contractor and who will be responsible for working with Copyright Office managers, staff and labor organizations during the study and assist in the implementation of the agreed upon changes.

For fiscal 2001, the Copyright Office must decrease its base by $400,000, which is the one time cost for the (BPR) study begun in fiscal 2000. During fiscal 2001, the Office will review the results of the study, and begin the first phase of the implementation plan in fiscal 2002. We anticipate that our fiscal 2003 budget request, will incorporate the final phase of the BPR initiative.

Security Program

The Library of Congress continued its major security effort with regard to its collections. The Copyright Office successfully completed all fiscal year 1999 scheduled action items identified in the multi-year risk assessment plan. Pending the permanent reconfiguration of the Mail Center, an interim reconfiguration was accomplished to facilitate several important security initiatives including laser ownership marking of non-print materials and applying security strips and bar code labels on book material. The bar codes will be an essential element of the item level tracking system now being developed. Initial purchases were made of security carts for transporting "high-risk" materials through the processing stages. Additionally, a closed circuit video system was installed in the copyright records unit to improve security.

I am please to report that the Office implemented in fiscal 1999, a more cost effective process to mark and tag copyright materials, resulting in a permanent savings of $420,000. On November 18, 1999, the Librarian of Congress on behalf of the Copyright Office submitted a reprogramming request to the respective House and Senate Appropriations Committees to reprogram the $420,000 in savings to fund an Item Level Tracking initiative for Copyright Office materials.

Fee Increases

At this time the Office forecasts $20,800,000 in fees for fiscal 2000. This is consistent with the impact on receipts following the last fee increase, in January 1991 when receipts declined 7.5 percent. For the last two months of fiscal 1999, receipts declined nearly 9 percent from the previous year. For the first two months of fiscal 2000, receipts were nearly 10 percent lower. We expect that the fee increase will result in receipts approximately 10 percent lower than fiscal 1998, followed by a slow recovery over several years. In addition, approximately 20 percent of claims still arrive with insufficient fees, creating an extra workload. However, most filers send the required additional fee when requested to do so.

Based on current data and historical trends, the Office projects fee receipts of $21,000,000 in fiscal 2001. If receipts exceed this forecast, these fees will be transferred to the Copyright Office "No Year" account. These funds can be used in future years to offset increases in expenditures and/or potentially decrease the net appropriation.

Summary

In its fiscal year 2001 budget request, the Office seeks additional resources to continue its digital futures initiatives, specifically, to hire one additional GS–13 automation specialist. Fiscal 2001 will be an important year for the Copyright Office as it reviews the results of the BPR study and begins to implement the recommended changes in its registration and recordation processes.

Senator BENNETT. Thank you.

Mr. Mulhollan.

Mr. MULHOLLAN. We are grateful for the support the committee has given to CRS. Particularly, our request is to complete the increase, temporary increase of 30 FTE's for the succession initiative that has proven greatly successful. I have some examples for the record which I have mentioned in my written testimony of three

excellent people brought in through our recruitment process and continuing.

Also, the oversight and support this committee has given for the Y2K conversion has led to, among other things, success stories in managing the concern of CRS with regard to computer security.

We are grateful for the committee's support and we thank you.

[The statement follows:]

PREPARED STATEMENT OF DANIEL P. MULHOLLAN

Mr. Chairman and Members of the Subcommittee: It is a pleasure to appear before you today to discuss the fiscal year 2001 budget request for the Congressional Research Service. I first want to thank this Subcommittee for the support it has given to CRS in the past and to express my gratitude for the confidence you have shown in the Service and the close working relationship which you have made possible.

My testimony presents the CRS budget request for your consideration, describes our continuing commitment to inform you and your colleagues in the discharge of your many responsibilities, and summarizes several changes and trends affecting the congressional environment and the ways in which CRS has dealt with these developments.

CRS BUDGET REQUEST

The budget request I submit today contains only those funds necessary to maintain CRS services to the Congress, now and into the future. Our request for fiscal 2001 is $75,640,000, an increase of $4,666,727 over fiscal 2000. This requested increase has two objectives: (1) to sustain current services and cover the increased cost of our current staff and nonpersonals, and (2) to fund the third year of our three year succession plan for maintaining research capacity, preserving our institutional memory, and ensuring continuity of service over the next few years, as half of our staff become eligible to retire.

We have made every effort to hold down costs and at the same time ensure continued congressional access to our expertise and high productivity. Our request for maintaining current services covers mandated increases in compensation, namely cost-of-living increases ($3,391,482) and price level increases in nonpersonals ($144,473).

The second part of the request will help us ensure that we can maintain our research capacity and services to the Congress at a time when many of our most expert and experienced staff will retire. The funding requested, $1,130,772, will permit CRS to continue to hire entry level staff in anticipation of this large number of retirements. Let me assure you that we remain committed to working within our fiscal 2000 budgeted full-time equivalents.

CRS: CHANGE AND CONTINUITY

The beginning of a new century affords any organization a unique opportunity to re-examine its past and formulate its vision for the future. When one considers as well the current climate of increasingly rapid change in the congressional environment, those of us responsible for guiding CRS must devote a good portion of our energies to analyzing current and likely future changes affecting the Congress and adapting our work processes accordingly, so that the Service can continue providing effective support to you and your colleagues. Later in my testimony, I will touch briefly upon several recent trends which have significant implications for the work of Members and staff, as well as the various ways in which CRS has sought to adapt and respond proactively to these forces.

Before proceeding further, however, I would like to introduce the second theme of my remarks today, namely, that in adapting to change we in CRS are always mindful of the need to preserve, that is, to leave unchanged, those principles that form the core of the mission established for us by the Congress at our creation in 1914, and reaffirmed in the Legislative Reorganization Acts of 1946 and 1970.

Mr. Chairman, we are all aware of the tendency to conclude that new and often unsettling changes advances in technology, international terrorism, the growth of multi-national corporations, to name a few cannot be dealt with effectively by existing institutions and therefore require not merely adjustment, but fundamental changes in the way our government operates.

In CRS, however, we remain committed to the view that the role of the Congress, as set forth in the Constitution and refined over more than 200 years of experience,

is as viable and sound today as it was in 1787. During its history, Congress has successfully coped with periods of dramatic change and uncertainty: the Civil War, two World Wars, the Great Depression of the 1930's, and the Cold War are notable examples. Many of Congress' constitutional prerogatives and responsibilities continue to be exercised in a manner that would be easily recognizable to the Framers, such as the use of the appropriations power, oversight, and as a last resort the impeachment process to provide a necessary check on the other Branches.

Today, however, I would like to focus upon the attribute of Congress that is generally known as its informing function, the process by which Congress informs itself about the decisions it must make (as distinguished from the separate and more recent notion of the responsibility of Members to inform their constituents). I am focusing on one particular function of Congress because the belief that legislation can and should be based upon rational policy decisions, and that an informed legislature is therefore required, was the driving force responsible for the creation of CRS. Further, our central values and policies non-partisanship, balance, non-advocacy, and confidentiality all derive directly from our role in supporting the informing function.

The historical power, and indeed the obligation, of Congress to inform itself, was eloquently formulated over seventy years ago by the Supreme Court in *McGrain* v. *Daugherty*:

"A legislative body cannot legislate wisely or effectively in the absence of information respecting the conditions which the legislation is intended to affect or change; and where the legislative body does not itself possess the requisite information—which not infrequently is true—recourse must be had to others who do possess it. * * * All this was true before and when the Constitution was framed and adopted. In that period the power of inquiry—with enforcing process—was regarded and employed as a necessary and appropriate attribute of the power to legislate—indeed, was treated as inhering in it. Thus there is ample warrant for thinking, as we do, that the constitutional provisions which commit the legislative function to the two houses are intended to include this attribute to the end that the function may be effectively exercised." (273 U.S. at 175.)

Indeed, the courts have recognized that Congress' ability to inform itself is an essential component of the legislative process and is therefore entitled to the protection afforded by the Constitution's Speech or Debate Clause. Moreover, while the informing function is often associated with congressional oversight and investigatory powers, the courts have made it clear that the "need for effective and informed lawmakers" is not limited narrowly to its investigative activities, but rather "Congress * * * must have the widest possible access to* * o * information if it is to perform its manifold responsibilities effectively" (*Murphy* v. *Department of the Army*, 613 F.2d 1155–56, 1158).

The informing function was also further developed in legislative bodies at the State level. By the beginning of the twentieth century, the impetus of the Progressive movement had contributed to a broadening of the informing function to encompass the creation of legislative support agencies in a majority of the States. Eventually, this movement led to the establishment of a similar organization at the national level. The Legislative Reference Service (LRS) (renamed the Congressional Research Service in 1970), was formed by the Congress in 1914 with the explicit mission of aiding Congress in carrying out its informing function. In the words of Senator Robert M. LaFollette, a principal architect of LRS, its creation represented "an important and necessary step toward rendering the business of law making more efficient, more exact, economically sound and scientific."

When Congress first gave CRS a statutory charter in 1946, it reaffirmed the importance of the informing function by accepting the principle that LRS staff should serve as a pool of independent expertise available to the entire Congress. Again, when CRS' charter was revised and strengthened in the Legislative Reorganization Act of 1970, Congress returned once more to our basic role as an efficient, objective source of information to support Members in the effective exercise of their legislative duties. In the words of the House Rules Committee Report on the 1970 Act, a non-partisan CRS, available as shared staff accessible to all Members, would:

"Insure the equal availability of information to both Houses of Congress; insulate the analytical phase of program review and policy analysis from political biases and therefore produce a more credible and objective product and more easily develop common frames of reference and analytical techniques that would make such analyses more useful and meaningful to all committees."

Mr. Chairman, I respectfully submit that the historical record described above demonstrates two things: first, that the Congress remains firmly committed to the value of objective, accurate information as a basis for legislation; and second, that

CRS throughout its existence has played an important role in supporting the Congress' informing function.

Our challenge, then, is to combine flexibility and innovation in response to changes in your environment with continuity in our adherence to the core principles which the Congress has established for us.

CHANGES IN THE CONGRESSIONAL ENVIRONMENT

To illustrate the manner in which we apply this approach in specific circumstances, let me discuss briefly several recent trends and developments which have altered the environment in which you and your colleagues work, and describe how CRS has responded to them, including the impact of recent court rulings on congressional authority, congressional turnover, and rapid changes in technology.

JUDICIAL LIMITATIONS ON CONGRESSIONAL POWER

Jurisprudential trends in the last few years have had a significant impact on Congress' powers. All of these developments have not only created jurisprudential upheaval but have made it incumbent that Congress understand these newly imposed limitations on its lawmaking powers. Litigation is flourishing not only in the Supreme Court but in the lower federal courts challenging numerous federal laws on a variety of grounds. The development of legislative proposals must take these constitutional limitations into consideration as Congress fashions laws within the newly articulated boundaries set by the Court. The enhanced protections for the States also influence what legislative proposals are put forward and increase the vulnerability of legislative proposals to challenges based on these jurisprudential trends.

—For the first time in over 50 years, the Supreme Court, in 1995, struck down a law—the Gun-Free School Zones Act—which was enacted on the basis of Congress' broad power to regulate interstate commerce. The Court held that the law exceeded Congress' commerce power and its holding has raised questions about Congress' ability to enact national legislative solutions to certain problems. A related series of cases has confined Congress' power under its authority to enforce the rights contained in the 14th Amendment, limiting what the Court saw as Congress' attempt to define new rights or redefine rights that were the subject of Court pronouncements. The trend to criminalize conduct hitherto the subject of state law and to create federal remedies for wrongs previously adjudicated on the state level has been most affected by the recent court cases and the issue continues to be played out in the Supreme Court.

—A related development has been the Court's limitations on Congress enacting legislation that has the effect of utilizing state executive officials to implement federal law or forcing state legislatures to enact state legislative regimes pursuant to federal dictates. The Brady Handgun Control Act, partially invalidated by the Court in 1997, is an example of this trend, in which the Court has interpreted the Tenth Amendment and the structure of the Constitution as placing limits on Congress when it involves the States in the effectuation of federal policy.

—The cabining of Congress has also manifested itself in the recent flurry of cases that have limited the ability of Congress to authorize lawsuits against states under federal law. Individuals' rights to sue State employers in federal court under the Age Discrimination in Employment Act is a recent casualty (decided on January 11, 2000). The Court has struck down federal laws authorizing litigation against States under the patent and trademark laws and is considering the validity of ADA lawsuits against States.

CRS Response

CRS has responded with the expert legal advice critical to Congress' ability to legislate against the backdrop of these new constitutional limitations. It is often necessary to include in analyses provided to Congress consideration of many new aspects bearing on the question of the underlying power of Congress to impose particular obligations on the States and to provide for remedies for violations of federal laws when hitherto such matters did not have to be seriously addressed.

The legal backdrop against which Congress legislates may be changing in significant ways and the relative balance of power between the States and the federal government in our constitutional system may be shifting. Nevertheless, the traditional role of CRS as an interpreter of these changes for Congress and a source of analytical expertise in assisting Congress in fashioning its legislative work product consistent with the new legal and constitutional dictates remains. In summary, CRS offers an institutional perspective informed by years of studying and analyzing these issues as they impact on Congress and an unmatched breadth of resident expertise

available to Congress in a period in which the legal and constitutional landscape is rapidly changing.

CONGRESSIONAL TENURE

A second trend that merits discussion is the increasingly rapid turnover in the tenure of Members and congressional staff. It is important to note that this trend applies both to the length of time that individuals remain within the Congress as an institution, as well as to service in particular positions or offices. Significant aspects of this development include the following:

—Turnover among Senators has been substantial in recent years. The decade of the 1990s witnessed the largest number of retirements—37—in the twentieth century. Significant numbers of new Senators have been added in each recent election cycle: 14 new Senators in 1992, 11 in 1994, 15 in 1996 and 8 in 1998.

—Under current Senate Republican Conference rules, Republican committee chairs and ranking members can serve no more than six consecutive years beginning in 1997. A similar limitation applies to service in any elected Republican party leadership positions other than Floor Leader and President Pro Tempore. As a result, considerable turnover in committee and party leadership will occur in future Congresses commencing with 2003, even in the absence of a change in current party control of the Senate.

—Staff tenure in the Senate, particularly length of service in particular positions, is undergoing a significant decline. According to the Congressional Management Foundation, in 1999 nearly 50 percent of Senate staff had less than 1 year in their current positions. When broken down, this overall figure (which represents an all-time low since the Foundation began compiling tenure data in 1991) reveals considerable turnover even in critical positions: 52 percent of Legislative Counsels, 46 percent of Legislative Assistants, and 38 percent of Legislative Directors have served less than 1 year in their current positions.

CRS Response

Clearly, these developments require CRS to be particularly attentive to serving the many Senators and staff taking on important new responsibilities. While specific committee and leadership changes for the 108th Congress are simply too complex to forecast at this juncture, it is likely that considerable shifts will result from a combination of continuing turnover among Senators and their staff, party term limits rules, and possible changes in party control of the Senate. CRS will need to anticipate and prepare for these changes by developing its research capacity during the upcoming 107th Congress and ensuring that CRS addresses the full range of issues likely to be on the agenda of all committees, especially those likely to be chaired by new Senators in January 2003.

CRS policy, legal, and procedural specialists are available to provide the expertise to help new chairs and ranking members accomplish their legislative and policy objectives and to analyze a wide range of options on issues before their respective committees. CRS also has the welcome assignment of briefing new Senators and their office and committee staff on a wide range of substantive and procedural issues. In this videopolitics information age, new Senators are expected to be conversant with almost every issue imaginable. Given the breadth and depth of expertise at CRS, we are well-positioned to help incoming Senators and their aides become knowledgeable quickly on the issues of the day. Moreover, CRS procedural and legal staff are frequently called upon to personally brief and prepare reports on the workings of the Senate, even for those new Senators who have previously served in the House. In short, the constant circulation of new Members and staff aides into the Senate requires CRS to devote considerable time, resources, and professional talent to providing support on both substance and procedure.

INFORMATION TECHNOLOGY

Turning to another and third area of change, developments in information technology are having rapid and continuous effects on the congressional environment. These developments have a significant impact, both on substantive issues before the Congress and on the way in which Congress works. While my testimony today will focus on the implications of technological change for congressional work processes, I should note that our analysts have also provided support on a range of legislative initiatives undertaken by Congress in response to developing technology. For example, CRS analysts assisted Members of Congress and their staff in understanding the issues, including potential costs and benefits, as federal policymakers successfully addressed the Y2K issue. CRS also provided expert analysis and advice on the Satellite Home Viewer Improvement Act, which is intended to provide consumers

with greater access to network television stations via satellite retransmissions into local market areas. Third, an important conduit of Internet connections in the new century is broadband technology the "fat pipeline" that may allow a wide range of voice, data, video and interactive communications into U.S. households. CRS analysts have provided extensive briefings for congressional staff on the policy implications and technology developments of this vital technology development.

CRS has also been responsive to changes in legislative work patterns driven by evolving technology, including increased reliance by Members and staff on internet information sources, the building of resident online legislative information resources for both chambers, e-mail communication capabilities, remote access to office information, electronic communication with constituents, computer security concerns, and the increased use of audio and video capabilities.

Let me first mention that we fully appreciate the critical nature of computer security for our systems in light of our confidential relationship with the Congress and the potentially sensitive nature of the information that we transmit or that resides on our electronic systems. The importance of such security is made even more paramount by the structural intertwining of CRS, Library, and congressional systems through the Capitol Hill intranet known as CAPNET. We have taken many steps to deal with security issues, including the commissioning of studies by outside experts, including the National Security Agency, increasing password, virus, and remote access protections, improving physical security, and informing and training staff regarding proper security procedures and policies. Recent experiences both within the Congress and in executive agencies have reinforced our resolve to remain vigilant in the protection of congressional information.

CRS Initiatives

CRS has undertaken many significant initiatives in an effort to adapt to and take advantage of new technological capabilities to the extent our resources permit. In my testimony today, I will report to you on three of these activities, our continuing support of the Legislative Information System, our Y2K transition process, and the continuing development of our CRS Web site.

Legislative Information System

Under the overall direction of the Committee on House Administration and the Senate Committee on Rules and Administration, CRS and the Library, working with the Clerk of the House and the Secretary of the Senate, have developed an integrated and secure legislative information retrieval system for the Congress that serves the research and informational needs of Members and staff by providing access to core legislative data that is accurate, timely, and complete. The first release of the LIS, launched in January of 1997, included the summary, status, and text of bills; the text of the daily Congressional Record; committee reports and other publications; selected CRS Reports and Issue Briefs; and other legislative branch publications and services. Developed in concert with the House and Senate, the LIS was designed to reduce duplication of legislative retrieval systems within the Congress. It serves both novice and expert users.

During 1999 CRS and the Library's Office of Information Technology Services completed most of the major enhancements approved by the Committee on House Administration and the Senate Committee on Rules and Administration. These efforts focused on developing and implementing a data exchange system among the House, Senate, and Library that was Y2K compliant; developing new data files and retrieval capabilities to provide users with a system that was comparable to Congress' legacy systems; and enhancing the Library's technical infrastructure to ensure that access to the retrieval system was reliable and secure. In addition to technical developments, CRS continued to work with congressional user groups and established methods to ensure that Senate and House staff had opportunities for input into the design of the retrieval system. While it is anticipated that the content of the LIS will undergo expansion and modification as user needs are identified, the CRS effort, coordinated with the Library, will remain focused on maintaining a state-of-the-art retrieval capability for core legislative information. LIS development continues with no additional funding; we have accomplished this important assignment utilizing existing staff and expect to continue doing so, notwithstanding the strain on CRS resources.

Y2K

Turning to a second technology initiative, the Y2K transition process required the inventory, review, assessment, and testing of virtually the entire CRS technical infrastructure. This included hardware, operating system-level software, and application-level software. As a consequence of this analytic effort, several parts of the CRS technical infrastructure were upgraded or replaced, increasing CRS efficiency and

effectiveness in serving Congress. Several of the upgraded or replaced systems provide additional capabilities or constitute significant improvements in design. In one case a new system also allows for better coordination with congressional systems.

The CRS Y2K effort resulted not only in assurance that all systems would successfully transition to the year 2000, but also led to significant improvements in our resident technology. For example, conversion of the Bill Digest/Bill Status and Summary portions of LIS to a new Documentum system, as mentioned earlier, was driven by the non-Y2K compliance of the legacy systems. The new system, designed in consultation with both the House and Senate, has resulted in enhanced data sharing and efficiency. Y2K assessment also resulted in replacement of some of our administrative legacy systems. More generally, upgrading of operating system-level components, in a common time frame, resulted in synchronization of versions, releases and application of software "patches". CRS also procured a number of assessment tools that, while needed for the Y2K process, will now serve to streamline and enhance troubleshooting and other functions.

CRS is continuing to determine "best practices" learned from Y2K work to apply to ongoing oversight and updating of hardware systems and software applications. The CRS contingency planning has also become a foundation for efforts to develop more comprehensive disaster recovery plans.

CRS Web Site

A third area of CRS technological development concerns our Web site, available only to the legislative branch, which makes many CRS products and services available to the Congress electronically through the security of the CAPNET. This web site currently makes available all Issue Briefs, active CRS Reports, bill summary and status information; extensive coverage of all appropriations legislation; weekly alerts to CRS products related to upcoming floor action (the Legislative Alert); public policy literature abstracts and documents; Internet sources of information on issues of congressional interest; and information on legislative procedures, CRS services, and other items of use to Members and congressional staff. The site is the subject of constant review, updating, and improvement, and we continue to provide these enhancements without additional resources.

During the last Congress CRS began pilots of new web products called "Electronic Briefing Books"—these integrate key information and analysis on active legislative issues and present them in interactive electronic formats that provide congressional clients with the ability to customize their online research. Electronic Briefing Books also offer access to a new concept—CRS analysis written specifically for the electronic environment. CRS offered several additional electronic briefing books on a broader range of topics in the second session of the 106th Congress and plans to continue development of this concept (Currently available CRS Electronic Briefing Books are: "Banking and Financial Services"; "Campaign Finance Reform"; "Electric Utility Restructuring"; "Global Climate Change"; "Social Security Reform"; "Taxation"; "Terrorism"; "Tobacco"; "Trade"; "Year 2000 Computer Problem," with "Education" nearing completion).

CRS Issue Briefs and an increasing percentage of reports are available in a hypertext format that allows the user to move easily within the document, to link to the text and summary of relevant legislation, to link to sources of information outside CRS, and to link to other CRS products on the topic. Several components of the CRS web site, such as CRS Issue Briefs and analyses of appropriations, can also be accessed directly from the congressional Legislative Information System (LIS). CRS is also exploring the use of advanced graphics, as well as the "streaming" of audio and video products to enhance the availability, effectiveness, and utility of online information for Members and staff.

Last year CRS created a team to develop a strategic plan for the development and management of the CRS web site for the Congress. Among other tasks, the team was charged with developing a plan that will foster creativity and provide for expeditious development and implementation of new products and services; clarify organizational responsibilities for site design and oversight; specify mechanisms and staff responsibility for content development, usability testing, and quality control; and generally facilitate the development of an effective web site administration structure that is client focused. Recommendations are expected in late February.

Although we are actively exploring ways to capitalize on technological changes, CRS and our oversight committees have been cautious in considering proposals that cite technological developments as a justification for fundamental alterations in the operations of CRS and the Congress.

PUBLICATION OF CRS PRODUCTS

An example of the possible unintended consequences of technological change is a proposal which, if adopted, could diminish our capacity to serve you and could lead to CRS assuming functions which have historically been exercised by Members themselves, not by staff. Pending bills to make CRS products directly available to the general public via the Internet would change a long-standing congressional policy that publication of CRS materials is to be made only by Members on a selective basis as they deem appropriate. While current technology appears at first glance to make massive public dissemination more feasible than before, we share the concerns expressed by our oversight committees that such action would have serious, if unintended, consequences for our ability to serve you. Because the matters at issue go to the very heart of our relationship with the Congress, and our continued ability to support you in the exercise of informing yourselves, I believe it is incumbent on me to elaborate on this matter in some detail.

Historically, CRS has struck a delicate balance between confidentiality and accessibility in serving the Congress. In responding to each request that CRS receives, we are obliged to maintain the same confidentiality in our communications as do personal and committee staff. However, because CRS as shared staff serves all members by serving each Member, our relationship with Representatives and Senators necessarily is more complicated than the relationships between Members and both personal and committee staff.

The ultimate reason we exist as an organization is to make possible a well-informed Congress. Consequently, we cannot avoid having to strike a balance between confidentiality and accessibility between preserving confidentiality in our communications with Members and their other staff, and making our information and analysis as readily accessible as possible to all Members and staff.

If not for the need to balance confidentiality and accessibility, each of our reports would be available only to the Member who requested us to write it. No other Member would be able to read a report, or even know of its existence, without the prior consent of the Representative or Senator for whom it was prepared. In fact, this is CRS policy with regard to memoranda prepared at congressional request unless the requesting Member waives his or her exclusive control over a memorandum.

It also is CRS and congressional policy, however, to encourage Members to allow us to prepare written products that we can make available to all Members. A shared staff is most cost-effective for Congress only when we share our expertise with all Members who seek it. So CRS has a responsibility to make the knowledge of its staff accessible to all Members. If our manpower and other resources were unlimited, and if time were never a concern, we could write a new report to respond to each request, even if we had received much the same request many times before. Even if we had these capabilities, though, it would be wasteful to create such a large organization when we can satisfy many requests with the same report while improving the timeliness, and without significantly diminishing the quality, of our responses.

It is for this reason that many written CRS products are in the form of reports and issue briefs that are advertised and available to every Representative and Senator. These products often draw upon research and analysis originally undertaken in the preparation of memoranda for individual clients, although the memoranda themselves remain confidential. With the support of Congress, in fact, we have taken major strides within the last few years to increase the accessibility of our congressionally distributable written products by making all of them available on line.

Thus, CRS seeks to maximize access through reports and issue briefs that we can distribute to all Members because the unrealistic alternative would be to prepare essentially the same confidential report again and again and again. Our reliance on generally-accessible reports is simply a recognition of the fact that there is no other way in which we can effectively serve more than five hundred Members and their committees.

We must strike a balance between confidentiality and accessibility, therefore, but only because accessibility is inescapable if we are to meet our responsibilities to inform all Members of both houses and do so in a timely and cost effective manner. For CRS, confidentiality is a cardinal principle; accessibility is a practical necessity.

It follows that making CRS reports available online to the public would be more than an incremental expansion of our policy of accessibility or an adaptation of that policy to the opportunities presented by new technologies. Instead, direct public access would mark a fundamental departure from this policy and the reason for it. We make our reports generally accessible to Congress because there is no realistic way in which we can communicate so much so quickly to so many. In other words,

the accessibility of our reports within Congress is unavoidable if we are achieve our sole goal: to serve Congress.

Public accessibility, on the other hand, would serve an entirely different purpose: to inform the general public. No doubt informing the general public is an admirable purpose, but it is not the one for which Congress created CRS. What is more, public access to CRS reports undoubtedly would create demands that would make it more difficult for us to accomplish our central mission. Public access to our reports inevitably would provoke public reactions, and responding to those reactions would become a time-consuming and potentially all-consuming task.

Finally, Congress has traditionally regarded relationships with constituents as a responsibility and a prerogative of Members themselves. It may be questioned whether delegating such a function to a staff agency such as CRS, which has no experience with or resources available for dealing with constituents, would represent either an efficient or appropriate mission for us. Such a shift in our role, from supporting Members to substituting for them, could have serious repercussions in our long-term relationships with you and your colleagues.

SUCCESSION PLANNING

The declining tenure of Members and congressional staff, and the resulting loss of experience throughout the Congress, make it even more imperative that CRS preserve its role as a collective institutional memory. We have taken many initiatives to maintain this capacity, including implementation of the organizational realignment on which I reported to you in last year's testimony.

Central to our efforts is the CRS succession plan, now in its third year, which is designed to pass along the expertise and institutional memory of veteran CRS staff prior to their expected retirements over the next several years. The plan, based on a research capacity risk assessment and staff surveys, envisions that newly hired, entry-level staff will work closely with senior analysts in an apprenticeship capacity, acquiring subject area knowledge and familiarity with the unique set of principles and guidelines that govern our relationship with the Congress.

Thanks to you and your colleagues, Mr. Chairman, this vision is becoming a reality. In fiscal 1999, the Congress provided $435,585 which supported ten hires. In fiscal 2000, an additional $559,052 was provided, which was later reduced to $288,325 as a result of the .38 percent across-the-board cut; these funds supported five additional hires. This additional funding has enabled us to recruit significant new talent to CRS, using three national recruitment programs: the CRS Graduate Recruit Program, the CRS Law Recruit Program, and the government-wide Presidential Management Intern Program. Through these programs, we have hired entry-level staff from some of the top graduate schools in the country. With your support, CRS has hired entry-level analysts in a number of critical subject areas. These areas include: social security; transportation; Africa, Asia and the Middle East; public finance; biomedical policy; natural resources and environmental policy; industry economics; and the physical sciences. Working under the direction of senior CRS analysts, these staff are already making significant contributions to the work of the Congress. They are conducting in-depth research on topics of legislative interest, writing analytical reports and memoranda in response to congressional requests, participating in CRS-sponsored seminars and briefings, and performing valuable information research services in CRS reading rooms and research centers. I have with me a document that highlights some of the contributions made by three of our recent hires—Christine Devere, Jon Shimabukuro, and Kai Barth—who I believe are representative of the high caliber of talent and expertise that these new staff bring to CRS. I would be pleased to submit that document for the record, along with some specific examples of their work.

Mr. Chairman, I want to take this opportunity to thank you once again for supporting our succession plan, particularly during this period of fiscal constraint. We recognize the investment you are making in CRS's future, and we are committed to making good on that investment. In fiscal 2001, we are requesting $860,045 to continue to fill positions in additional high risk issue areas before retirements significantly reduce research capacity, and $270,727 to restore the succession positions lost in the fiscal 2000 rescission, for a total fiscal 2001 increase of $1,130,772. With your continued support, Mr. Chairman, CRS will be able to sustain the type of information and analytical support that you have traditionally sought and received from us.

CONCLUSION

Mr. Chairman, I want to conclude by thanking you for the opportunity to appear before you and your colleagues today. I want to reiterate how much we appreciate

the support which this Subcommittee has given to CRS in past years, and I hope that our assistance to the Congress in the future will warrant your continued confidence and trust.

PROFILES OF RECENT STAFF HIRED UNDER THE CRS SUCCESSION PLAN

Through its succession plan, the Congressional Research Service (CRS) has attracted a number of highly qualified candidates using three national recruitment programs: the CRS Graduate Recruit Program, the CRS Law Recruit Program, and the government-wide Presidential Management Intern (PMI) Program. This document and its attachments outline some of the contributions being made by three individuals hired under CRS's succession plan programs: Christine Devere, Jon Shimabukuro, and Kai Barth. Each is representative of the high caliber of talent and expertise that Graduate Recruits, Law Recruits, and PMIs bring to the Congress and to CRS.

Christine Devere: Christine's first exposure to CRS came in the summer of 1997 when she participated in the CRS Summer Employment Program, the precursor to the full-fledged Graduate Recruit Program. At that time, Christine was a graduate student pursuing a master's degree in public policy at the University of Rochester. During that summer, working with experienced staff, Christine helped prepare estimates of welfare-to-work state grants. She also contributed to the development of a research database that is used to collect and analyze information on two additional programs—the Temporary Assistance for Needy Families (TANF) program and the child care and development block grant program. In 1998, upon completion of her master's degree, Christine returned to CRS as a Presidential Management Intern (PMI).

During her tenure at CRS, Christine has prepared analyses and briefed congressional staff on a number of issues surrounding welfare reform, child care, adoption assistance, and foster care. An example of Christine's analytical expertise can be seen in her analysis of the National Survey of Family Growth, which examines why there are low adoption rates for special need children. More recently, Christine presented a research plan for a CRS analysis of welfare reform evaluations to a group of nationally-recognized welfare experts and senior congressional staff. Christine's presence has expanded significantly CRS's capacity to analyze difficult public policy issues like welfare reform through her use of statistical analyses of survey data, the preparation of grant estimates, and the critical review of public policy evaluation.

Jon Shimabukuro: Jon joined CRS through the CRS Law Recruit Program in September of 1998, shortly after receiving his J.D. degree from Washington University School of Law in St. Louis, Missouri. During his law school years, Jon gained considerable legal experience serving as an intern with both the U.S. Magistrates Office of the U.S. District Court in the Southern District of Illinois and the City of Tacoma Human Rights Department. He also worked as a Summer Associate with the Office of Legal Counsel, May Department Stores Company, where he gained experience in the labor and commercial law arenas. Jon received his B.A. from Vassar College where he majored in Urban Studies.

Upon joining CRS, Jon quickly immersed himself in the legal and legislative intricacies of both electricity deregulation and managed care. He contributed the legal analysis section of the CRS Electric Utility Restructuring Electronic Briefing Book, co-authored a CRS report on electricity restructuring, and participated in several high level briefings for Members and staff. Under the direction of a more senior CRS attorney, Jon assisted a Member in drafting a piece of managed care legislation and prepared a CRS report analyzing recent proposals for grievance and appeals procedures in managed care. Jon also participated in a CRS Federal Law Update (FLU) seminar where, with two of his fellow attorneys, he addressed legal issues regarding proposed patients' rights legislation. While much of his work has been in these areas, Jon has also researched and written on legal issues relating to business law, civil rights and labor law. During his brief tenure, Jon has had significant contact with Committee and Member staff, participating in a number of briefings, and has developed important relationships with CRS colleagues.

Kai Barth: Kai joined CRS in the summer of 1999 as a Graduate Recruit Analyst in Science & Technology Policy. He currently is in the process of defending his doctoral dissertation in History of Science and Technology at the University of Minnesota, where he maintained a 4.0 grade point average. Kai received his M.S. in Experimental High-Energy Physics in 1991 and a B.S. in Physics in 1984. In addition to his academic background, Kai has worked as a high energy physicist at a particle physics laboratory; written and published numerous papers, including an article on

seismology and nuclear test ban negotiations that was published in Physics Today; and spent a summer working for the National Academy of Sciences.

In just a short time, Kai has made significant contributions to CRS, most notably in the areas of nuclear non-proliferation issues, high-energy physics, and the Spallation Neutron Source project. Under the direction of senior CRS analysts, Kai has authored a number of analytical reports and memoranda on these issues and participated in several policy meetings with congressional and professional staff. Kai also provided extensive research and support in designing and implementing a website that will be used by the Senate Governmental Affairs Committee as an electronic committee print on the issue of nuclear non-proliferation.

ADOPTION: CHARACTERISTICS OF WOMEN INTERESTED IN ADOPTING A CHILD—AUGUST 5, 1998

ABSTRACT

This report analyzes data from the 1995 National Survey of Family Growth (NSFG) that asked a sample of women of child-bearing age (15 to 44) questions about their interest in adoption. Specifically, this report addresses three topics. First, the number of women interested in adoption is examined to identify the potential pool of adoptive women. Second, this report examines select characteristics of women in 1995 who are interested in adoption. Finally, the preferences for children among women interested in adoption are explored. Conclusions and policy implications are provided. This report will not be updated.

Summary

Federal policy actively supports the adoption of children, with special emphasis on children with special needs. In recent years, particularly as the number of children in foster care has grown, Congress has enacted additional legislation. In 1997, legislation intended to shorten a child's length of stay in foster care and to promote adoption (Public Law 105–89) was enacted.

According to the most recent data available on total adoptions in the United States, 127,441 children were adopted in 1992. However, in fiscal year 1996, there were approximately 500,000 children in foster care, of which an estimated 80,000 had case plans for adoption. Within the adoption community, a controversy exists around the question of whether there are enough families interested in adoption to adopt every child legally available, including the 80,000 children currently in foster care awaiting adoption. The population of children in foster care awaiting adoption is comprised disproportionately of older children, many of whom have special needs or circumstances.

This report analyzes data from the 1995 National Survey of Family Growth (NSFG) that asked a sample of women of childbearing age (15 to 44) questions surrounding their interest in adoption. The estimates are based on the responses gathered from the women surveyed and should be interpreted with caution. Adoption is a relatively rare occurrence and therefore, in some cases, the number of responses is small. The key findings are as follows:

—In 1995, 12.7 million women (or 23 percent of the 15 to 44 year old age group) indicated that they had ever considered adopting a child. However, approximately 500,000 (1 percent of the population) were seeking to adopt a child in 1995. Further, there is evidence that these responses may be more casual than serious. Among the 12.7 million women who said they had ever considered adoption, only 1.8 million had taken steps toward adoption. Among the 500,000 who claimed to be seeking to adopt a child in 1995, only about 182,000 had actually taken steps.

—Older women, married women, higher income women, and women who cannot bear their own children are most likely to have actually adopted. However, marital status and income were not as important in predicting whether a woman would be interested in adoption.

—The low rate of adoptions among women who express interest in adoption may be related to the type of children they want to adopt and the extent to which these children are available. Women primarily expressed a preference for healthy young children and generally expressed no preference regarding the sex or religion of the child. While the majority of women prefer a child of their own race, a substantial number of women were indifferent as to the race of the child.

Introduction

Federal policy actively supports the adoption of children, particularly children with special needs. Under Title IV–E of the Social Security Act, the federal govern-

ment helps states provide financial assistance to parents who adopt hard-to-place children. Under the Adoption Opportunities Program, the federal government supports state and local projects intended to promote adoption, particularly for special needs children in foster care. Special needs children are generally defined to include older children, those who are disabled or have other medical or emotional conditions, members of sibling groups, and racial or ethnic minorities. In recent years, as the number of children in foster care has grown, Congress has enacted additional legislation to promote adoption:

—in 1996, a tax credit for families to help offset the costs of adoption, equal to $5,000 per adoption or $6,000 for the adoption of a special needs child;

—also in 1996, legislation prohibiting states from denying or delaying a child's adoption on the basis of race, color, or national origin; and

—in 1997, foster care reform legislation intended to shorten a child's length of stay in foster care and to promote their adoption, including procedural changes and financial incentives to states.[1]

These programs and legislation reflect several concerns. The new tax credit reflects the concern that some potential adoptive parents may be unwilling or unable to incur the costs of adoption. Policymakers have been especially concerned with promoting adoption of special needs children, as reflected in the enhanced tax credit and financial assistance for parents who adopt such children. The prohibition against racial or ethnic discrimination reflects concern that "race-matching" practices may prevent or delay some children from becoming adopted. Finally, the 1997 foster care and adoption reform reflects concern that legal and bureaucratic barriers exist in the child welfare and judicial systems that may prevent some adoptions from occurring, or from occurring in a timetable consistent with a child's best interests.

Adoption is a relatively rare occurrence. According to the most recent data on total adoptions in the United States, 127,441 children were adopted in 1992.[2] However, in fiscal year 1996, there were approximately 500,000 children in foster care, of which an estimated 80,000 had case plans for adoption.[3]

This report analyzes data from the 1995 National Survey of Family Growth (NSFG) that asked a sample of women of child-bearing age (15 to 44) questions about their interest in adoption (in the context of other questions concerning how families are formed).[4] This report uses NSFG data to address three basic questions:

—How many women are interested in adoption? Within the adoption community, a controversy exists around the question of whether there are enough families interested in adoption to adopt every child that is legally available, including the 80,000 children currently in foster care awaiting adoption. The NSFG data can be used to examine how many women were currently seeking to adopt a child in 1995, how many women had ever considered adoption, and how many women who had ever considered adoption would do so again. In other words, how large is the potential pool of adoptive women?

—What are the characteristics of women interested in adoption? Are some women interested in adoption but, because of certain characteristics, are less likely to be able to actually adopt (e.g., marital status, age)? Among those who are interested in adoption, could public programs and policy intended to promote and support adoption increase the number of women who are able to adopt?

—What are the preferences for children among women who are interested in adoption? How do the characteristics of children in foster care compare with the characteristics desired by potentially adoptive women? That is, even if there are a large number of women interested in adopting a child, are these women interested in adopting the type of children who are in foster care?

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[1] For an overview of the 1997 legislation, see: CRS Report 97–491, *Adoption Promotion Legislation in the 105th Congress*, by Karen Spar.

[2] Total adoptions include relative or stepparent adoptions, private or independent adoptions, public agency adoptions of children in the foster care system, and intercountry or international adoptions of foreign-born children. The data provided is reported in Flango, Victor and Carol Flango. *The Flow of Adoption Information from the States*. Williamsburg, VA: National Center for State Courts, 1994.

[3] For an overview of issues concerning foster care and adoption, see: CRS Report 97–256, *Adoption, Foster Care, and Child Welfare: Issues for Congress*, by Karen Spar.

[4] The NSFG is a household survey of women that is completed every couple of years under a contract of the National Center for Health Statistics, U.S. Department of Health and Human Services. While men and women may have an interest in adoption, the NSFG asked these questions of women and therefore women are the focus of this report. The sample included a few women who were outside of this age range based on the lengthy process of completing the survey. However, all the women in the sample were between 15 and 44 years of age as of April 1, 1995.

A Note on Data Limitations

The 1995 NSFG data have limitations inherent with survey analysis. The primary objective of conducting a survey is to gather responses from individuals through an interview process where the results are then analyzed by a group of researchers. This is a multi-stage process and therefore subject to error.

Because information comes from a sample survey, estimates are subject to sampling error and nonsampling error.[5] Sampling error arises because only a sample of women 15 to 44 years of age were surveyed rather than the entire population of women 15 to 44 years of age. Further, because adoption is a relatively rare occurrence, sample survey estimates on populations such as women who were seeking to adopt or had ever adopted are imprecise because they are based on the responses from a small number of women in the sample. Nonsampling error arises due to the nature of gathering survey information. It is possible for the respondent to answer a question inaccurately either because of imperfect recall, due to ambiguities in the question, or because of other reasons.

Additionally, this report's analysis is based on information gathered at a specific point-in-time, 1995. The characteristics shown for women who had ever adopted a child are those observed in 1995. These are not necessarily the characteristics these women had in the year they adopted a child.[6] Point-in-time estimates also do not permit inferences about changes in the likelihood of adoption over time.[7]

There are also limits to the conclusions that can be drawn from the comparison of characteristics of women interested in adoption in 1995 to those who had ever adopted a child. Some of the relationships observed in this report might be interrelated. For example, this report found that older women and women with higher incomes are more likely to have adopted a child. However, in general, older women are more likely to have higher incomes. While both of these characteristics appear related to the decision to adopt, it is also possible that at least some of the differences in the likelihood of being interested in adopting a child versus having ever adopted a child may have more to do with age than with income. The descriptive statistics provided in this report do not examine these sorts of relationships.

Therefore, the empirical findings in this report should be used with caution. They provide a general idea of the potential pool of adoptive women, of the characteristics of women of child-bearing age interested in adoption, and of women's preferences for adoptive children. Appendix A discusses in more detail some of the technical limitations of the analysis in this report.

The Number of Women Interested in Adoption

Within the adoption community, a controversy exists around the question of whether there are enough families interested in adoption to adopt every child who is legally available, including the 80,000 children currently in foster care awaiting adoption in the United States. Adoption occurs fairly rarely, and a relatively small percentage of foster children available for adoption exit the foster care system through adoption each year. So how large is the actual interest in adoption? The NSFG data can provide some information on this question.

According to the NSFG, about 500,000 women of child-bearing age (15 to 44) were seeking to adopt a child in 1995. This represents only about 1 percent of all women in the 15 to 44 year old age group. However, a much larger group of women said they had ever considered adoption—12.7 million, or approximately 23 percent of the overall age group. Of those women who had ever considered adoption, 8 million (approximately 13 percent of the overall age group) said they would consider adoption again.

Chart 1 shows the number of women in 1995 who said they were currently seeking to adopt or had ever considered adoption. It also shows the number of women of child-bearing age who had actually adopted a child (about 500,000).

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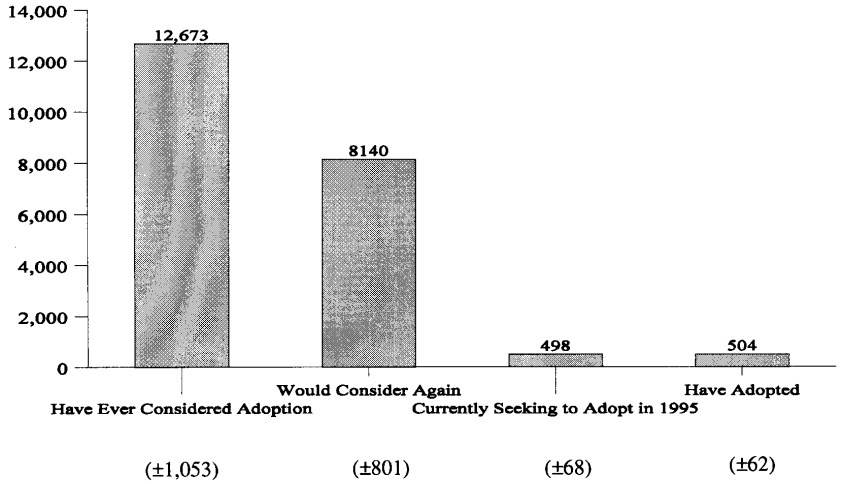
[5] For a more in-depth discussion of survey limitations and error, please see Backstrom, Charles H. *Survey Research. 2nd ed.* Macmillan Publishing Company: New York. 1981.

[6] This report examines six different characteristics: income, age, race, education, marital status, and the ability to bear own child. Some of these characteristics may have changed since the year of adoption (education and age) while others have remained constant (race). In addition, other subcategories may change (earn a college degree) while others remain constant (never-married). It is important to identify these differences in interpreting the results presented in this report.

[7] For example, some of the analysis in this report compares characteristics of women interested in adoption with those characteristics of women who have ever adopted. However, differences found between the populations cannot be examined in relation to time. While these descriptive statistics illustrate the likelihood of adopting a child as of 1995, they do not permit inferences as to whether these reflect a change in the likelihood of adopting a child over time.

Chart 1. Number of Women of Child-Bearing Age (15-44) By Interest in Adoption in 1995 (Number of Women in Thousands)



Source: Chart prepared by the Congressional Research Service (CRS) based on data from the 1995 National Survey of Family Growth. The numbers in parentheses represent the possible variation in estimation due to sampling error.

Chart 1 also provides estimates of the sampling error associated with the survey responses shown. As previously mentioned, sampling error arises because only a sample of women 15 to 44 years of age were surveyed rather than the entire population of women 15 to 44 years of age. The numbers in parentheses represent the possible variation in estimation due to sampling error.[8] For example, while the survey predicts that 498,000 women were currently seeking to adopt, the number might actually be as low as 430,000 or as high as 566,000 as indicated by the (± 68,000).

The responses from women who said they had or would have considered adopting a child may sometimes reflect a "casual" rather than a "serious" interest in adoption. Table 1 identifies the level of consideration that women gave to adoption by examining actual steps taken by individuals who were seeking to adopt or who had ever considered adoption.

TABLE 1.—WOMEN WHO CONSIDERED ADOPTION BY SPECIFIC STEPS TAKEN

(Number of Women in Thousands)

	Currently seeking to adopt	Have ever considered adoption
Total number of women who have placed a newspaper ad or contacted an adoption agency, lawyer, doctor, or other source about adopting a child	182	1,803
Specific Steps taken Toward Adoption: [1]		
Number of women who have formally applied to an adoption agency	84	478
Number of women who have engaged a lawyer to make arrangements for an adoption	26	187
Number of women who have placed a newspaper ad	.....	19
Other steps	72	1,119

[8] The numbers in parentheses are the "confidence intervals" of the estimates at the 95 percent levels. That is, given statistical probabilities, 95 times out of 100 a sample drawn from this population would produce estimates within the boundaries of the confidence intervals.

TABLE 1.—WOMEN WHO CONSIDERED ADOPTION BY SPECIFIC STEPS TAKEN—Continued

(Number of Women in Thousands)

	Currently seeking to adopt	Have ever considered adoption
Total number of women who have taken no steps	316	10,870
Total	498	12,673

[1] It is possible for a woman to have completed more than one step. For example, a woman may have formally applied to an adoption agency and placed a newspaper ad.

Source: Table prepared by the Congressional Research Service (CRS) based on data from the 1995 National Survey of Family Growth.

The NSFG data indicate that while many women have thought about adoption, very few of these women actually have taken steps toward adopting a child. Even among women who responded to the question that they were "currently" seeking to adopt a child in 1995, only 182,000 (or approximately 37 percent) had actually taken any steps toward adoption. Of the population who responded that they had ever considered adoption, only 1.8 million (or approximately 14 percent) had taken any steps toward adoption.

Characteristics of Women Interested In Adoption

Though many women express at least some interest in adopting a child, the number of women seriously considering adoption and taking steps toward it appears to be much smaller. Additionally, some women interested in adoption might have characteristics such as age or marital status that make them less likely to adopt, further shrinking the pool of potential adoptive women.

Women with certain characteristics are more likely to be interested in adoption than other women. The 1995 NSFG gathered information that includes income, age, education, race, marital status, and the ability to bear own child. Thus, it is possible to examine how likely a woman is to be interested in adoption, by these characteristics.

Likelihood of Interest in Adoption by Characteristic.—Table 2 shows the percentage of women who were interested in adoption by selected characteristics. Two groups of women interested in adoption are shown: (1) women who were currently seeking to adopt a child; and (2) women who had ever considered adoption and would consider it again. In addition, women who had actually adopted a child are shown in the table.

Table 2 shows whether and how a woman's characteristics in 1995 are related to her likelihood of being interested in adoption and actually adopting a child. This table also shows whether there are different relationships between being interested in adoption and actually having adopted a child. The numbers in the table are interpreted as follows: 0.84 percent of all women age 15 to 44 in 1995 had ever adopted a child; 0.90 percent of all women age 15 to 44 in 1995 were currently seeking to adopt a child in 1995; and 13.5 percent of all women age 15 to 44 in 1995 had ever considered adoption and would consider adoption again. For each category of women, the numbers represent the percentage of women in that group that fell into one of the three categories. For example, 0.27 percent of lower income women (incomes below 151 percent of the poverty threshold in 1995) had ever adopted; 0.82 percent of lower income women were currently seeking to adopt a child in 1995; and 11.69 percent of lower income women had ever considered adoption and would consider adopting again. Further, the relationships in this table (e.g., between income level and currently seeking to adopt) were tested to determine their statistical significance.[9]

[9] See discussion in Appendix A.

TABLE 2.—PERCENT OF WOMEN OF CHILDBEARING AGE (15–44) INTERESTED IN ADOPTION OR WHO HAD ADOPTED A CHILD, BY SELECTED CHARACTERISTICS IN 1995

[In percent]

	Ever adopted	Currently seeking to adopt	Considered adoption and would consider again
Total Population [1]	0.84	0.90	13.52
Income (As a Percent of the Poverty Level):			
Less than 151 percent of the poverty level	0.27	0.82	11.69
151–300 percent of the poverty level	0.69	0.74	13.20
301–450 percent of the poverty level	1.21	0.62	13.61
451–600 percent of the poverty level	1.03	0.91	15.96
Greater than 600 percent of the poverty level	1.50	1.80	14.72
Age:			
15 to 25 years of age	0.04	0.36	11.01
26 to 34 years of age	0.41	0.72	18.16
35 to 44 years of age	1.96	1.44	11.75
Formal Marital Status: [2]			
Married	1.33	1.07	13.92
Divorced/separated	1.05	1.08	13.52
Never married	0.07	0.55	13.05
Education:			
No degree	0.28	1.67	6.83
High school or equivalent	0.80	0.70	14.67
Associate's degree	1.64	0.97	16.93
Bachelor's degree	1.05	1.12	16.70
Beyond bachelor's degree (Master's degree or Ph.D.)	1.76	0.51	16.22
Some other academic degree	3.28	0.00	10.06
Race:			
Hispanic	0.54	1.13	15.34
White (non-Hispanic)	0.90	0.66	12.77
Black (non-Hispanic)	0.89	1.73	15.13
Other (non-Hispanic)	0.42	1.74	15.82
Ability to bear own child:			
Surgically sterile for Contraceptive reasons	0.95	1.08	10.90
Surgically sterile for Noncontraceptive reasons	3.91	1.70	13.33
Nonsurgically sterile	8.30	5.34	24.90
Difficulty conceiving or delivering a child/Long interval with no pregnancy	2.08	1.53	24.23
Able to conceive	0.27	0.55	12.78

[1] The samples for women who had adopted a child or who were currently seeking to adopt a child are relatively small, so some of the differences shown may reflect the imprecision of the estimates due to these small sample sizes, rather than actual differences among the categories of women.

[2] Results for the population of widowed women are not presented because of their small subgroup.

Source: Table prepared by the Congressional Research Service based on data from the 1995 National Survey of Family Growth.

The table shows that a woman's likelihood to be interested in adoption is related to certain characteristics. In some cases, the relationship between a woman's characteristics in 1995 and the likelihood that she has actually adopted are more apparent than that of her characteristics in 1995 and the likelihood of her being interested in adoption. For example, women of child-bearing age in all income groups express interest in adoption. The percentage of lower income women who had ever considered adoption and would consider it again is only somewhat lower than for other income groups, and the percentage of lower income women who were currently seeking adoption is about the same as for other women. However, the percentage of women who had actually adopted is far lower in the lowest income group than in higher income groups.

As might be expected, the likelihood of having actually adopted a child or currently to be seeking to adopt a child increases substantially with a woman's age. Education also affects the likelihood that she has actually adopted a child or has considered adoption and would consider adoption again. Women with more education or more likely to consider adoption. Women who lack a high school diploma appear very unlikely to consider adoption or actually to adopt a child.

Also as might be expected, the ability of a woman to bear her own child affects her interest in adoption and the likelihood to adopt. Women who are nonsurgically sterile in 1995 are the most likely to have adopted a child, to have been seeking to adopt a child in 1995, and to have considered adoption and be willing to consider it again.

Marital status appears to be related to the decision to adopt a child, with married women most likely to have adopted a child. However, there does not appear to be a relationship between marital status and whether the woman is currently seeking to adopt or has considered adoption and would consider adoption again.[10] In addition, the woman's race/ethnicity appears to be related to whether the woman is currently seeking to adopt a child. However, there does not appear to be a relationship between the woman's race/ethnicity and the likelihood that she has actually adopted a child or has considered adoption and would consider adoption again.[11]

Some of the observed relationships in the table might be interrelated. For example, age, income, and educational attainment are all interrelated. Older women are more likely to have higher income and educational attainment than younger women. Additionally, the likelihood of having ever adopted also is related to age; older women are more likely than younger women to have considered adoption. Therefore, some of the differences in the likelihood to be interested in adoption compared with having ever adopted may have more to do with age than with some other characteristic, such as educational attainment.[12]

Composition of Women Who Have Adopted or Are Currently Seeking to Adopt.—Examining the composition of women who have adopted or who are currently seeking to adopt provides another perspective on women's interest in adoption. The analysis described in the previous section is intended to answer questions such as: "For a woman in a certain income category, how likely is she to be interested in adoption or to actually adopt, as compared with women in other income categories?" Viewing the composition of each subgroup of women, by their level of interest, is intended to answer such questions as: "Of those women who are interested in adopting a child, how many fall within a certain income category?"

Chart 2 through Chart 7 show the composition of women of child-bearing age in 1995 who said they were currently seeking to adopt in 1995 (who are more likely to have a strong interest than those who had ever considered adoption), and the composition of women of child-bearing age in 1995 who had actually adopted a child. The charts show the composition of women in these two groups by: income (Chart 2); age (Chart 3); marital status (Chart 4); education (Chart 5); race and Hispanic origin (Chart 6); and ability to bear own child (Chart 7).

The percent of women in both groups that fall into a particular category depends: (a) on the size of that category within the population of all women of child-bearing age; and (b) how likely these women were to have adopted a child or to currently be seeking to adopt a child.

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[10] Though never-married women were just as likely to be interested in adoption as married women, it is not known whether this will translate into more never-married women actually adopting in the future. The point-in-time estimate (interest in 1995) does not permit inferences as to whether more never-married women were interested in adoption in 1995 than in the past. It is possible that changes in state policies and program practices have made adoptions for never-married women easier over time. However, information from the 1995 NSFG alone cannot be used to determine whether the high level of interest in adoption among never-married women coincides with policy change or represents a trend toward more actual interest in adoption among this group.

[11] There is a statistical relationship between marital status and the decision to adopt a child, with married women most likely to have adopted a child. However, there does not appear to be a statistical relationship between marital status and whether the woman is currently seeking to adopt or had considered adoption and would consider adoption. A woman's race/ethnicity was also not statistically related to her likelihood of actually having adopted or having considered adoption and would consider adoption again. However, there is a statistically significant relationship between race/ethnicity and the likelihood to currently be seeking to adopt in 1995. See Appendix A for a discussion of statistical significance.

[12] To examine these relationships further, a multivariate statistical analysis would be required. Some initial analysis of this type is presented in Devere, Christine. *An Analysis of the Adoption Tax Credit Policy.* University of Rochester Department of Political Science, Public Policy Analysis Working Paper 98–8–1. May 1, 1998.

Chart 2. Composition of Women Currently Seeking to Adopt a Child or Who Had Ever Adopted a Child, by Income as a Percent of the Poverty Level in 1995

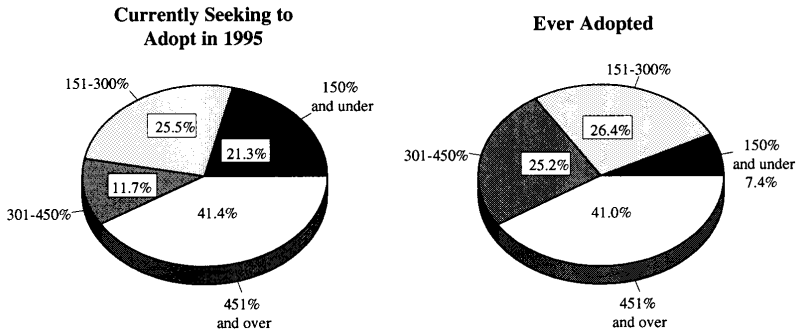


Chart 3. Composition of Women Currently Seeking to Adopt a Child or Who Had Ever Adopted a Child, by Age of Woman in 1995

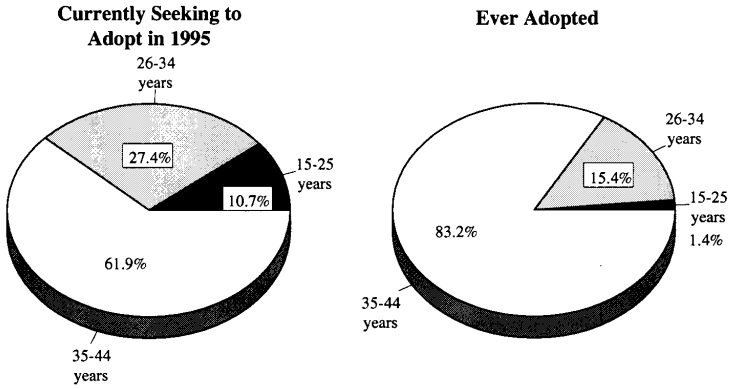


Chart 4. Composition of Women Currently Seeking to Adopt a Child or Who Had Ever Adopted a Child, by Marital Status in 1995

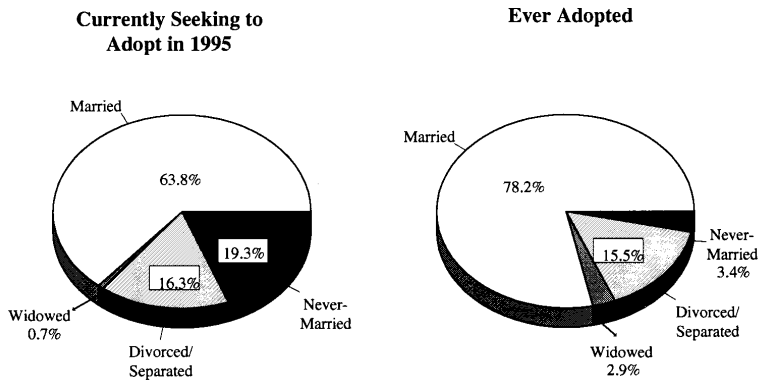


Chart 5. Composition of Women Currently Seeking to Adopt a Child or Who Had Ever Adopted a Child, by Educational Attainment in 1995

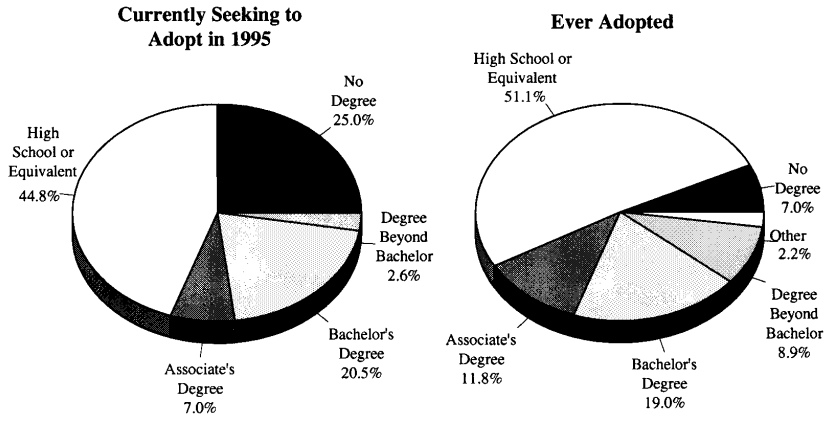


Chart 6. Composition of Women Currently Seeking to Adopt a Child or Who Had Ever Adopted a Child, by Race in 1995

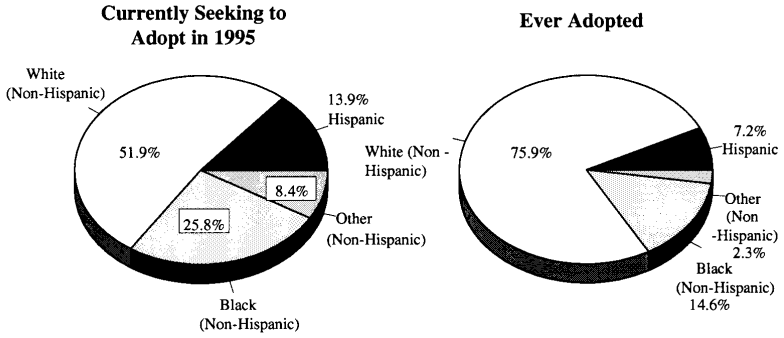
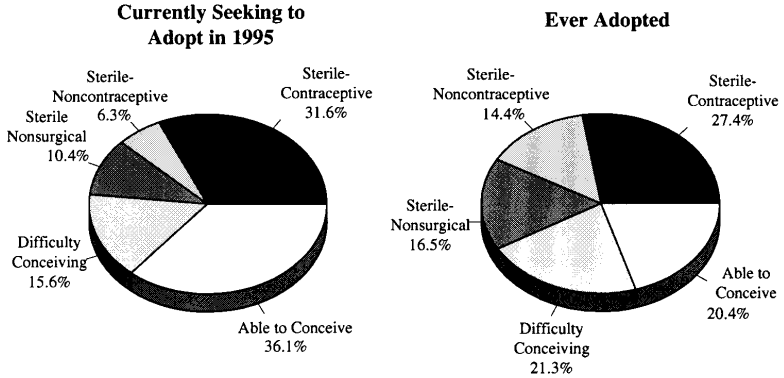


Chart 7. Composition of Women Currently Seeking to Adopt a Child or Who Had Ever Adopted a Child, by Ability to Bear Own Child in 1995



Some of the major points from examining the composition of women who have adopted and those currently seeking to adopt are:

—*Income*.—Lower income women (with incomes below 151 percent of the poverty line in 1995) comprise approximately 21 percent of those who reported they were currently seeking to adopt a child, but only around 7 percent of those who had actually adopted a child. As shown earlier in Table 2, lower income women in 1995 were about as likely as other women to report that they were seeking to adopt a child in 1995; thus, their share of women who were currently seeking to adopt is proportional to their share of all women of child-bearing age.

—*Age*.—Of women who had ever adopted a child, 83 percent were between 35 and 44 years of age in 1995 (only around 1 percent were between the ages of 15 and 25 in 1995). Of women of child-bearing age who were currently seeking to adopt, approximately 62 percent were between 35 and 44 years of age in 1995.

—*Marital Status*.—Women who were married in 1995 comprised the vast majority of women who had adopted, as well as women who were currently seeking to adopt. Though never-married women were unlikely to be currently seeking to adopt, they comprise approximately 38 percent of all women of child-bearing age. Because never-married women are a relatively large share of all women of child-bearing age, never-married women represent a substantial percentage of women who were currently seeking to adopt in 1995. Almost one-fifth of women currently seeking to adopt in 1995 were never-married.

—*Education*.—One-fourth of women who were seeking to adopt in 1995 lacked a high school diploma or equivalent. However, because women with low education levels were very unlikely to actually adopt, only 7 percent of women who had adopted a child lacked a high school diploma in 1995.

—*Race*.—Minority women (black, Hispanic, or other) were overrepresented relative to their population shares among women seeking to adopt in 1995. White women comprised 71 percent of all women of child-bearing age, but only about half of all women who were seeking to adopt a child in 1995. However, white women account for about three-quarters of all women of child-bearing age who had actually adopted a child.

—*Ability to Bear Own Child*.—Women who cannot bear, or have difficulty bearing their own child,[13] are overrepresented relative to their overall population share among women who had adopted a child or who were currently seeking to adopt a child in 1995. Women who cannot bear, or have difficulty bearing their own child, account for approximately 38 percent of all women of child-bearing age. However, they accounted for 64 percent of women who were seeking to adopt a child in 1995. Moreover, women who cannot bear, or have difficulty bearing a child, accounted for 80 percent of women who actually adopted.[14]

Preferences for Children Among Women Interested in Adoption

Despite the widespread interest in adoption, few women actually take steps toward adoption and some who might pursue it face barriers to adoption such as low income. Therefore, the "pool" of potentially adoptive women is smaller than it might first appear. Additionally, in examining the adoption of foster children, it is useful to compare women's preferences for adopting certain types of children to the types of children in foster care. According to the Department of Health and Human Services (HHS), in fiscal year 1996, of the 500,000 children in the foster care system, only 4 percent were under 1 year old, 29 percent were between the ages of 1 and 5, and the rest were age 6 and older.[15] Racial and ethnic minorities are overrepresented among foster children. Foster children also are more likely than other children to have special needs, and many are part of sibling groups.

This section addresses the question: What types of children are women interested in adopting? The 1995 NSFG asked women who were currently seeking to adopt a child in 1995 their preferences regarding the child's age, level of disability, race, sex, religion, and size of sibling groups. Women generally expressed no preference regarding a child's sex or religion (indicating primarily indifference).[16] The following charts show women's preferences for adoptive children by a child's: age (Chart 8), race (Chart 9), level of disability (Chart 10), and by the number of children the woman is seeking to adopt (Chart 11).

Table B–1 in Appendix B presents more complete data on these preferences in table format.

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[13] Women who cannot bear, or have difficulty bearing their own child are defined as follows: surgically sterile for noncontraceptive reasons, surgically sterile for contraceptive reasons, nonsurgically sterile, or have difficulty conceiving or have had no pregnancy.

[14] Results are from additional tabulations of the 1995 National Survey of Family Growth completed by the Congressional Research Service, not displayed in this report.

[15] *Adoption Statistics Package*, National Adoption Information Clearinghouse (http:www.calib.com/naic/adptsear/adoption/research/index.htm).

[16] It is unlikely that preferences for a child's sex or religion could have policy implications. Therefore, the charts for the woman's preference for a child's sex or religion are not presented. Table B–1 in Appendix B presents more complete data on these preferences.

Chart 8. Composition of Women Currently Seeking to Adopt a Child in 1995, by Preference for Age of the Child

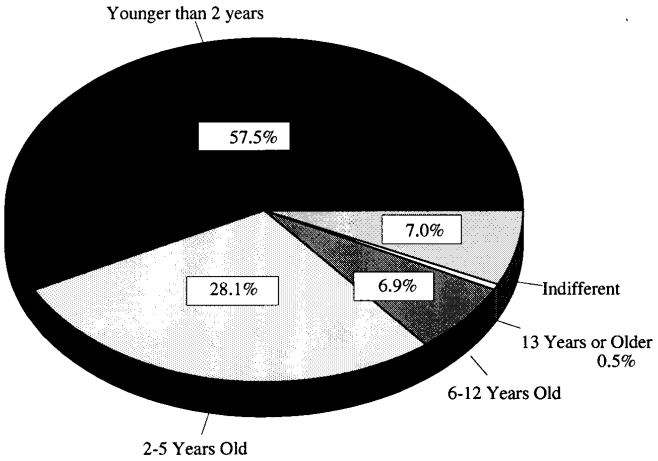


Chart 9. Composition of Women Currently Seeking to Adopt a Child in 1995, by Preference for Race of the Child

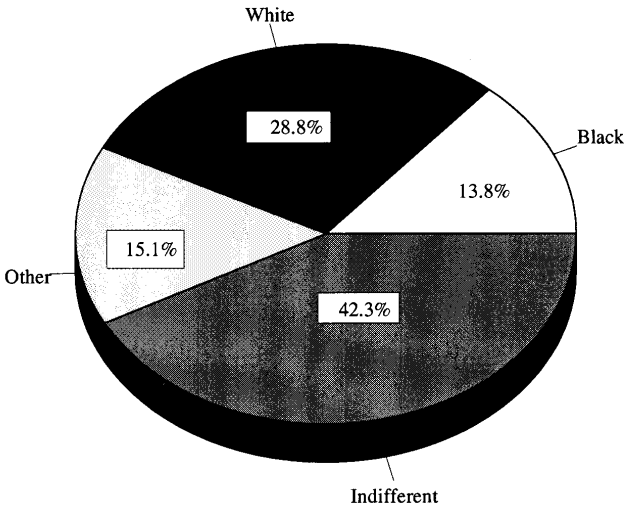


Chart 10. Composition of Women Currently Seeking to Adopt a Child in 1995, by Preference for Disability Level of the Child

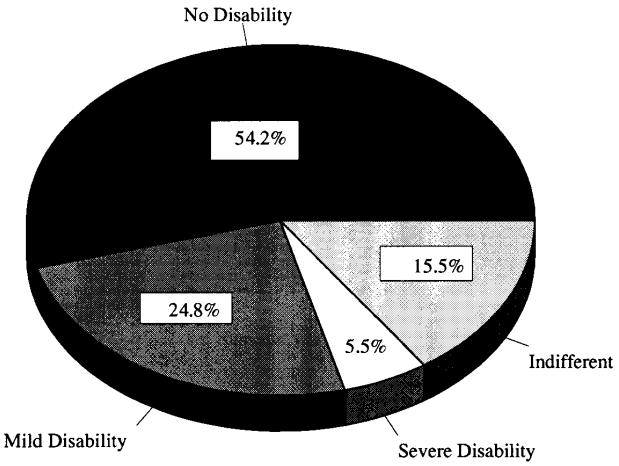
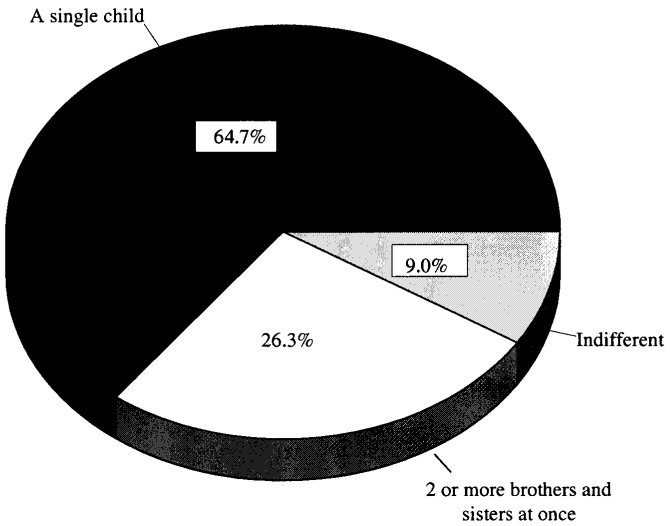


Chart 11. Composition of Women Currently Seeking to Adopt a Child in 1995, by Preference for the Number of Children Currently Seeking to Adopt



Age of Child.—Women interested in adoption would predominately prefer to adopt an infant or young child. As Chart 8 shows, 58 percent of those who were seeking to adopt a child in 1995 preferred an infant or toddler. Few women were interested

in adopting a child aged 6 or older. It also is interesting to note that relatively few women were indifferent with regard to a child's age.

Race.—As shown in Chart 9, the largest single group of potentially adoptive women—about 42 percent—indicated that they were basically indifferent regarding the race of an adoptive child. This chart also shows that about 29 percent of potential adoptive women would prefer white children. However, when also considering the race of the woman, it appears that there is a preference for children of the same race. Among women who are currently seeking to adopt, 52 percent of black women prefer black children, and 51 percent of white women prefer white children/[17] Nonetheless, a substantial share of potentially adoptive women are indifferent with regard to a child's race.

Level of Disability.—Women interested in adopting prefer children with no disabilities, although some would prefer children with different levels of disability. Very few women would prefer children with severe disabilities. Chart 10 shows the preference for the child's level of disability among women who were seeking to adopt in 1995. About 16 percent of women were indifferent with regard to a child's level of disability.

Number of Children.—As Chart 11 illustrates, women generally prefer to adopt a single child, rather than a group of siblings, although around 26 percent said they would prefer to adopt two or more children at the same time. As with age, relatively few women were indifferent with regard to the preferred number of children to be adopted.

Conclusions and Policy Implications

The 1995 National Survey of Family Growth identified a potential pool of adoptive women, which initially appears relatively large. However, while almost 12.7 million women indicated that they had ever considered adopting a child, only about 500,000 (1 percent of the population) were currently seeking to adopt a child in 1995. Further, after examining the steps taken by these women toward adoption, there is evidence that the initial response of many may have been more casual than serious. Among the 12.7 million women who said they had ever considered adoption, only 1.8 million had actually taken steps toward adoption. The same pattern was true of women who were currently seeking to adopt. While almost 500,000 claimed to be seeking to adopt a child in 1995, only about 182,000 had actually taken steps toward adoption.

There are numerous potential explanations for why fewer women actually pursue adoption, despite their relatively high level of interest. The NSFG data provide information regarding the characteristics of those women who are most likely to adopt, as well as the child preferences of potential adoptive women. Although the sample sizes were small, these data may be useful in the evaluation of public policies to promote and support adoption.

As discussed in this report, certain characteristics are associated with an increased likelihood that a woman has adopted a child. Age, marital status, income, and the ability to bear own child are significant, with older women, married women, higher income women, and women who cannot bear their own children most likely to have adopted. However, marital status and income were not as important in predicting whether a woman would be interested in adoption.

These findings raise questions about possible barriers to adoption. For example, never-married women who are interested in adoption may find that state policies or agency practices give preference to married couples as potential adoptive parents, and therefore, adoption is more difficult for never-married women to achieve. Similarly, poor women who want to adopt may have a harder time qualifying as potential adoptive parents, or may determine that adoption is beyond their economic means. These findings would lead some to argue that providing subsidies or tax credits to adoptive parents is appropriate, and that such assistance should be targeted toward lower income families. These findings may also have relevance for states, where policy and practice decisions are made regarding qualifications and preferences for adoptive parents. Finally, these findings suggest that more public information about adoption is needed, including information on subsidies and other forms of support services that may be available to adoptive parents.

However, the low rate of adoptions among women who express interest in adoption may also be related to the types of children they want to adopt, and the extent to which such children are available for adoption. According to the most recent data on the total number of adoptions in the United States, 127,441 children were adopted in 1992, which is considerably fewer than the number of women who were seek-

[17] Results are from additional tabulations of the 1995 National Survey of Family Growth by the Congressional Research Service, not displayed in this report.

ing to adopt in 1995. Of these children, 42 percent were adopted by relatives or stepparents. Only 19,753 (or 16 percent) were children adopted from the foster care system.[18]

As of 1996, there were approximately 500,000 children in foster care, of which an estimated 16 percent had case plans of adoption. According to HHS data cited earlier, three-quarters of the children who were in foster care in 1996 were 6 years old or older. However, as this report has shown, there is a strong preference for infants and toddlers among potentially adoptive women. Moreover, potentially adoptive women generally prefer single children without disabilities. States develop adoption assistance agreements with parents who adopt eligible children with special needs under state and federal adoption assistance programs. Typically, special needs children are defined by states to include older children, those who are disabled or have other medical or emotional conditions, members of sibling groups, and racial or ethnic minorities. These are characteristics that, in general, might prevent the adoptive placement of a child without special assistance. The findings presented in this report are therefore consistent with the assumptions underlying the adoption assistance program authorized by Title IV–E of the Social Security Act, which helps provide monthly subsidies to parents who adopt children with special needs, as defined by the states.

The 1995 NSFG data indicate that a significant share of potentially adoptive women are indifferent regarding the race of an adoptive child. It should be noted that recently enacted legislation (Public Law 104–188) is intended to increase and expedite adoptions by prohibiting agencies from denying or delaying adoptions based on race. However, this finding raises some question about the definition of "special needs" in the Title IV–E adoption assistance program, which, in almost all states, also includes minority status. The adoption subsidy is intended to promote adoption for hard-to-place children, yet the NSFG data indicate that minority children may not necessarily be hard to place on the basis of their racial status alone.

One of the primary purposes of the 1997 foster care and adoption reform legislation was to expedite the process of moving children through foster care and into permanent homes, with adoption as the preferred outcome for children who cannot return to their biological families. As discussed in this report, potential adoptive women strongly prefer infants, so it would appear desirable to make infants legally available for adoption as quickly as possible, consistent with the best interests of each individual child. However, because there appears to be little demand for older children among potential adoptive women, expediting the adoption of older children—including termination of their biological parents' rights—might result in the creation of legal orphans who remain in foster care, unless additional policies are developed to encourage their adoption.

This report also found that income is a factor in determining whether women who are interested in adoption actually become adoptive parents. Subsidizing the costs of adoption may enable certain people to adopt who would otherwise be prevented. However, it is not clear whether such policies significantly increase the number of adoptions that occur, or merely subsidize the adoption of children who would be adopted anyway. For example, the cost of adopting children from foster care is considerably less than other types of adoptions, yet only a small percentage of adoptions are of foster children. Thus, at least for foster children, the income of a prospective adoptive woman may be less significant than other factors, such as the age or disability status of the child, the existence of siblings, or intangible factors such as public perceptions about children in the foster care system. At the same time, even fewer children might be adopted out of foster care in the absence of these subsidy programs.

In sum, the implications for adoption policy of the NSFG data depend in large part on the goals of the policymakers. If the goal is to encourage more women who are interested in adoption to actually adopt children, policy responses might include targeted financial assistance, a review of state policies and practices that might discourage or prevent single women from adopting, and possibly support services for single or poor women who adopt children. However, if the vast majority of these women are seeking to adopt healthy infants as indicated by the 1995 NSFG data, there may not be sufficient children for them to adopt and the number of children adopted out of foster care might not necessarily increase.

On the other hand, if the goal is to promote the adoption of foster children, policy responses might include a review of the Title IV–E Adoption Assistance Program, to determine whether assistance levels are sufficient to encourage adoptions of the hardest-to-place children (i.e., older children, disabled children, and children in sib-

[18] *Adoption Statistics Package*, National Adoption Information Clearinghouse (http://www.calib.com/naic/adptsear/adoption/research/index.htm#Stats).

ling groups), and to determine whether racial status alone actually constitutes a "special need." Policymakers may also want to consider whether additional support services, beyond financial assistance, might be needed to encourage the adoption of these children. Finally, policymakers may want to examine other data on individuals and families most likely to adopt hard-to-place children (typically their foster parents), and develop additional incentives and supports for such families to adopt these children.

APPENDIX A: TECHNICAL NOTES

The estimates in this report of women interested in adoption or who have adopted are from the 1995 National Survey of Family Growth (NSFG), a household survey of women of child-bearing age, 15 to 44 years of age. Interviews were conducted in January through October 1995 by the Research Triangle Institute Inc. under a contract of the National Center for Health Statistics (NCHS), U.S. Department of Health and Human Services.[19]

The NSFG is a multipurpose survey, but its main function is to collect data on factors affecting pregnancy and women's health.[20] In the context of asking questions about factors affecting pregnancy, the survey asked women to respond to a series of questions about their interest in adopting a child or whether they had adopted a child. The information in this report is based in great part on those questions.

The 1995 NSFG interviewed a national sample of 10,847 women. This report's estimates are subject to certain limitations because they were derived from responses to interviews from a sample of women. Sample survey estimates are subject to both sampling error and nonsampling error.

Sampling Error

The estimates of this report are subject to error because they represent responses from a sample of women aged 15 to 44 years of age rather than all women of these ages. That is, from the responses given by the 10,847 women in the sample, estimates are made for the entire population of women aged 15 to 44 years of age which is estimated at over 60 million. Generally, sampling error is inversely related to sample size; that is, the larger the sample the smaller the sampling error.

Adoption is a relatively rare occurrence in the population as a whole. This CRS report estimates that about 500,000 women of child-bearing age (15 to 44) were currently seeking adoption and also that about 500,000 women of child-bearing age (15 to 44) have adopted a child. These estimates are based on the responses of relatively few women (101 women for those currently seeking adoption; 84 women for those who ever adopted a child), and are thus subject to relatively large error. The sampling error for these estimates was reported in the text of this report. Moreover, subcategorizing these groups into income classes, marital status, etc., results in inferences being made based on even fewer women in the sample and are subject to even greater error. The results in this report that discuss characteristics of women who were currently seeking to adopt or interested in adoption must be used with caution because they are based on very small samples.

On the other hand, the NSFG estimate of women who "ever considered adoption" of 12 million is based on a relatively large sample (responses from 2,380 women in the sample). Estimates on women who "ever considered adoption" are more precise than those for women currently seeking to adopt or who ever adopted a child.

Estimates of Sampling Error

Household surveys such as the NSFG are not simple random samples of the population of interest. They are "complex" samples, with some subpopulations "oversampled" compared to others. Therefore, estimates of sampling error must be made that take into account the sampling design used to conduct the survey. Sampling error for the NSFG survey was computed by CRS with the "jacknife" technique, using a computer program developed by Weststat Inc.[21]

Sampling error was measured for estimates of subpopulations ("currently seeking to adopt"). It was also considered when determining whether some of the relationships in this report were "statistically significant." Each of the relationships shown

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[19] Information is from Cycle 5 of the NSFG; previous NSFG surveys were conducted in 1973, 1976, 1982, and 1988.

[20] See: U.S. National Center for Health Statistics. U.S. Department of Health and Human Services Centers for Disease Control and Prevention. *Fertility, Family Planning, and Women's Health: New Data from the 1995 National Survey of Family Growth*. Series 23, no. 19. May 1997.

[21] For an overview of this computer program, see: Westat Inc. *A User's Guide to WesVar PC*. February 1997. Chapter 1, p. 1–12.

in Table 2 in the report (for example, between income and the likelihood to consider adoption) were tested to determine whether observed differences between categories of women were due to chance (sampling error) or represented a statistically significant relationship. The test was conducted using the chi-squared test statistic. Table A–1 shows these relationships.

TABLE A–1.—STATISTICAL SIGNIFICANCE OF RELATIONSHIP BETWEEN LEVEL OF ADOPTION AND SELECTED CHARACTERISTICS OF WOMEN

	Ever adopted	Currently seeking to adopt	Considered adoption and would consider again
Income	Significant	Significant	Significant.
Age	Significant	Significant	Significant.
Formal marital status	Significant	Not significant	Not significant.
Education	Significant	Not significant	Significant.
Race	Not significant	Significant	Not significant.
Ability to bear own child	Significant	Significant	Significant.

Note: These relationships are based on the RS2 Chi-Squared statistics calculated using WesVarPC. They assume a 95 percent confidence level.

Further, given that adoption is a relatively rare occurrence, the magnitude of these relationships given the standard errors was examined. For example, there is a statistically significant relationship between income and whether the woman has adopted a child, is currently seeking to adopt a child, or has ever considered adopting a child and would consider adoption again. But the next question is whether there is a difference between the populations. While Table 2 shows that 0.27 percent of women with an income at or below 150 percent of the federal poverty level have adopted and 0.82 percent are currently seeking to adopt, given the small sample and the fact that adoption is a relatively rare occurrence, these results were examined to verify that these differences in relationships were not absorbed by the standard errors. All results discussed in the text are real differences.

Nonsampling Error

Estimates in this report are subject to various types of nonsampling error. Nonsampling error occurs because of imperfect answers given by respondents of surveys. Imperfections in answers to survey questions can stem from imperfect recall to incorrect responses, to ambiguities in the questions asked in the survey. In many respects, nonsampling error is more problematic than sampling error. Given a sampling framework, methods are available to quantify the amount of sampling error associated with a population estimate. Nonsampling error, on the other hand, is difficult and sometimes impossible to quantify.

APPENDIX B

TABLE B–1.—PREFERENCES FOR CHILDREN OF WOMEN CURRENTLY SEEKING TO ADOPT A CHILD IN 1995

	Percent	Standard Error
If you could choose exactly the child you wanted, would you prefer to adopt:		
Sex:		
a girl?	33.27	6.63
a boy?	21.16	5.99
indifferent?	45.57	6.38
Race:		
a black child?	13.75	4.78
a white child?	28.80	6.15
a child of some other race?	15.10	3.92
indifferent?	42.35	5.88
Age:		
a child younger than 2 years?	57.52	5.49

TABLE B–1.—PREFERENCES FOR CHILDREN OF WOMEN CURRENTLY SEEKING TO ADOPT A CHILD IN 1995—Continued

	Percent	Standard Error
a 2–5 year old child?	28.12	5.30
a 6–12 year old child?	6.84	2.69
a child 13 years or older?	0.53	0.53
indifferent?	6.99	2.77
Disability:		
a child with no disability?	54.20	6.53
a child with a mild disability?	24.79	5.44
a child with a severe disability?	5.47	4.30
indifferent?	15.55	3.75
Number of children:		
a single child?	64.72	6.47
2 or more brothers and sisters at once?	26.32	5.87
indifferent?	8.97	3.02
Religion:		
same religious background?	17.06	4.10
different religious background?	6.75	3.39
indifferent?	76.19	5.48

Source: Table prepared by the Congressional Research Service based on data from the 1995 National Survey of Family Growth (standard errors computed using Westat's WesVarPC computer program). Detail may not sum to 100 due to rounding.

SEX DISCRIMINATION AND THE UNITED STATES SUPREME COURT: RECENT DEVELOPMENTS IN THE LAW—JUNE 29, 1999

ABSTRACT

This report discusses the recent sex discrimination decisions of the United States Supreme Court. It focuses on legal challenges involving Title VII of the Civil Rights Act of 1964 (employment discrimination), Title IX of the Education Amendments of 1972 (discrimination in schools), and the equal protection guarantees of the Fourteenth and Fifth Amendments to the Constitution. The Court's decisions in cases involving Title VII and Title IX are particularly noteworthy because they illustrate the Court's recognition of sexual harassment in both the workplace and the classroom. The Court's recent Title VII decisions also involve pregnancy discrimination and same-sex sexual harassment. This report will be updated by the development of additional case law.

SUMMARY

With its recent sex discrimination decisions, the United States Supreme Court has not only further defined the applicability of the equal protection guarantees of the Constitution and the nondiscriminatory policies of federal statutes, but has rejected the use of gender stereotypes and continued to recognize the discriminatory effect of gender hostility in the workplace and in schools. This report focuses on recent sex discrimination challenges based on the equal protection guarantees of the Fourteenth and Fifth Amendments, Title VII of the Civil Rights Act of 1964 (employment discrimination), and Title IX of the Education Amendments of 1972 (discrimination in schools). The Court's decisions in cases involving Title VII and Title IX are particularly noteworthy because they illustrate the Court's recognition of sexual harassment in both the workplace and the classroom.

Although the Court's analysis of sex discrimination challenges under the Constitution differs from its analysis of sex discrimination under the two federal statutes discussed in this report, it is apparent that the Court is willing to refine its standards of review under both schemes to accommodate the novel claims presented by these cases.

SEX DISCRIMINATION AND THE UNITED STATES SUPREME COURT: RECENT DEVELOPMENTS IN THE LAW

With its recent sex discrimination decisions, the United States Supreme Court has not only further defined the applicability of the equal protection guarantees of the

Constitution and the nondiscriminatory policies of federal statutes, but has rejected the use of gender stereotypes and continued to recognize the discriminatory effect of gender hostility in the workplace and in schools. This report focuses on recent sex discrimination challenges based on the equal protection guarantees of the Fourteenth and Fifth Amendments, Title VII of the Civil Rights Act of 1964, and Title IX of the Education Amendments of 1972. Although the Court's analysis of sex discrimination challenges under the Constitution differs from its analysis of sex discrimination under the two federal statutes discussed in this report, it is apparent that the Court is willing to refine its standards of review under both schemes to accommodate the novel claims presented by these cases.

EQUAL PROTECTION CASES

Constitutional challenges that allege discrimination on the basis of sex are premised either on the equal protection guarantees of the Fourteenth Amendment or the equal protection component of the Fifth Amendment. To maintain an equal protection challenge, government action must be established; that is, it must be shown that the government, and not a private actor, has acted in a discriminatory manner. While the Fourteenth Amendment prohibits discriminatory conduct by the states, the Fifth Amendment forbids such action by the federal government.

The Fourteenth Amendment provides, in relevant part:

"No state shall make or enforce any law which shall abridge the privileges or immunities of the citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; *nor deny to any person within its jurisdiction the equal protection of the laws*." U.S. CONST. amend. XIV (emphasis added).

Although the Fourteenth Amendment requires equal protection, it does not preclude the classification of individuals. The Court has noted that the Constitution does not require things which are "different in fact or opinion to be treated in law as though they were the same."[1] A classification will not offend the Constitution unless it is characterized by invidious discrimination.[2] The Court has adopted three levels of review to establish the presence of invidious discrimination:

—*Strict scrutiny*.—This most active form of judicial review has been applied where there is either a suspect classification (e.g. race, national origin, alienage) or a burdening of a fundamental interest (e.g. privacy, marriage). A classification will survive strict scrutiny if the government can show that it is necessary to achieving a compelling interest.[3] Most statutory classifications subject to strict scrutiny are invalidated.

—*Intermediate scrutiny*.—This level of review is not as rigorous as strict scrutiny. A classification will survive intermediate scrutiny if it is substantially related to achieving an important government objective.[4] Sex classifications are subject to intermediate scrutiny.

—*Rational basis review*.—This least active form of judicial review allows a classification to survive an equal protection challenge if the classification is rationally related to a legitimate government interest.[5] This level of review is characterized by its deference to legislative judgment. Most economic regulations are subject to rational basis review.

The Court's adoption of intermediate scrutiny for sex classifications did not occur until 1976. In *Craig* v. *Boren*, the Court declared unconstitutional an Oklahoma statute that prohibited the sale of "nonintoxicating" 3.2 percent beer to males under the age of 21 and to females under the age of 18.[6] Females above the age of 18, but below 21, were allowed to purchase this beer. Although the Court agreed with the state's argument that the protection of public health and safety is an important government interest, it found that the gender classification employed by the statute was not substantially related to achieving that goal. The statistical evidence presented by the state to show that more 18 to 20-year-old males were arrested for drunk driving and that males between the ages of 17 and 21 were overrepresented among those injured in traffic accidents could not establish that the statute's gender

[1] *Tigner* v. *Texas*, 310 U.S. 141, 147 (1940).
[2] See *Ferguson* v. *Skrupa*, 372 U.S. 726, 732 (1963).
[3] See *San Antonio Independent School District* v. *Rodriquez*, 411 U.S. 1 (1973).
[4] See *Craig* v. *Boren*, 429 U.S. 190, 197 (1976).
[5] See *Lindsley* v. *National Carbonic Gas Co.*, 220 U.S. 61 (1911); *Royster Guano Co.* v. *Virginia*, 253 U.S. 412 (1920); *San Antonio School District* v. *Rodriguez*, 411 U.S. 1 (1973); *Mass Bd. of Retirement* v. *Murgia*, 427 U.S. 307 (1976); *Maher* v. *Roe*, 432 U.S. 464 (1977).
[6] 429 U.S. 190 (1976).

classification was substantially related to ensuring public health and safety.[7] In addition to their methodological problems, the statistics failed to establish the dangerousness of nonintoxicating 3.2 percent beer for purposes of distinguishing between males and females.

In establishing an intermediate level of review for sex classifications, the *Craig* Court identified what has been a common theme in sex discrimination cases under the Fourteenth Amendment: stereotypes and generalizations about the sexes.[8] In *Craig*, the Court acknowledged its previous invalidation of statutes that premised their classifications on misconceptions concerning the role of females. The Court's rejection of the use of stereotypes may be seen in many of the cases in this area.[9] The Court's most recent decisions allude similarly to the use of stereotypes and generalizations.

In *J.E.B.* v. *Alabama*, the Court determined that the state could not use its peremptory challenges to exclude male jurors in a paternity and child support action.[10] In reaching its conclusion, the Court reviewed the historical exclusion of women from juries because of the belief that women were "too fragile and virginal to withstand the polluted courtroom atmosphere."[11] In *J.E.B.*, the Court questioned the state's generalizations of male jurors being more sympathetic to the arguments of a father in a paternity action and female jurors being more receptive to the mother. The Court maintained that state actors who exercise peremptory challenges in reliance on gender stereotypes "ratify and reinforce prejudicial views of the relative abilities of men and women."[12] The Court feared that this discriminatory use of peremptory challenges would not only raise questions about the fairness of the entire proceedings, but also create the impression of the judicial system acquiescing in the denial of participation by one gender.

In *U.S.* v. *Virginia*, the Court conducted a more searching form of intermediate scrutiny to find unconstitutional the exclusion of women from the Virginia Military Institute (VMI).[13] While articulating the need to show that a classification is substantially related to an important government interest, the Court also required the state to establish an "exceedingly persuasive justification" for its actions.[14]

Virginia advanced two arguments in support of VMI's exclusion of women: first, the single-sex education offered by VMI contributed to a diversity of educational approaches in Virginia; second, VMI employed a unique adversative method of training that would be destroyed if women were admitted.[15]

After reviewing the history of Virginia's educational system, the Court concluded that VMI was not established or maintained to promote educational diversity. In fact, VMI's "historic and constant plan" was to offer a unique educational benefit to only men.[16] VMI was not meant to complement other Virginia institutions as a single-sex educational option. Further, the Court recognized Virginia's historic reluctance to allow women to pursue higher education. Any interest Virginia had in maintaining educational diversity seemed to be "proffered in response to litigation."[17]

In addressing Virginia's second argument, the Court expressed concern over the exclusion of women from VMI because of generalizations about their ability. While acknowledging that most women would probably not choose the adversative method, the Court maintained that some women had the will and capacity to succeed at VMI. Following *J.E.B.*, the Court cautioned state actors to not rely on overbroad

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[7] The state also introduced the following: a random roadside survey that indicated that young males were more inclined to drive and drink beer than were their female equivalents; FBI nationwide statistics showing an increase in arrests for drunk driving; and similar statistics from other jurisdictions.

[8] 429 U.S. at 198.

[9] See *Califano* v. *Goldfarb*, 430 U.S. 199 (1977) (Invalidated section of the Social Security Act that permitted survivors' benefits for male widows only if they were receiving half of their support from their wives); *Orr* v. *Orr*, 440 U.S. 268 (1979) (Invalidated Alabama statute that imposed alimony obligations on husbands, but not wives); *Caban* v. *Mohammed*, 441 U.S. 380 (1979) (Invalidated New York statute that required the consent of the mother, but not the father, to permit the adoption of an illegitimate child); *Mississippi University for Women* v. *Hogan*, 458 U.S. 718 (1982) (Invalidated policy of a state-supported university that limited admission to its nursing school to women on the grounds that it reinforced traditional stereotypes).

[10] 511 U.S. 127 (1994).

[11] 511 U.S. at 133.

[12] 511 U.S. at 141.

[13] 518 U.S. 515 (1996).

[14] Id.

[15] See also Kimberly D. Jones, *United States* v. *Virginia: The Constitutionality of Public Single-Sex Schools*, CRS Report 96–924 A.

[16] 518 U.S. at 540.

[17] 518 U.S. at 533.

generalizations to perpetuate patterns of discrimination. While the Court believed that the adversative method did promote important goals, it concluded that the exclusion of women was not substantially related to achieving those goals.

After determining that VMI's exclusion of women violated the Fourteenth Amendment, the Court reviewed the state's remedy, a separate program for women. Virginia established the Virginia Women's Institute for Leadership (VWIL) following the adverse decision of the court of appeals. Unlike VMI, VWIL did not use the adversative method because it was believed to be inappropriate for most women.[18] VWIL lacked the faculty, facilities, and course offerings available at VMI. Because VWIL was not a comparable single-sex institution for women, the Court concluded that it was an inadequate remedy for the state's equal protection violations. VMI subsequently became coeducational.

The Court addressed gender stereotypes in a third case involving immigration issues. In *Miller* v. *Albright*, the Court considered a challenge to § 309 of the Immigration and Nationality Act.[19] The petitioner, the child of an American father and a Filipino mother, contended that § 309 imposed additional requirements for establishing American citizenship when a child is fathered by an American citizen outside of the United States.[20] For children born of a citizen mother and an alien father, citizenship is established at birth. However, for children born of a citizen father and an alien mother, citizenship is not established until the father or the child takes affirmative steps to confirm their relationship by the child's eighteenth birthday. In this case, the petitioner's father did not attempt to establish his relationship with his daughter until after her eighteenth birthday. Thus, the petitioner's application for citizenship was denied.

The case produced five different opinions. While six justices agreed that the petitioner's complaint should be dismissed, they provided different reasons for this conclusion. Justices Stevens and Rehnquist maintained that § 309's distinction between "illegitimate" children of U.S. citizen mothers and "illegitimate" children of U.S. citizen fathers is permissible because it is "eminently reasonable and justified by important Government policies."[21] Justices O'Connor and Kennedy contended, however, that the distinction could withstand only rational basis review and should not satisfy the kind of heightened scrutiny Justice Stevens seemed to conduct. Setting aside the issue of § 309's constitutionality, Justices O'Connor and Kennedy believed that the petitioner lacked the standing necessary to even pursue her claim. Finally, Justices Scalia and Thomas contended that the petitioner's complaint should be dismissed because the Court lacks the power to confer citizenship. Having acknowledged that Congress has the exclusive authority to grant citizenship, Justices Scalia and Thomas believed that there was no need to address the constitutionality of § 309. Justices Ginsberg, Breyer, and Souter dissented in opinions written by Justices Ginsberg and Breyer.

In their separate opinions, Justices Stevens, O'Connor, Ginsburg, and Breyer each addressed the petitioner's argument that § 309 invokes gender stereotypes. The petitioner contended that § 309 relies on the belief that an American father "remains aloof from day-to-day child rearing duties," and will not be as close to his child.[22]

Justice Stevens maintained that the statute has a non-stereotypical purpose of ensuring the existence of a blood relationship between father and child. Justice Stevens recognized that the distinction is reasonable because mothers have the opportunity to establish parentage at birth, while fathers do not always have that opportunity. Further, he contended that the distinction encourages the development of a healthy relationship between the citizen father and the foreign-born child, and fosters ties between the child and the United States. Thus, § 309's additional requirements are appropriate for fathers, but unnecessary for mothers.

In their dissenting opinions, Justices Ginsburg and Breyer contended that § 309 relies on generalizations about men and women and the ties they maintain with their children. Justice Ginsberg argued that § 309's goals of assuring ties between the citizen father and the foreign-born child, and between the child and the United States can be achieved without reference to gender. Justice Breyer argued similarly, positing a distinction between caretaker and non-caretaker parents, rather than mother and father.

While the Court's recent decisions involving sex and equal protection illustrate that it is concerned with the stereotyping of men and women, it is unclear whether it will continue to subject sex classifications and any related stereotypes to a tradi-

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[18] 518 U.S. at 549.
[19] 523 U.S. 420, 118 S.Ct. 1428 (1998).
[20] See 8 U.S.C. § 1409.
[21] 118 S.Ct. at 1440.
[22] 118 S.Ct. at 1441.

tional form of intermediate scrutiny. The Court's requirement of an "exceedingly persuasive justification" in *VMI* suggests that it may be interested in conducting a more exacting form of judicial review for sex classifications. In his *Miller* dissent, Justice Breyer emphasized the need to apply the standard established in *VMI*. Should the Court move definitively toward a higher level of judicial review, it is possible that sex may be considered a suspect classification like race, national origin, or alienage. However, even if that does not occur, the Court's decision in *VMI* suggests that equal protection analysis may be moving toward only two levels of review: heightened scrutiny and rational basis review.

TITLE VII OF THE CIVIL RIGHTS ACT OF 1964

Title VII prohibits an employer from discriminating against any individual with respect to hiring or the terms and condition of employment because of such individual's race, color, religion, sex, or national origin.[23] Sex discrimination cases under Title VII have involved sexual harassment, pregnancy discrimination, and wage disparities among employees.[24]

The Court has developed two principal models for proving claims of employment discrimination.[25] The "disparate treatment" model focuses on an employer's intent to discriminate. Alternately, the "disparate impact" model is concerned with the adverse effects of an employer's practices on a protected class. Disparate impact analysis may find a facially neutral employment practice to be violative of Title VII even without evidence of the employer's subjective intent to discriminate. To succeed, a plaintiff must demonstrate that the application of a specific employment practice has had a disparate impact on a particular group of employees.[26]

Both disparate treatment and disparate impact analysis involve a system of evidentiary burden shifting. Both models require the plaintiff to establish a prima facie case of discrimination. If such a case can be established, the burden shifts to the employer to articulate a defense for its actions. At that point, the employer may produce evidence showing that its actions are justified because of the needs of its business. Alternately, the employer may contend that otherwise discriminatory conduct satisfies a bona fide occupational qualification (BFOQ). Under § 703(e)(1) of Title VII, an employer may discriminate on the basis of "religion, sex, or national origin in those certain instances where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of that particular business or enterprise."[27] Ultimately, however, the plaintiff retains the burden of persuasion; that is, the plaintiff must disprove the employer's assertion that the adverse employment action or practice is based on business necessity or is a BFOQ.

Pregnancy Discrimination

In recent years, the Court has addressed Title VII and sex discrimination most frequently in the context of sexual harassment. In *UAW* v. *Johnson Controls*, however, the Court considered whether an employer may discriminate against fertile women because of its interest in protecting potential fetuses.[28]

Johnson Controls, a battery manufacturer, implemented a policy that excluded "women who are pregnant or who are capable of bearing children" from jobs that exposed them to lead.[29] Lead was the primary ingredient in the manufacturing process at Johnson Controls. Although fertile women were excluded from employment, fertile men were still permitted to work.

The Court found that Johnson Controls' policy was facially discriminatory because it did not apply to the reproductive capacity of the company's male employees in

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[23] Title VII provides, in relevant part, that it is an unlawful employment practice for an employer (1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin; or (2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, or national origin. 42 U.S.C. § 2000e–2.

[24] See also Karen J. Lewis, *Sex Discrimination and the United States Supreme Court Developments in the Law*, CRS Report 89–500A.

[25] See also Charles V. Dale, *The Civil Rights Act of 1991: A Legal Analysis of Various Proposals to Reform the Federal Equal Employment Opportunity Laws*, CRS Report 91–757A.

[26] See also *Ward's Cove Packing Company* v. *Atonio*, 490 U.S. 642 (1989).

[27] 42 U.S.C. § 2000e–2(e)(1).

[28] 499 U.S. 187 (1991). See also Gina M. Stevens, *Sex-Based Discrimination: UAW v. Johnson Controls, Inc.*, CRS Report 91–323A.

[29] 499 U.S. at 192.

the same way it applied to that of female employees. The Court's conclusion was bolstered by the Pregnancy Discrimination Act of 1978 (PDA), which provides that discrimination "on the basis of sex" for purposes of violating Title VII includes discrimination "because of or on the basis of pregnancy, childbirth, or related medical conditions."[30]

Although Johnson Controls asserted that sex was a BFOQ for protecting fetal safety, the Court maintained that discrimination on the basis of sex for safety concerns is allowed only in narrow circumstances.[31] The Court stressed that to qualify as a BFOQ, an employment practice must relate to the essence or central mission of the employer's business.[32] Because the potential fetuses of Johnson Controls' females employees were not customers or third parties whose safety was essential to the business of battery manufacturing, the Court rejected Johnson Controls' BFOQ defense.

Sexual Harassment

Courts have recognized two forms of sexual harassment under Title VII. The first, quid pro quo sexual harassment, occurs when submission to unwelcome sexual advances or other conduct of a sexual nature is made a condition of an individual's employment or is otherwise used as the basis for employment decisions. The second form of harassment involves conduct that has the purpose or effect of interfering unreasonably with an individual's work performance or of creating a hostile or offensive working environment. This second form of sexual harassment is referred to as "hostile environment" sexual harassment.

In *Harris* v. *Forklift Systems, Inc.*, the Court sought to define when a workplace was sufficiently "hostile" for purposes of maintaining a claim under Title VII.[33] The petitioner, a female manager at an equipment rental company, alleged that the company's president created a hostile environment by repeatedly insulting her because of her gender and making her the target of unwanted sexual innuendos.

The Court determined that an employee does not need to suffer injury to assert a hostile environment claim under Title VII: "So long as the environment would reasonably be perceived, and is perceived, as hostile or abusive * * * there is no need for it also to be psychologically injurious."[34] While the Court recognized that a standard based on the perceptions of a reasonable person is not "mathematically precise," it emphasized both the need to consider all of the circumstances and the fact that Title VII does not require concrete psychological harm.[35] The Court identified four factors that should be considered to determine whether a hostile environment exists: (1) the frequency of the discriminatory conduct; (2) the severity of such conduct; (3) whether the conduct is physically threatening or humiliating; and (4) whether the conduct interferes unreasonably with an employee's work performance.[36] Although the Court recognized these factors as those to be considered in identifying a hostile environment, it emphasized that no single factor is determinative.

The Court continued its examination of hostile environment sexual harassment in two cases involving vicarious liability. In *Faragher* v. *City of Boca Raton*, the Court found that an employer is vicariously liable for actionable discrimination caused by a supervisor, subject to an affirmative defense that must consider the reasonableness of the employer's conduct, as well as the conduct of the employee.[37] The petitioner, a former lifeguard for the Marine Safety Section of Boca Raton's Parks and Recreation Department, alleged that she was subject to an environment characterized by lewd remarks, gender-biased speech, and uninvited and offensive touching by her former supervisors.

The petitioner pursued three lines of reasoning drawn from agency law to argue that the City was vicariously liable for the hostile environment created by the supervisors. First, the petitioner contended that the supervisors were acting within the scope of their employment when they engaged in the harassing conduct. Second, the petitioner argued that in creating a hostile environment the supervisors were

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[30] See 42 U.S.C. § 2000e(k).

[31] 499 U.S. at 202.

[32] See *Dothard* v. *Rawlinson*, 433 U.S. 321 (1977) (Court found sex to be a BFOQ because the employment of a female guard in a maximum-security male penitentiary could create a risk of violence and jeopardize the safety of inmates); *Western Airlines, Inc.* v. *Criswell*, 472 U.S. 400 (1985) (Court found age to be a BFOQ in an ADEA case because the employment of an older flight engineer could cause a safety emergency and jeopardize the safety of passengers).

[33] 510 U.S. 17 (1993).

[34] 510 U.S. at 22.

[35] Id.

[36] 510 U.S. at 23.

[37] 524 U.S. 775, 118 S.Ct. 2275 (1998).

aided by their supervisory authority. Third, the petitioner claimed that the City was negligent for failing to prevent the harassment by the supervisors.

In addressing the petitioner's first argument, the Court conceded that a supervisor is responsible for maintaining a productive and safe work environment. However, the Court also contended that it was unlikely that Congress wished courts to ignore the traditional distinction between acts falling within the scope of employment and those amounting to what "older law" recognized as frolics or detours.[38] The Court concluded that when a supervisor expresses his sexual interests "in ways having no apparent object whatever of serving an interest of the employer," such harassment should be classified as beyond the scope of employment and should not impose liability on the employer.[39] Further, the Court stated that if employers were liable for the hostile environments created by supervisors under a "scope of employment" theory, it would be just as appropriate to find liability when such an environment was created by co-workers. The Court expressed reluctance to recognize such liability.

Although the Court rejected the petitioner's scope of employment argument, it was persuaded that the supervisors were aided in creating a hostile environment by their superior positions. The Court recognized that the authority conferred as a result of a supervisor's relationship with the employer allows the supervisor greater ability to act inappropriately: "When a person with supervisory authority discriminates in the terms and conditions of subordinates' employment, his actions necessarily draw upon his superior position over the people who report to him * * * whereas an employee generally cannot check a supervisor's abusive conduct the same way that she might deal with abuse from a co-worker."[40]

While the Court recognized that there could be vicarious liability for the misuse of supervisory authority, it established the availability of an affirmative defense for employers. This affirmative defense would consist of the employer's assertion that it exercised reasonable care to prevent and correct any sexually harassing behavior. In addition, the affirmative defense would maintain that the employee unreasonably failed to take advantage of any preventive or corrective opportunities provided by the employer. The Court believed that the employer's ability to assert such an affirmative defense was consistent with Title VII's objective of encouraging employers to prevent sexual harassment from occurring.[41]

After applying its new rules to the case at bar, the Court concluded that the City did not exercise reasonable care to prevent the supervisors' harassing conduct. Although the City maintained a policy against sexual harassment, it failed to disseminate that policy to beach employees. Further, the City made no attempt to monitor the conduct of the supervisors or assure employees that they could bypass harassing supervisors to register complaints.

The Court addressed briefly the petitioner's third argument of the City's negligence by contending that the regulations of the Equal Employment Opportunity Commission (EEOC) require that employers take steps to prevent Title VII violations. The existence of such regulations established that the City had a duty to prevent the harassment. Although the City did adopt an antiharassment policy in 1986, it failed to implement the policy with respect to beach employees.

The Court revisited the issue of vicarious liability for employers in *Burlington Industries* v. *Ellerth*, a companion case to Faragher.[42] In *Burlington Industries*, the Court maintained that an employer may be found vicariously liable for harassment by a supervisor even if the employee suffers no adverse, tangible job consequences.

The petitioner in *Burlington Industries* alleged that she was subjected to repeated offensive remarks and gestures by a mid-level manager who supervised the petitioner's immediate supervisor. On three occasions, the manager made remarks that could be construed as threats to deny the petitioner job benefits. For example, the manager encouraged the petitioner to "loosen up" because he "could make [her] life very hard or very easy at Burlington."[43] Although Burlington maintained a policy against sexual harassment, the petitioner did not inform anyone in authority about the manager's misconduct. Instead, the petitioner resigned from her position, providing reasons unrelated to the harassment. Three weeks after her resignation, the petitioner informed Burlington of her true reasons for leaving.

While the manager's threats suggested that the claim should be analyzed as a quid pro quo claim, the Court categorized it as a hostile environment claim because

[38] 118 S.Ct. at 2288.
[39] 118 S.Ct. at 2289.
[40] 118 S.Ct. at 2291.
[41] 118 S.Ct. at 2292.
[42] 524 U.S. 742, 118 S.Ct. 2257 (1998).
[43] 118 S.Ct. at 2262.

it involved only unfulfilled threats. After reviewing the petitioner's claim in terms similar to *Faragher*, the Court determined that the manager at Burlington also misused his supervisory authority. The Court concluded that Burlington should be given the opportunity to assert and prove an affirmative defense to liability.

The availability of punitive damages for violations of Title VII was recently addressed by the Court in *Kolstad* v. *American Dental Association*.[44] In *Kolstad*, the Court continued to build on its holdings in *Faragher* and *Burlington Industries* by concluding that although an employer may be vicariously liable for the misconduct of its supervisory employees, it will not be subject to punitive damages if it has made good faith efforts to comply with Title VII. The Court noted that subjecting employers that adopt antidiscrimination policies to punitive damages would undermine Title VII's objective of encouraging employers to prevent discrimination in the workplace.

Same-Sex Sexual Harassment

In 1998, the Court interpreted Title VII's prohibition against discrimination "because of * * * sex" to include harassment involving a plaintiff and defendant of the same sex.[45] The petitioner in *Oncale* v. *Sundowner Offshore Services, Inc.* alleged that he was physically assaulted in a sexual manner and was threatened with rape by three male co-workers.[46] Two of the co-workers had supervisory authority over the petitioner.

Although the Court acknowledged that Congress was "assuredly" not concerned with male-on-male sexual harassment when it enacted Title VII, it found no justification in the statutory language or the Court's precedents for excluding same-sex harassment claims from the coverage of Title VII.[47] At the same time, the Court stated that inquiries in same-sex harassment cases require careful consideration of the social context in which particular behavior occurs and is experienced by the claimant. For example, the Court distinguished a football player being patted on the butt in a locker room from similar behavior occurring in an office. The Court contended that this kind of consideration would prevent Title VII from becoming a "general civility code" for the American workplace.[48]

TITLE IX OF THE EDUCATION AMENDMENTS OF 1972

Title IX of the Education Amendments of 1972 prohibits discrimination on the basis of sex in educational programs and activities that receive federal funding. Until recently, Title IX claims have been most common among women and girls challenging inequities in sports programs.[49] Title IX is now used as a vehicle for challenging sexual harassment in classrooms and on campuses.

Title IX provides, in relevant part, that "[n]o person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance * * *."[50] The Court's recent decisions involving Title IX address various issues, including the availability of damages and who may be subject to liability.

In *Franklin* v. *Gwinnett County Public Schools*, a student in the Gwinnett County School District sought monetary damages for violation of Title IX.[51] The petitioner argued that she had been subjected to continual sexual harassment and abuse by a teacher employed by the school district. Although the harassment became known and an investigation was conducted, teachers and administrators did not act and the petitioner was subsequently discouraged from pressing charges. Following *Meritor Sav. Bank, FSB* v. *Vinson*, the case in which the Court first recognized hostile environment sexual harassment as a cognizable claim under Title VII, the Court in *Franklin* concluded that when a teacher sexually harasses and abuses a student, the teacher discriminates similarly on the basis of sex.[52]

The Court contended that absent clear direction to the contrary, the federal courts could award any appropriate relief in an action brought pursuant to a federal stat-

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[44] No. 98–208, 1999 WL 407481 (U.S. June 22, 1999).
[45] 42 U.S.C. § 2000e–2.
[46] 523 U.S. 75, 77 (1998).
[47] 523 U.S. at 79.
[48] 523 U.S. at 80.
[49] See also Kimberly Jones, *Sexual Harassment in Education: Recent Legal Developments Under Title IX of the Education Amendments of 1972*, CRS Report 98–798A.
[50] 20 U.S.C. § 1681(a).
[51] 503 U.S. 60 (1992).
[52] 503 U.S. at 75.

ute. Thus, because Title IX was silent on the issue of monetary damages, the Court found that they were available for the student.

In *Gebser* v. *Lago Vista Independent School District*, the Court determined that a school district will not be held liable under Title IX for a teacher's sexual harassment of a student if the school district did not have actual notice of the harassment and did not exhibit deliberate indifference to the misconduct.[53] The petitioner, a female high school student, was involved in a sexual relationship with one of her teachers. Unlike the situation in *Franklin*, the school district did not have actual notice of any sexual relationship between the petitioner and the teacher until they were discovered by a police officer. The principal of the petitioner's school did learn of inappropriate comments made by the teacher prior to the discovery, but he cautioned the teacher about such comments. After the sexual relationship became known, the school district quickly terminated the teacher. Despite the school district's actions, the petitioner argued that the school district should be found liable on the basis of vicarious liability or constructive notice.[54]

In requiring the school district to have actual notice of the harassment, the Court discussed the absence of an express cause of action under Title IX. Unlike Title VII, Title IX does not address damages or the particular situations in which damages are available.[55] While Title IX does address a denial of funds for noncompliance with its provisions, it does not provide for a private right of action. Instead, a private right of action has been judicially implied.[56]

Because Title IX does not contain any reference to the recovery of damages in private actions, the Court reasoned that its recognition of theories of vicarious liability and constructive notice would allow an unlimited recovery where Congress has not spoken.[57] Stated differently, the Court was reluctant to expand the availability of damages for such theories when Title IX failed to provide initially for a private cause of action. In this way, the Court sought to refine its holding in *Franklin* and limit those situations in which a remedy for damages would lie.

The Court believed that Title IX's remedial scheme would be undermined if it did not require that a school district have actual notice of a teacher's sexual harassment. § 902 of Title IX states that financial assistance will not be denied until the "appropriate person or persons" have been advised of the discrimination and have failed to end the discrimination voluntarily.[58] An "appropriate person" is an official of the entity receiving funds who has the authority to take corrective action.[59] Because the school district in *Gebser* did not have actual notice of the sexual relationship, it could not have taken any steps to end the alleged discrimination.

In addition, the Court stated that damages will not be available unless it is shown that a response exhibits a deliberate indifference to the discrimination; that is, there must be "an official decision by the recipient not to remedy the violation."[60] In *Gebser*, the school district responded to the situation by first cautioning the teacher, and then terminating him once the relationship was discovered. Thus, the Court concluded that the school district did not act with deliberate indifference.

In *National Collegiate Athletic Association* v. *Smith*, the Court found that a private organization is not subject to Title IX simply because it receives payments from entities that receive federal financial assistance.[61] The respondent, a female graduate student, alleged that the National Collegiate Athletic Association (NCAA) discriminated against her on the basis of sex by denying her permission to play intercollegiate volleyball at two federally assisted institutions. Under NCAA rules, a graduate student is permitted to participate in intercollegiate athletics at only the institution that awarded her undergraduate degree. The respondent graduated from one university, but enrolled at two different universities for her graduate degree. The respondent argued that the NCAA granted more waivers from eligibility restrictions to male graduate students than to female graduate students.

The Court concluded that the NCAA was not a recipient of Title IX funds. The NCAA did not receive federal assistance either directly or through an intermediary. Instead, it received dues payments from member institutions. The Court stated, "[a]t most, the Association's receipt of dues demonstrates that it indirectly benefits

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[53] 524 U.S. 274, 118 S.Ct. 1989 (1998).

[54] Under a theory of constructive notice, liability would be established on the grounds that the school district knew or should have known about the harassment, but failed to discover and eliminate it.

[55] 118 S.Ct. at 1996.

[56] See also *Cannon* v. *University of Chicago*, 441 U.S. 677 (1979).

[57] 118 S.Ct. at 1997.

[58] See 20 U.S.C. § 1682.

[59] 118 S.Ct. at 1999.

[60] Id.

[61] No. 98–84, 1999 WL 83907 (U.S. Feb. 23, 1999).

from the federal assistance afforded its members. This showing, without more, is insufficient to trigger Title IX coverage."[62] Because the Court found that the NCAA was not amenable to suit, it did not address the respondent's substantive allegations of discrimination.

Recently, the Court recognized student-on-student sexual harassment as a cognizable claim under Title IX. In *Davis* v. *Monroe County Board of Education*, a mother alleged that her daughter suffered discrimination as a result of the Monroe County Board of Education's ("Board") failure to respond to the misconduct of another student.[63] While LaShonda, the petitioner's daughter, was in the fifth grade, a male student allegedly made vulgar remarks to her and touched her in an inappropriate manner. Although the petitioner and LaShonda notified the principal and several teachers, the misconduct continued. The male student was never disciplined for his actions. In addition, no effort was made to separate LaShonda and the male student in classes. The petitioner alleged that LaShonda's grades dropped as a result of the harassment. It appears that LaShonda also contemplated suicide because of the male student's continued misconduct.[64]

The Board maintained that the Court should not find a private damages action under Title IX for student-on-student harassment because the statute proscribes only misconduct by grant recipients. Title IX was enacted pursuant to Congress' spending power. In interpreting such spending legislation, courts have generally insisted that recipients of federal funding have adequate notice of misconduct that could jeopardize their funding.[65] Because Title IX proscribes only misconduct by grant recipients, the Board argued that it did not have notice of a possible claim for misconduct by a third party.

However, the Court maintained that a private damages action could exist when a funding recipient intentionally violates the clear intent of Title IX. In *Gebser*, for example, the Court determined that a school district could be liable for the misconduct of a teacher if the school district remained deliberately indifferent to the misconduct. Here, LaShonda's school knew about the harassment and did nothing to address it. In addition, the Court contended that the federal regulatory scheme surrounding Title IX and existing tort law provide examples of schools being liable for the misconduct of third parties. Thus, there was adequate notice that such misconduct could result in liability.

The Court concluded that recipients of federal funding may be liable for subjecting their students to discrimination where the recipient is deliberately indifferent to known acts of student-on-student harassment and the harasser is under the school's disciplinary authority. In identifying the level of harassment necessary to state an actionable claim, the Court stated that the harassment must be "so severe, pervasive, and objectively offensive that it can be said to deprive the victims of access to the educational opportunities or benefits provided by the school."[66] The Court rejected the possibility of students using Title IX to remedy teasing or name-calling by contending that the misconduct must be serious enough to have a systemic effect of denying the victim equal access to an educational program or activity.

While the development of sex discrimination law under Title IX owes much to Title VII, the *Davis* Court's recognition of student-on-student harassment highlights dramatic differences between the two statutes. As suggested by the dissent in *Davis*, any analogies between student-on-student harassment cases and Title VII hostile environment cases are inappropriate because "schools are not workplaces and children are not adults."[67] For that reason, any import of Title VII hostile environment analysis should be done with caution.

Further, the dissent recognized that while there is a cap on money damages under Title VII, no such cap exists for private causes of action under Title IX. Thus, a plaintiff could seek damages close to the amount designated originally to a school district. For example, Monroe County received approximately $679,000 in federal aid in 1992–93.[68] Davis sought $500,000 in damages.[69] The dissent maintained that this "limitless liability" under Title IX would put schools in a far worse position than businesses.[70]

Finally, unlike Title VII, Title IX has no provision for agency investigation. Thus, Title IX does not contain a mechanism for weeding out frivolous claims and settling

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[62] 1999 WL 83907 at 5.
[63] No. 97–843, 1999 WL 320808 (U.S. May 24, 1999).
[64] Id. at 4.
[65] 1999 WL 320808 at 7.
[66] 1999 WL 320808 at 14.
[67] 1999 WL 320808 at 27.
[68] 1999 WL 320808 at 32.
[69] Id.
[70] 1999 WL 320808 at 32.

meritorious ones at minimal costs. While Congress could consider the creation of an agency like the EEOC to handle initial investigations under Title IX, such action could possibly move Title IX closer to Title VII, reducing the distinctions between classroom and workplace.

THE DEPARTMENT OF ENERGY'S SPALLATION NEUTRON SOURCE PROJECT: DESCRIPTION AND ISSUES—DECEMBER 10, 1999

ABSTRACT

This CRS report focuses on the Spallation Neutron Source (SNS), a new Department of Energy-funded research facility, which is scheduled for construction at the Oak Ridge National Laboratory in eastern Tennessee. The facility is intended to generate and use pulsed neutron beams to study the structural properties of a wide range of materials. The report describes the SNS's management, project costs, schedule, site selection, and funding, and discusses issues raised by some congressional critics of the project, such as management problems, potential cost overruns, and schedule delays. Technical information about the project as well as excerpts from relevant legislation are appended. The report will be updated as appropriate.

SUMMARY

The U.S. Department of Energy (DOE) is preparing construction of the Spallation Neutron Source (SNS), a new $1.36 billion research facility at the Oak Ridge National Laboratory in eastern Tennessee. The project is a collaboration of five national laboratories: Oak Ridge (ORNL), Argonne (ANL), Brookhaven (BNL), Lawrence Berkeley (LBNL), and Los Alamos (LANL). The facility is intended to generate and use pulsed neutron beams to study the structural properties of a wide range of materials. After its scheduled completion in December 2005, the facility would be the world's most powerful neutron source of its kind. Many scientists argue that the SNS will provide U.S. science and industry with an essential tool to compete with Europe and Japan in broad areas of the physical, chemical, and biological sciences, as well as in the development and testing of new materials.

In fiscal year 1999, Congress gave DOE permission to begin some design and construction work and appropriated $130 million. During fiscal year 2000 budget negotiations, congressional critics of the SNS's management threatened to withhold further authorization for construction funds unless DOE would take significant steps to strengthen project management. In conference, Congress appropriated $117.9 million, including $100 million for construction. Although significantly less than the DOE's fiscal year 2000 SNS budget request of $214 million, the appropriated amount permits the project's continuation during fiscal year 2000.

While most scientists contend that the SNS's scientific merits are undisputed, some critics have pointed to weaknesses in the project's management. DOE states that SNS project management has been strengthened in recent months with the selection of a new and experienced leadership team. However, two problems remain that might jeopardize further congressional support: difficulties in developing one of the project's pivotal technical components, its linear accelerator; and a Tennessee tax imposed on the project's construction. Concerned about potential cost overruns and schedule delays, some in Congress are arguing for close congressional oversight to help ensure the SNS's successful completion on schedule and within budget.

INTRODUCTION

The Spallation Neutron Source (SNS), a new research facility funded by the Department of Energy (DOE), is scheduled to be constructed at the Oak Ridge National Laboratory in east central Tennessee.[1] The project is the collaboration of five DOE national laboratories:

—Oak Ridge National Laboratory (ORNL), Oak Ridge, Tennessee
—Argonne National Laboratory (ANL), Argonne, Illinois
—Brookhaven National Laboratory (BNL), Upton, New York
—Lawrence Berkeley National Laboratory (LBNL), Berkeley, California
—Los Alamos National Laboratory (LANL), Los Alamos, New Mexico

Each of the five laboratories is responsible for developing and constructing one of the major components for the SNS. With a projected total cost of $1.36 billion, the SNS would be the most expensive civilian DOE facility under construction since the

[1] For general information about the Spallation Neutron Source see Department of Energy, *Spallation Neutron Source: The next-generation neutron scattering facility for the United States* (1998); see also the project's website [http://www.ornl.gov/sns/].

cancellation of the Superconducting Super Collider (SSC) in 1993. The DOE developed the SNS concept beginning in the mid-1990s, after it abandoned a more ambitious neutron source project at Oak Ridge, the Advanced Neutron Source (ANS).[2]

The SNS, which is scheduled to become operational by December 2005, is designed to be the world's most powerful neutron source of its kind.[3] Neutrons are subatomic particles that have become essential tools in studying broad areas of the physical, chemical, and biological sciences, as well as aiding the development and testing of new materials. Much like x-rays or electrons, neutron beams can be used to probe the structure of physical and biological materials, acting like a high-resolution "microscope." Experiments conducted with the SNS are expected to advance scientific disciplines such as materials science, solid state physics, engineering, chemistry, and structural biology. Many scientists expect that the SNS will lead to a wide range of improved materials used in every day products such as cars, airplanes, computers, and drugs [see Appendix A for additional information on the technology and applications of the SNS].

Many leading U.S. scientists have long called for a new neutron source in the United States.[4] Currently, six neutron sources operate in the United States,[5] but most scientists have pointed out that these sources are out-of-date and inferior to facilities in Europe and Japan.[6] DOE evaluated three possible approaches to remedy the situation: upgrading existing facilities, buying access time at European facilities, and constructing a new powerful neutron source in the United States. While some upgrades of existing facilities are planned, they will not reach the beam power required for some essential research areas. Access for U.S. researchers to European facilities is limited since the best sources are already oversubscribed by the host nations. In addition, some foreign facilities might not be inclined to support U.S. research involving neutron sources, which is directly linked to industrial competitiveness. Many scientists agree that the SNS could help U.S. science and industry to regain a competitive position in research and development areas that depend on powerful neutron beams.[7]

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[2] The Advanced Neutron Source, a reactor-based facility, faced congressional opposition primarily because of its high price, estimated to be $3 billion. In addition, nonproliferation advocates criticized the project for its planned use of highly enriched uranium. See Barbara Goss Levi, "The Advanced Neutron Source Knocks at the Door of Congress," Physics Today (November 1994), 17–19; Daniel Clery and Andrew Lawler, "The Looming Neutron Gap," Science (17 February 1995), 952–954; Faye Flam, "Panel Hopes Compromise Will Bail Out Neutron Source," Science (18 November 1994), 1160–1161.

[3] Neutron beams can be produced in two different ways, either by a particle accelerator or by a nuclear reactor (see Appendix A). The SNS is an accelerator-based facility. Currently, the most powerful operating accelerator-based neutron source is ISIS at the Rutherford Appleton Laboratory near Oxford, England. SNS, with an expected beam power of 2 megawatts, will have more than 10 times the beam power of ISIS.

[4] National Research Council, *Neutron Research on Condensed Matter* (1977); National Academy of Sciences, *Major Facilities for Materials Research and Related Disciplines* (1984); Department of Energy, Basic Energy Sciences Advisory Committee (BESAC), *Neutron Sources of America's Future* (January 1993), DOE/ER–0576P; BESAC, *Neutron Sources and Applications* (January 1994), DOE/ER–0607P; BESAC, *Report of the Basic Energy Sciences Advisory Committee on Neutron Source Facility Upgrades and the Technical Specifications for the Spallation Neutron Source* (March 1998).

[5] Neutron sources in the United States: LANSCE (Los Alamos) and IPNS (Argonne) are spallation neutron sources; HFIR (Oak Ridge), NBSR (National Institute of Science and Technology), MURR (University of Missouri), and MIT (Massachusetts Institute of Technology) are reactor neutron sources. The four reactors were designed and constructed in the 1950s and 1960s. The most recent U.S. reactor for neutron scattering research, NBSR, began routine operation in 1969. On November 16, 1999, Secretary of Energy Bill Richardson closed the High Flux Beam Reactor (HFBR) at Brookhaven National Laboratory, which had provided scientists with a neutron beam since the mid-1960s. For a list of present and future neutron sources worldwide see DOE, *Construction and Operation of the Spallation Neutron Source Facility, Final Environmental Impact Statement*, Volume 1, DOE/EIS–0247, p.1–5.

[6] European countries, including France, England, Germany, and Italy, among others, are designing a European Spallation Source (ESS), with an expected average beam power of 5 megawatts, more than double the SNS's 2 megawatts. However, the ESS is only in the research and development phase and will not be completed, if constructed at all, in the near future. No site for the facility has been selected yet. In contrast, the SNS was designed to become operational as soon as possible. Therefore, the design mostly relies on proven technologies that avoid costly and time consuming research and development of components. For the ESS see [http://www.kfa-juelich.de/ess/].

[7] Department of Energy, *Report of the Basic Energy Sciences Advisory Committee on Neutron Source Facility Upgrades and the Technical Specifications for the Spallation Neutron Source* (March 1998).

Management

The Spallation Neutron Source is a collaborative effort of five national laboratories: Oak Ridge, Los Alamos, Brookhaven, Lawrence Berkeley, and Argonne, all of which have participated in the SNS's design. Oak Ridge National Laboratory, which leads the collaboration, is currently managed by Lockheed Martin Energy Research Corporation. In April 2000, Lockheed Martin will be replaced by a new contractor, the University of Tennessee in cooperation with Battelle Memorial Institute.

The SNS management structure involves the DOE Office of Science, which provides overall guidance, DOE's Oak Ridge Operations Office, the SNS Project Office, and the five participating national laboratories and their local DOE operations offices.[8] Unlike the other four laboratories involved in the SNS, Los Alamos National Laboratory reports to DOE's Defense Programs and not directly to the Office of Science. Interactions between various DOE agencies and the participating laboratories are guided by Memoranda of Agreement (MOAs).[9] Following a critical review of the SNS management in January 1999,[10] DOE selected a new leadership team, including a new SNS Executive Director, Dr. David E. Moncton. On November 18, 1999, Secretary of Energy Bill Richardson assigned primary authority and responsibility for project execution to Moncton.[11]

Project Cost and Schedule

Conceptual design activities for the SNS began in November 1995. In June 1997, a DOE review validated the project's design. The expected total cost of $1.266 billion was judged to be credible, but the reviewers felt that the construction schedule of six years, with completion scheduled for September 2004, was too optimistic.[12] Since February 1999, total project cost has remained level at $1.36 billion. The SNS is now scheduled to become fully operational in December 2005.

Site Selection

In April 1999, the DOE issued an Environmental Impact Statement (EIS), which discussed potential environmental consequences of the SNS's construction and long-time operation.[13] Possible sites for the project included Oak Ridge, the DOE's preferred location, and alternative sites at Los Alamos, Argonne, and Brookhaven. While the EIS did not determine any unacceptable environmental consequences at any of the four sites, it concluded in favor of Oak Ridge. Following this assessment, Secretary Richardson announced in June 1999 that the DOE would construct and operate the SNS at Oak Ridge.[14] On November 19, 1999, DOE approved the beginning of construction. DOE officials expect that site preparation activities such as clearing timber and the construction of permanent roads will begin in early December 1999.[15]

DOE preferred to build the SNS at Oak Ridge primarily because of the laboratory's existing infrastructure and experience in neutron science. Oak Ridge's High Flux Isotope Reactor would complement SNS research and make Oak Ridge the nation's center for materials science research with neutron sources. In addition, the availability of low cost skilled labor and the support of the State of Tennessee as well as the local community in Oak Ridge were cited in support of the DOE's deci-

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[8] For a detailed description of SNS management structure see Department of Energy, *Spallation Neutron Source: Project Execution Plan*, approved by Secretary of Energy Bill Richardson on November 18, 1999, Appendix C.

[9] *Memorandum of Agreement between the Office of Science and Defense Programs for the Spallation Neutron Source*, signed February 26, 1998; *Memorandum of Agreement between Oak Ridge Operations Office, Spallation Neutron Source Project Office, and the Argonne Group, Berkeley Site Office, Brookhaven Group, and Los Alamos Area Office*, signed July 9, 1999; *Memorandum of Agreement between the Spallation Neutron Source Project and Argonne National Laboratory, Brookhaven National Laboratory, Lawrence Berkeley National Laboratory, Los Alamos National Laboratory, and Oak Ridge National Laboratory*, signed October 18, 1999. These three memoranda are included in Department of Energy, *Spallation Neutron Source: Project Execution Plan*, approved by Secretary of Energy Bill Richardson on November 18, 1999.

[10] Department of Energy, *Technical, Cost, Schedule, and Management Review of the Spallation Neutron Source Project* (January 1999).

[11] Department of Energy, *Spallation Neutron Source: Project Execution Plan*, approved by Secretary of Energy Bill Richardson on November 18, 1999.

[12] Department of Energy, *Department of Energy Review of the National Spallation Neutron Source Project*, June 1997. Secretary of Energy Pena approved the SNS technical, cost, and schedule baselines on December 23, 1997.

[13] Department of Energy, *Final Environmental Impact Statement, Construction and Operation of the Spallation Neutron Source Facility*, DOE/EIS–0247 (April 23, 1999), [http://nepa.eh.doe.gov/eis/eis0247/eis0247.html].

[14] Department of Energy, *Record of Decision for the Construction and Operation of the Spallation Neutron Source* (June 18, 1999), [http://www.ornl.gov/sns/Rod.pdf].

[15] Personal communication, Jeffrey Hoy, DOE–SNS Program Manager, November 23, 1999.

sion. The State of Tennessee has committed to constructing a guest user facility and to initiating a neutron science program at the University of Tennessee.

Budget

From fiscal year 1996 to fiscal year 1998, Congress appropriated a total of $38.5 million for conceptual design work. For fiscal year 1999, DOE requested $157 million for the SNS to begin design activities and to continue research and development work. While the Senate suggested appropriating the requested amount (S. 2138, S. Rept. 105–206) , the House cut the SNS budget to $100 million, citing severe budget constraints (H.R. 4060, H. Rept. 105–581). In conference, the Congress appropriated $130 million and gave permission to begin some design and construction work (H.R. 4060, H. Rept. 105–749). The appropriated amount included $28.6 million for project research and development and $101.4 million for construction. The President signed the bill (H.R. 4060) October 7, 1998 (Public Law 105–245).

For fiscal year 2000, DOE requested $214 million for the SNS, an increase of 64.6 percent over fiscal year 1999 appropriations. The request included $196.1 million for construction and $17.9 million for research and development to confirm the SNS's technical design. While the Senate approved $186.9 million for the SNS in its version of the fiscal year 2000 Energy and Water Development Appropriations Bill (S. 1186, S. Rept. 106–58), including $169 million for its construction, the House cut appropriations for the SNS to $67.9 million in its version of the bill (H.R. 2605, H. Rept. 106–253), a reduction of $146.1 million from the requested amount. In conference, Congress followed the recommendation of the House-passed DOE R&D authorization bill (H.R. 1655, H. Rept. 106–243) and appropriated $117.9 million for the project, including $100 million for construction (H. Rept. 106–336). The amount is $69 million less than suggested by the Senate and $50 million more than suggested by the House. In total, Congress appropriated about 50 percent of the DOE's fiscal year 2000 budget request for the SNS's construction. The bill was signed into law on September 29, 1999 (Public Law 106–60). Commenting on the bill, the President expressed disappointment that Congress did not fully fund the Spallation Neutron Source.[16] However, Representative Zach Wamp reportedly is working to secure additional funding for the SNS as part of a possible supplemental appropriation bill, expected early in 2000.[17]

ISSUES

While internal and external reviews have emphasized the project's scientific merits, many observers have expressed concerns about the project's cost and schedule, its management, and the difficulties of effectively integrating the efforts of the five participating laboratories.[18] Dissatisfied with the project's progress, critics in the House in 1999 threatened to withhold authorization for further construction funds until DOE significantly strengthened SNS management. In March 1999, House Science Committee Chairman Sensenbrenner recommended that no fiscal year 2000 funds for SNS construction be appropriated because the project's—

"* * * management is in turmoil, spending is lagging, Project [sic] cost and schedule estimates have not been fully developed (nor will they be until much later this year), the Department of Energy's (DOE's) complex management approach requires further simplification and current memorandums [sic] of agreement (MOAs) should be substantially strengthened."[19]

These concerns shaped legislation, in particular the Department of Energy Research, Development, and Demonstration Authorization Act of 1999 (H.R. 1655). The bill passed the House but was not taken up in the Senate in the 1st Session of the 106th Congress. Concerning the SNS, the bill included seven conditions for the obligation of appropriated funds for the SNS (see excerpts of H.R. 1655 in Appendix B): (1) that senior management positions be filled by qualified individuals; (2) that an external review validate the project's cost baseline and project mile-

[16] "Statement by the President," White House Press Release, September 30, 1999.

[17] Ron Bridgeman, "OR [Oak Ridge] funding nearly level, despite SNS," The Oak Ridger, September 30, 1999.

[18] DOE, *Department of Energy Review of the National Spallation Neutron Source Project*, June 1997; Department of Energy, *Technical, Cost, Schedule, and Management Review of the Spallation Neutron Source*, January 1999; EG&G Service, *External Independent Review of the Spallation Neutron Source (SNS) Project*, Final Report, March 15, 1999; Victor S. Rezendes, Testimony before the Subcommittee on Energy and Environment, Committee on Science, House of Representatives, *Department of Energy: Challenges Exist in Managing the Spallation Neutron Source Project*, GAO/T–RCED–99–103, March 3, 1999.

[19] F. James Sensenbrenner, Jr., *Trip Report on the Spallation Neutron Source (SNS)* (March 5, 1999), [http://www.house.gov/science/106thpress/106–24.htm].

stones; (3) that the duties and obligations of each participating laboratory be defined in legally binding terms; (4) that the project director have direct supervisory responsibility over the SNS staff based at the collaborating laboratories; (5) that the Secretary delegate primary authority of the project to the project director; (6) that the Tennessee sales tax for the construction of the SNS not exceed taxes in states where the SNS could have been constructed, i.e., California, Illinois, New Mexico and New York; and (7) that the DOE Secretary report on the project's progress annually.

DOE responded to criticism of SNS's management with the appointment of a new Executive Director, Dr. David E. Moncton, in February 1999. The choice of Dr. Moncton has been widely applauded, based on his professional accomplishments as a physicist and project manager. Moncton's career includes fundamental research with neutron sources, industrial experience at AT&T Bell Laboratories and Exxon Research Corporation, and large project management. He was Associate Director at the Argonne National Laboratory, where he directed the completion of the Advanced Photon Source on schedule and under budget.[20] Within weeks of his appointment, Moncton provided a project assessment and a reorganization plan, addressing concerns about weaknesses in the project's management.[21] In November 1999, Secretary of Energy Richardson strengthened the Executive Director's authority by assigning him full responsibility for the execution of the project.[22]

Cost and Schedule Baseline

Reviewers have criticized the cost and schedule estimates for the SNS as not being fully developed. Some argue that the project leadership lacked the necessary skills to produce a reliable baseline, which is regarded as essential for the project's completion on time and within budget. In particular, reviewers pointed out that SNS managers included insufficient allowances for unforeseen costs and construction delays in their cost and schedule estimates, leading to unrealistic expectations about the project's total cost and its completion date. The new leadership team reviewed the project's cost and schedule baseline and increased the contingency budget from 19 percent to 28 percent of the total project cost, without increasing the project's total cost.[23]

Appropriations, Total Costs, and Completion Date

According to SNS Executive Director Moncton, the fiscal year 2000 funding cuts of $96 million could increase total costs by $20 million and delay completion of the SNS by a year.[24] SNS officials pointed out that the project would require $281 million for fiscal year 2001 and $272 million for fiscal year 2002 to be completed as planned by December 2005. However, critics in Congress contend that the project requires close congressional oversight to guard against cost overruns and time delays.

Vacant Management Positions

In 1997, a DOE internal review found that key management positions were unfilled.[25] In early 1999, both an internal and an external review concluded that these positions were still vacant and that the management lacked the necessary determination to successfully complete the project in time and within budget. In March 1999, the lack of qualified managers, in particular a technical director and an operations manager, were highlighted by the General Accounting Office (GAO) and by Chairman Sensenbrenner of the House Science Committee.[26] SNS Executive Director Moncton recently pointed out that all key positions have now been filled, including a construction manager.[27]

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[20] Larisa Brass, "Moncton named new SNS head," The Oak Ridger (February 22, 1999); Oak Ridge National Laboratory, "Dr. David Moncton to become SNS Project Director," Oak Ridge Press Release (February 23, 1999), [http://www.ornl.gov/Press__Releases/archive/mr990223–00.html].

[21] David E. Moncton et al., *Spallation Neutron Source: Project Assessment Report and Action Plan* (April 13, 1999).

[22] Department of Energy, *Spallation Neutron Source: Project Execution Plan*, approved by Secretary of Energy Bill Richardson on November 18, 1999.

[23] Department of Energy, *Spallation Neutron Source: Project Execution Plan*, approved by Secretary of Energy Bill Richardson on November 18, 1999.

[24] Larisa Brass, "SNS cut may delay schedule," The Oak Ridger (September 28, 1999).

[25] DOE, *Department of Energy Review of the National Spallation Neutron Source Project*, June 1997, p. ii.

[26] Victor S. Rezendes, *Challenges Exist in Managing the Spallation Neutron Source Project* (March 3, 1999) GAO/T–RCED–99–103; Sensenbrenner, *Trip Report on the Spallation Neutron Source (SNS)* (March 5, 1999).

[27] Larisa Brass, "SNS cut may delay schedule," The Oak Ridger (September 28, 1999).

Integration

As a collaborative effort of five laboratories, the SNS poses potentially significant management difficulties. According to DOE, the collaborative structure was chosen to incorporate the expertise of each participating laboratory. Critics argued, however, that this level of collaboration between five national laboratories is unprecedented and risks schedule delays and cost overruns.[28] Reviewers stressed that this collaboration can only succeed with the strongest possible leadership. In response to this concern, DOE, under Executive Director Moncton's leadership, negotiated detailed Memoranda of Agreement, which govern the interaction between the participating laboratories and the SNS management.[29]

Key Issues

According to DOE officials, five of the seven conditions specified in H.R. 1655 have been met. The two remaining conditions are the independent review of the cost baseline and project milestones, and a satisfactory solution to the Tennessee tax problem. While the independent review, by the engineering and construction company Burns and Roe, appeared in final form on December 10, 1999,[30] no immediate resolution of the Tennessee tax problem is in sight. Furthermore, management differences between the SNS Project Office and the Los Alamos National Laboratory, which designs and constructs one of the SNS's pivotal components, could lead to project delays. The remainder of this report focuses on these two issues, which could threaten the project's completion on time and within budget.

Los Alamos's Linac.—Since the initial planning for the SNS, the design and production of the project's linear accelerator, or Linac, was the responsibility of Los Alamos National Laboratory. Technical and management problems, however, led to schedule delays and uncertain cost estimates for this pivotal component.[31] As part of Executive Director Moncton's reorganization efforts, a new Accelerator Systems Division was established at Oak Ridge.[32] The new division is responsible for "integration and review of component and system designs, prepare [sic] for facility operations, and guide [sic] procurement, fabrication, installation, testing and commissioning strategies."[33] Relations between the SNS Project Office and the Los Alamos Linac team reportedly have been strained since.[34] It remains to be seen to what extent SNS Executive Director Moncton and his team will be able to accelerate and control Los Alamos's Linac development and ultimately its timely integration into the SNS.

Tennessee Sales and Use Taxes.—The State of Tennessee imposes sales taxes on certain items sold in the state as well as use taxes on items purchased elsewhere by non-governmental entities (i.e., contractors) and brought into the state for use. These taxes affect the costs of federal construction projects, since the Department of Energy generally reimburses its contractors for such taxes. DOE estimated that these Tennessee taxes would add about $30 million, or about 2 percent, to the SNS's total cost.[35] In March 1999, House Science Committee Chairman Sensenbrenner rejected this tax as unacceptable.[36] In addition, one of the seven conditions for the authorization of funds for the SNS, included in H.R. 1655 (see above), dealt with the Tennessee sales tax. According to this condition, no funds could be obligated until it is guaranteed that the Tennessee sales tax for the construction of the SNS would not exceed taxes in California, Illinois, New Mexico or New York, the states of alternative sites for the facility. Action on the bill is pending in the Senate.

On November 1, 1999, at the opening of a special session on taxes of the Tennessee Legislature, Tennessee Governor Sundquist proposed a tax plan that in-

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[28] See for example Victor S. Rezendes, *Challenges Exist in Managing the Spallation Neutron Source Project* (March 3, 1999) GAO/T–RCED–99–103.

[29] Moncton et al., *Spallation Neutron Source: Project Assessment Report and Action Plan* (April 13, 1999).

[30] Private communication, Jeff Hoy, December 10, 1999.

[31] The January 1999 DOE review highlighted the Linac's unresolved technical issues as well as management problems. The reviewers recommended that the SNS Project Office should take ownership of the Linac design, cost estimate and schedule. Department of Energy, *Technical, Cost, Schedule, and Management Review of the Spallation Neutron Source Project* (January 1999), p. 9.

[32] David E. Moncton et al., *Spallation Neutron Source: Project Assessment Report and Action Plan* (April 13, 1999).

[33] Ibid., p. 4.

[34] Department of Energy, *Review Committee Report on the Baseline Review of the Spallation Neutron Source (SNS) Project* (July 1999), p. 21.

[35] Ron Bridgeman, "Tax bill would exempt SNS," The Oak Ridger (October 27, 1999). DOE's original cost estimate for sales and use taxes amounted to $35.4 million. In July 1999, this figure was reduced to $28.3 million.

[36] Sensenbrenner, *Trip Report on the Spallation Neutron Source (SNS)* (March 5, 1999).

cluded an exemption from the states sale tax for the construction of the SNS until the year 2009. However, on November 18, 1999, the Tennessee legislature voted to adjourn the legislative session, leaving tax legislation, including the sales tax issue, unresolved.[37] Nevertheless, it is possible that another tax plan will be discussed in the next few months.[38]

In the meantime, the GAO has determined that at least in one state under consideration, New York, virtually no taxes would be imposed on the project's construction, since Brookhaven National Laboratory is managed by a tax-exempt, not-for-profit organization.[39] In contrast, neither Oak Ridge's current managing contractor, the Lockheed Martin Energy Research Cooperation, nor the partnership of the University of Tennessee and the Battelle Institute, which will manage Oak Ridge beginning in April 2000, are tax-exempt. Therefore, the cost of taxes will likely be higher if the SNS is built at Oak Ridge, Tennessee, than at Brookhaven, New York. These taxes would violate one of the conditions for obligation of SNS construction funds as detailed in H.R. 1655.

Despite the unresolved Tennessee sales tax issue, DOE has begun to release $68 million of the SNS's total appropriations of $117.9 million.[40] DOE managers have argued that since five of the seven conditions in the House-passed authorization bill have been satisfied and the other two are progressing, it was justified to go ahead and release SNS construction and operating funds. DOE managers expect that the rest of the fiscal year 2000 SNS funds, about $50 million, will be available by February 2000.

CONCLUSION

DOE officials suggest that the SNS is back on track, largely as a consequence of the new leadership team. Yet, supporters of the project also contend that the fiscal year 1999 and fiscal year 2000 cuts in the SNS construction budget have made it difficult to meet the scheduled completion date. They argue that further cuts might lead to the project's termination.

At this time it is uncertain to what extent Congress agrees with DOE's decision to release funds before all seven conditions included in the House-passed authorization bill were met. The Tennessee tax issue is likely to be raised again during the fiscal year 2001 budget negotiations. In addition, problems with the integration of Los Alamos's component for the SNS, could result in significant construction delays. Congress may closely watch DOE's efforts to solve SNS management problems, to get the project back on track, and to successfully begin operation in December 2005. There are those in Congress who stress that the SNS requires close oversight to guard against cost overruns and schedule delays. The recently issued cost and schedule baselines should offer a measure to evaluate the project's progress.[41]

APPENDIX A: TECHNICAL DESCRIPTION

Neutrons and Neutron Beams[42]

Neutrons and protons are subatomic particles of about the same size and mass. While protons have a positive charge, neutrons are electrically neutral. Neutrons can penetrate matter more easily than protons, because they are not deflected in the electromagnetic fields of atoms. This property makes neutrons ideal sources for probing the structure of materials. A high-intensity neutron source can be used as a high-resolution "microscope" to investigate the structure of materials.

Neutron beams can be produced either by a nuclear reactor or a particle accelerator. A nuclear reactor produces a continuous flux of neutrons, whereas an accelerator can generate short pulses of neutrons. Most of the world's nineteen operating neutron sources are nuclear reactors, often 30 to 40 years old, but the majority of

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[37] Phil West, "General Assembly adjourns special session on tax reform," The Oak Ridger (November 18, 1999).

[38] "Income tax is gone for now, but expect issue to re-surface," The Oak Ridger (November 22, 1999).

[39] U.S. General Accounting Office report to House Committee on Science, *Laboratory Research: Sales and Use Tax Costs to Build DOE's Spallation Neutron Source Project* (November 19, 1999), GAO/RCED–00–33R SNS Tax Costs.

[40] Larissa Brass, "Partial funding comes through for SNS," The Oak Ridger (November 19, 1999).

[41] Spallation Neutron Source, *Project Execution Plan*, approved by Secretary of Energy Bill Richardson on November 18, 1999; see also Department of Energy, *Review Committee Report on the Baseline Review of the Spallation Neutron Source (SNS) Project* (July 1999).

[42] For general information on neutrons and neutron beams see Department of Energy, *Spallation Neutron Source: The next-generation neutron scattering facility for the United States* (1998); see also the project's website [http://www.ornl.gov/sns/].

recently designed sources are accelerator-based. DOE officials emphasize that for many research problems a pulsed source is more desirable, because higher neutron intensities and energies can be reached. In addition, an accelerator is environmentally significantly less controversial than a nuclear reactor.

The Spallation Neutron Source[43]

The SNS is an accelerator system consisting of five major components: a particle source, a linear accelerator, an accumulator ring, a beam target, and an area for experimentation. The particle source produces negatively charged hydrogen ions (a proton orbited by two electrons), which are then accelerated to high energies in a large, 465-meter long, linear accelerator. Leaving the accelerator, these ions are stripped of their electrons and thereby converted to protons. Within a small fraction of a second, the accumulator ring, a structure of about 220 meters circumference, collects many billions of these high-energy protons into a bunch, which is then released onto a target of liquid mercury. When high-energy protons bombard a heavy metal target such as mercury, every proton knocks between 20 to 30 neutrons out of a target (e.g., mercury) atom. This process, known as neutron spallation, gives the project its name. Finally, the high-energy neutrons are slowed down before they are directed to various experimental setups.

The pulsed neutron beam will be directed to experimental setups where scientists use the beam to investigate the arrangement and motion of atoms in materials. Instruments measure how the material under investigation scatters the incoming neutrons. A detailed analysis of the scattering patterns allows researchers to determine a material's atomic structure. In many ways the SNS is a high resolution "microscope," comparable to X-ray or electron microscopes. While scientists use a variety of techniques to investigate the structure of materials, neutron scattering offers insights not obtainable with any other procedure. DOE officials expect many benefits from neutron scattering research, ranging from improved magnetic materials to better plastics and superconductors which have applications in every day life.

Each of the five participating national laboratories is responsible for the design and construction of one of the SNS's major components. Lawrence Berkeley is responsible for the ion source, Los Alamos for the Linac, Brookhaven for the accumulator ring, Oak Ridge for the target, and finally, Oak Ridge and Argonne for instrumentation and experiment facilities. After a number of reviews, DOE decided in 1999 that the SNS would be constructed at the DOE's preferred site at Oak Ridge, where it will occupy an area of about 100 acres.

DOE expects that the SNS will operate for about 40 years. Each year between 1,000–2,000 scientists and engineers, primarily from U.S. academic institutions, industry, and government laboratories, will use the new facility.

APPENDIX B: EXCERPTS FROM H.R. 1655

H.R.1655: Department of Energy Research, Development, and Demonstration Authorization Act of 1999 (Passed House on September 15, 1999, pending in the Senate)

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SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

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(b) SCIENCE.—There are authorized to be appropriated to the Secretary for Science scientific and civilian energy research, development, and demonstration operation and maintenance and construction programs, projects, and activities for which specific sums are not authorized under other authority of law $2,657,761,000 for fiscal year 2000 and $2,691,465,000 for fiscal year 2001, to remain available until expended, of which—

* * * * * * *

(10) $17,900,000 for fiscal year 2000 and $13,100,000 for fiscal year 2001 shall be for Spallation Neutron Source research and development; and

(11) $100,000,000 for fiscal year 2000 shall be for construction of Project 99–E–334, Spallation Neutron Source, Oak Ridge National Laboratory, Oak Ridge, Tennessee.

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[43] For SNS technical parameters see David Olsen et al., *SNS Parameter List* (July 8, 1999); [http://www.ornl.gov/sns/paralist070899.pdf]

SEC. 10. LIMITS ON USE OF FUNDS.

(a) CONSTRUCTION OF SPALLATION NEUTRON SOURCE PROJECT.—None of the funds authorized by section 3(b)(11) may be obligated until—

(1) the Secretary certifies in writing to the Committee on Science of the House of Representatives and the Committee on Energy and Natural Resources of the Senate that senior project management positions for the project have been filled by qualified individuals; and

(2) the Secretary provides the Committee on Science and the Committee on Appropriations of the House of Representatives, and the Committee on Energy and Natural Resources and the Committee on Appropriations of the Senate, with—

(A) a cost baseline and project milestones for each major construction and technical system activity, consistent with the overall cost and schedule submitted with the Department's fiscal year 2000 budget, that have been reviewed and certified by an independent entity, outside the Department and having no financial interest in the project, as the most cost-effective way to complete the project;

(B) binding legal agreements that specify the duties and obligations of each laboratory of the Department in carrying out the project;

(C) a revised project management structure that integrates the staff of the collaborating laboratories working on the project under a single project director, who shall have direct supervisory responsibility over the carrying out of the duties and obligations described in subparagraph (B); and

(D) official delegation by the Secretary of primary authority with respect to the project to the project director; and

(3) the Comptroller General reports to the Congress, on the basis of available information, that the tax reimbursements that the Comptroller General estimates the Department would pay to its contractors as a cost of constructing the Spallation Neutron Source at Oak Ridge National Laboratory in Tennessee would be no more than the tax reimbursements it would pay if the same project were constructed at the Lawrence Berkeley National Laboratory in California, the Argonne National Laboratory in Illinois, the Los Alamos National Laboratory in New Mexico, or the Brookhaven National Laboratory in New York.

The Secretary shall report on the Spallation Neutron Source Project 99–E–334 annually, as part of the Department's annual budget submission, including a description of the achievement of milestones, a comparison of actual costs to estimated costs, and any changes in estimated project costs or schedule.

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Victor S. Rezendes, *Challenges Exist in Managing the Spallation Neutron Source Project* (March 3, 1999) GAO/T–RCED–99–103

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Department of Energy, *Construction and Operation of the Spallation Neutron Source Facility, Final Environmental Impact Statement*, Volume 1, DOE/EIS–0247 (April 1999)

David E. Moncton et al., *Spallation Neutron Source: Project Assessment Report and Action Plan* (April 13, 1999)

Department of Energy, *Record of Decision for the Construction and Operation of the Spallation Neutron Source* (June 18, 1999)

Department of Energy, *Review Committee Report on the Baseline Review of the Spallation Neutron Source (SNS) Project* (July 1999)

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U.S. General Accounting Office report to House Committee on Science, *Laboratory Research: Sales and Use Tax Costs to Build DOE's Spallation Neutron Source Project* (November 19, 1999), GAO/RCED–00–33R SNS Tax Costs

Senator BENNETT. Thank you very much.

An article appeared in The Washington Times on Valentine's Day. I assume you saw it, but it stated that the Integrated Library System cost more than it was supposed to cost and was not going to save the $8 million a year and 81 FTE's the Congress had been promised. Last year the Library testified that the Integrated Library System was $270,000 over budget for fiscal 2000, $1.9 million for the entire project.

Can you give us an update on that whole situation?

General SCOTT. I would like to take that if I might, Senator.

INTEGRATED LIBRARY SYSTEM

Senator BENNETT. General Scott.

General SCOTT. Thank you, Mr. Chairman. First I would like to state that the Library was able to implement the Integrated Library System successfully, on time and within the current budget. We did so on October 1, 1999.

Second, I would like to note that the cost figure of $70 million that the Times reported is incorrect. The total cost of the Integrated Library System, based on a 7-year life cycle for this project, is approximately $42 million, of which $17.7 million is appropriated from the Congress, plus about $24 million from internal reallocation from the Library.

Regrettably, within the 4 months since we have been operating this system we have encountered some glitches with software for the conversion of payments and have a number of vendors who have not been paid. We have taken immediate steps to correct that problem and estimate that we will pay all of the vendors by the end of May.

I would also like to address the savings issue. We originally estimated a cumulative savings of $6.2 million over 4 years, including 54.5 FTE's. We continue to monitor those savings and use the GAO-approved methodology in our quarterly progress report to the Congress.

Senator BENNETT. I have some additional questions, but we have been joined by the chairman of the full committee, Senator Stevens, who is a very active member of this subcommittee. Senator, we are glad to have you. Do you have any questions or comments?

RUSSIAN LEADERSHIP PROGRAM

Senator STEVENS. Thank you very much, Mr. Chairman. I prefer to listen to your questions. I would ask the one, though, that I note that the budget does not contain any request to continue the program that deals with the Russian Leadership Program. Did you re-

quest funds through the budget process for that, or what is the situation with that program?

Dr. BILLINGTON. No, we did not formally request funds, because the original legislation in fiscal 2000 indicated that, after 1 year, the program would be reallocated to an unspecified executive branch agency. Now the program has been renewed and is allocated to the Library a second time. We did not include it formally in our budget request because although we are very glad and honored to be asked to do it for a second time, we were requesting a very large increase this year and, because this program was not a direct core need of the Library, we did not include it.

At the time of the submission, we were only authorized to run it for fiscal 2000, 1 year, and we did not feel that we should introduce it formally in our fiscal 2001 budget presentation without authorization.

The program, as I would be happy to attest at great length and to submit for the record, Mr. Chairman, has really been astonishingly successful and has had a great impact on the 2,150 young emerging political leaders that we brought over last summer from 83 of the 89 districts in Russia. They visited 45 of the 50 States as well as the District of Columbia.

The response was overwhelmingly positive. Quite a number of them have since been elected to the new Duma. Those newly elected Duma members are all testifying internally in Russia to the importance of this program, and we are very much in hopes that in the renewed program this year we will be able to bring over perhaps as many as 10 times that many members, 10 times the 10 that are presently in the Duma.

This program has all kinds of fascinating aspects. This is the largest importation, the closest approximation to the 1.5 percent of young Germans that the Marshall Plan brought to America after World War II. It was something we have never done before with Russia. If we duplicate this number, it will be by far the largest two importations of young Russian emerging political leaders. It is right in the middle of an interesting time, when they are creating a new generation of leadership with their new acting president.

This has been a stunningly successful program. We are honored to have it for a second year. But the reason that we did not introduce it formally in our budget is as I have described.

Senator STEVENS. Well, I had hoped that we would find a way to interest some of the foundations of the country to either pick that up entirely or to come in and match those funds. Maybe we ought to have a period of matching funds for this program. It does seem to me that it ought to be something that ultimately should be privately funded, but still something that the Library is very much involved with.

The people that I have talked to from Russia who were not part of the program but are part of the government were all very much aware of the program and very supportive. The fact that it is going through the Library of Congress sort of sanitizes it politically as far as they are concerned.

Is the program a burden to the Library of Congress?

Dr. BILLINGTON. I would not say so. We have a team that was put together last year, which we are keeping together for the sec-

ond year. We simply take them out of their regular duties and get them working on this, and of course then we work with contract agencies in Russia as well as with host communities.

There was a substantial private contribution even last year, and we expect that to increase this year. The Rotary International, headed by a marvelous person from Rotary in Alaska, did a spectacular job. The Methodists and a number of other church groups, provided hospitality.

I just had a conversation last week, thanks to Chairman Bennett, with the head of the National Governors Association, who agreed to present the idea of having people from the Federative Council, the upper house, which as you know has the actual sitting governors serving as our equivalent of sitting Senators. If the governors are able to participate, they may be able to shadow or have some contact with the governors, as well as with the legislators.

There are all kinds of interesting horizons that are opening up. It is a heavy responsibility, but our team that functioned so well last year is very enthused about doing it again, and I think we should be able to do it. We are going to do it a little earlier this year. We hope to have it largely finished by the mid-summer rather than just conducted during the summer.

It is a great deal of work, but I think the people are so energized with the excitement that is generated. The average age of these people is 37 years old, 38 percent of them are women. That is a totally different profile. That is an emerging generation with a totally different profile and a positive and affirmative outlook from all over Russia, where for the first time we get a sense something is percolating from the bottom up and from the periphery in.

All this helps give hope to people who have been dominated from the top down, from the center out. I think they gained a lot by seeing how a real federative democracy functions—and they really like staying in people's homes.

This year, we are going to try to give it a little more professional focus. We have a little more lead time this year, so we hope to match people up with States and professions and interests that are more compatible than we were able to do with the short timeframe last year.

Senator STEVENS. Did you receive the support that you really sought from the private sector this past year?

Dr. BILLINGTON. We got support from the nonprofit organizations, the various groups, the church groups, the fraternal organizations, a number of groups that were involved in exchanges before. We got very good support from them on local hospitality. In fact, even though we only had a few months to do it by the end of the summer, we had something like two or three times the number of families volunteering to house a visiting Russian sight unseen. The spirit of the American people is wonderful.

I would have to say we did not get very much support from the foundation world. But on the other hand, there was not really time. We had to work directly with the local hosts and with the national organizations that were helping.

Senator STEVENS. Maybe the chairman and Mr. Symington and you and I ought to pursue that and see what we can do to get greater support.

Dr. BILLINGTON. I have to say that in general the support for doing creative things in that part of the world has not been as rich and generous in the foundation and corporate sector as one would hope. So I would be happy to work with you on that.

Senator STEVENS. One last question, Mr. Chairman.

What is this about this arrearages that people talked to me about yesterday in terms of paying the bills of the Library? Can you tell us about that?

INTEGRATED LIBRARY SYSTEM BILL ARREARAGES

Dr. BILLINGTON. Well, we just, we had a question in that regard.

Senator STEVENS. Oh, you already had a question, I am sorry.

Dr. BILLINGTON. Yes, General Scott has dealt with it. Let me just say that the ILS itself, the Integrated Library System, is entirely paid for. We are dealing with the last of four——

Senator STEVENS. No, I do not mean that. I mean the story out that you are more than 90 days behind in paying your bills. The law requires all agencies of the Government to pay their bills in 90 days.

Dr. BILLINGTON. We have lagged somewhat, and perhaps General Scott would want to respond to you. But we hope to have that all corrected by May.

General SCOTT. Yes, sir, Senator. As part of the Integrated Library System there is a feature that pays vendors for the library materials that they send us. This bill paying function is done by a new software module that automates paying the bills. Once we got into the actual implementation of this module, we found that there were some unforeseen difficulties.

We now know what the problem is, we are working to fix it, and estimate that by the end of May, if not sooner, we will have all of the vendors paid.

Senator STEVENS. It was a breakdown of the system that led to that delay?

General SCOTT. I would not describe it as a breakdown but as some unforeseen glitches in the software for the transition from the way we used to pay to the new system. We have identified the problem, and we think we have found a solution that will fix it and get us caught up on payments.

Senator STEVENS. Thank you.

Thank you, Mr. Chairman.

Senator BENNETT. Thank you very much.

Mr. Mulhollan, the Congressional Research Service by its very name exists to respond to Congressional inquiries. I have the sense, and it is nothing more than that—I have no statistical basis—that as Congress has increased the size of its internal staff, it looks less to the Library of Congress than it used to.

Again, when I served on a staff 30 years ago, 35 years ago, we were calling the CRS quite often for information for constituents, constituent requests. It was an extension really of the Senator's staff on a regular daily basis. Now I come back here as a Senator and find that my staff is twice as large, as manifested by the size of the rooms. When the Dirksen Building was first occupied, every Senator that moved in here felt he had entered heaven because he had five rooms. In the old Senate office building across the street,

now the Russell Building, each Senator had three rooms. When I went to serve on a House staff, each House Member had two rooms, pre-Rayburn. Now I come as a Senator, I have 10 rooms and the staff to fill them.

My staff does not call CRS for information for constituent replies. It is not as integrated into our daily staff activity as it used to be. What kind of requests—this is just a general kind of question. What kinds of requests do you get? Is the volume going up every year? And do you get a lot of requests from outside of Congress for your services, or are you strictly reserved to just Congressional requests? Do you get more from committees than from individual staff?

CONGRESSIONAL RESEARCH SERVICE

Just give us a feel for what goes on?

Mr. MULHOLLAN. First of all, we serve only the Congress and only respond to questions from Members of the Congress and their offices and committees.

Second, the workload has been steadily over a half million for quite a few years. What has changed is two things. I see a note, for instance, like in the research centers here in the Senate and the House; there has been a slight decline in the numbers going up, but the numbers that use the web site have been going up significantly.

So that I think certain kinds of information inquiries, staff are now going to the web sites. Part of our challenge is, because of the high Congressional staff turnover—for instance roughly 49 and 52 percent of legislative assistants, legislative counsels, are in their position for 1 year or less—it is part of CRS' challenge to make sure they know how to use CRS well and how CRS can help them in their work.

I think there is a slight decline in self-identified constituent requests. Anecdotally—I do not have systematic data on it—our librarians tell us that the kinds of research requests they get now are more complex. I can give you a breakdown and submit for the record the percentage of committee requests and Member office requests.

[The information follows:]

CONGRESSIONAL RESEARCH SERVICE SUMMARY OF COMPLETED REQUESTS AND SERVICES PROVIDED—FISCAL YEAR 1999 (ALL FOUR QUARTERS)

Requester Category	Total Requests and Services [1]	Detail of Requests and Services				
		Analysis, Information, and research Requests [2]	Cited Material and CRS Product Requests [2]	Seminar, Institute, and Training Participants	Reference Center direct Requests and Self Service	Client Use of CRS Electronic Services
Total, All Requesters [3]	545,663	102,226	37,841	11,016	82,416	312,164
House, Total	330,440	67,376	25,098	6,301	47,625	184,040
Members	118,079	55,487	22,593	5,279	34,720	NA
Committees	28,321	11,889	2,505	1,022	12,905	NA
Automated (not specified) [4]	184,040	NA	NA	NA	NA	184,040
Senate, Total	200,530	33,902	9,059	4,497	34,448	118,624
Members	65,441	26,014	7,661	3,698	28,068	NA
Committees	16,465	7,888	1,398	799	6,380	NA
Automated (not specified) [4]	118,624	NA	NA	NA	NA	118,624
Joint	1,002	490	151	52	309	([5])
Congressional Support Agencies	8,050	458	672	166	34	6,720
Not Specified [6]	5,641	NA	2,861	NA	NA	2,780

[1] 73 percent of Total Requests and Services are immediate services by definition; this includes the following: Reference Center Direct Requests and Self-Service, Product Distribution Center walk-ins, and client Use of CRS Electronic Services.

[2] Analysis, Information and Research Requests and Cited Material and CRS Product Requests no longer include Reference Center Direct Requests, effective fiscal year 1996.

[3] During fiscal year 1999, CRS provided services to all Members of all Committees' committee data include party organizations; House and Senate combined totals sorted by client category: Members: 183,520; Committees: 45,788; House and Senate Automated (not specified): 302,664.

[4] Sign-ons to CRS electronic files (CRS Web), though identified by House or Senate, are not identified by Member or Committee.

[5] Joint committee electronic services are included in either House or Senate figures, depending on telephone location.

[6] Stats Line calls, Fax-on-Demand, and some cited product requests of the Product Distribution Center cannot be identified by client category.

Mr. MULHOLLAN. I believe that in recent years there has been a 15 percent reduction in the Senate staff, committee staff, and a 30 percent reduction in the House committee staff. So that you have with the reduction of committee staff resources I think even a greater reliance upon the Service with regard to legislative work. One indicator for instance, is that our Legislative Alert, which lists those CRS reports that are available on issues which are coming to the Senate floor each week, has thousands of hits.

Given the needs of Congressional staff, our challenge is to get CRS at the desktop because particularly incoming Senate staff are used to that, and I think that we are meeting that challenge.

Dr. BILLINGTON. In the last 5 years the aggregate numbers have gone up 13, a little over 13 percent of requests and services provided by CRS. So there has been a slight increase.

Senator BENNETT. My only one occasion, when I was preparing for a fairly major speech, I called over to the Library of Congress and had a number of your experts come to my office, and we sat down and went over the aspects of the speech I was preparing to give, and I said, this is the kind of information I need, this is the kind of statistical backup I require, and so on. It was very helpful.

I guess maybe I need to give a few more speeches like that to get me involved more thoroughly in what you do.

Mr. MULHOLLAN. Part of the Service's responsibility is to make sure that each Senate office knows how to use CRS. There is a significant investment on the part of the Senate and the House in CRS and we want to make sure that we are there to help you to make your staff more effective.

Senator BENNETT. I just remember my father's staff; routinely the chief of staff would say to members of the staff: Well, check with CRS on this, call the Library of Congress on this, get a report from the Library of Congress. I do not think we do that routinely at all any more. We have built our in-house expertise with the larger number of staffers. And we probably would do a better job if we did consult you more often.

Mr. MULHOLLAN. I hope that is the case. Also, we have talked about before, we have a number of competitors out there who might be labeled as advocacy research, who are very aggressive in getting their research and analysis out to every office. So now you have a much richer mix of information and analysis on every legislative issue, and oftentimes we have had a number of offices who have gotten that material and then come to CRS and say: Okay, now evaluate this.

Senator BENNETT. Yes, Heritage or Brookings or AEI.

Mr. MULHOLLAN. All the above.

Senator STEVENS. Would the chairman yield there?

Senator BENNETT. Surely.

Senator STEVENS. You know that the reduction that Mr. Mulhollan mentions is on top of the reduction that was made at the time in the eighties when Senator Baker was the chairman—was the leader. We have had a redundant reduction in staff, on the basis that we had shared staff at CRS and GAO. For a time there there appeared to be an overlapping between GAO and CRS in some Members' minds and we faced a problem of reducing one or the other according to amendments that came at us.

But I still believe in the shared staff concept and I think that probably we ought to have more of an indoctrination period for new staff to understand the delineation between GAO and CRS and the shared staff that is available.

Mr. MULHOLLAN. I agree, sir.

Senator STEVENS. When I was chairman of Rules we reduced the Senate staff by 15 percent, and I think we have done it again, have we not? So what you say is right about the buildup compared with the old days because of space limitations, but we have actually reduced our own staff considerably, in reliance upon maintaining the support for CRS and GAO.

Mr. MULHOLLAN. I completely agree with you regarding staff reductions. Also, even though the average number of years is I think something like 5.9 years tenure for all Senate staff, there are still some key positions, such as legislative assistant and legislative counsel, where data suggests half of the staff are in that position 1 year or less.

That requires us to help, in order to be there for legislation, to help them to know how to use us. We are making particular efforts. We have reorganized in part to make sure that we have better outreach, to show how to use CRS effectively.

Senator STEVENS. I think that may be our fault.

Senator BENNETT. Yes. Reflecting over my own experience, when I came for indoctrination as a brand new Senator, Senator Mitchell was the leader. He had several days that took place literally within a week of our election. We were still kind of brushing the sleep out of our eyes after the exhaustion of going through election and showing up in Washington. We had thorough indoctrination in a whole range of areas, and the Library of Congress was never mentioned.

I think, frankly, that the indoctrination of new Senators since that time has gotten sparser rather than greater and that maybe a new Senator coming into this situation should have more information. If I had not had my previous experience on a Senate staff, I would have known nothing about the Library of Congress as a brand new Senator.

Mr. MULHOLLAN. If you recall, Senator, you were gracious enough and able to join our new Members program at the time in Williamsburg.

Senator BENNETT. Right.

Mr. MULHOLLAN. We have been working with the joint leadership.

Senator BENNETT. I was the only Senator down there.

Mr. MULHOLLAN. Yes, sir.

Senator BENNETT. Which is I think interesting, that none of my colleagues felt the need to go down and have that.

Mr. MULHOLLAN. We now have a 1-day program, with the cooperation of Rules and Administration and the joint leadership, at the Library, as part of your orientation, so newly elected Senators get exposure to CRS's capacity and the Library's collections. So I think through this effort that we are getting an increasing amount of participation on the part of Senators, and hopefully that will be one avenue toward the goal that you mentioned.

THOMAS HOMEPAGE DEFACEMENT

Senator BENNETT. Let me change the subject. The Library's Thomas home page was defaced on January 17. It remained undetected for an hour and a half. One of the byproducts of my involvement with Y2K has been my concern about this kind of thing, because I realized if we could have the disaster that could have occurred had we not prepared for Y2K by accident, what kind of disaster could we have on purpose? That is, someone who wishes us ill comes in on purpose.

There has been higher publicity given to the attacks on several commercial web sites, shutting them down. I understand that it was, frankly, very easy to do and very difficult to detect. It comes under the category pretty much of a prank, of somebody deciding they are going to shut down amazon.com or Yahoo or whatever.

The firewalls that were constructed were sufficiently strong as to prevent anybody from getting any data out. They simply shut it down. But I think that is going to become the norm rather than the exception in the future.

So I would ask my final question: Has the Library done anything as a result of your experience with the Thomas home page, and do you have any—if you have done something, do you have any information to share with the Congress, because our home pages are equally vulnerable to that kind of attack.

General Scott?

General SCOTT. Thank you, Mr. Chairman. The Library has included in this budget $661,000 for computer security. The main focus of that money would be to hire five new staff. Two of these new staff would be used specifically to help us provide a greater deterrent to potential intruders.

What we have found, as I think all Government agencies are finding with respect to computer security and hackers, is that if you do not have someone who is smart enough to thwart the hackers, then we will have to bear that risk. So two of the positions that we are asking for would help us to come up with better deterrents to potential intruders, and help us to improve our systems that keep people out and or detect early when somebody is trying to get in.

The three other additional staff will be individuals to monitor and administer our security systems and develop enhanced security programs.

$250,000 of the $661,000 would help us to purchase the software and equipment that comprise these enhanced information technology security systems for the Library. In sum, we were fortunate to spot the defaced webpage and begin action to repair it within an hour. We were able to repair the damage immediately and we have reasonable assurance that no one will be able to get into our system that way again. But we do need additional people who have the skills that can help us to continue to improve and protect our systems.

Senator BENNETT. Thank you very much.

Do you have any other questions, Senator Stevens?

Senator STEVENS. No.

Senator BENNETT. We may have some additional questions in writing, but we appreciate your appearing here. We appreciate the work that you do. You do have stewardship for one of the—this is an overused term and therefore has lost perhaps some of its value, but you do have stewardship for a true national treasure, and we appreciate the reverence you have for the institution that you preside over and we need to do everything we can to keep it in that category.

SUCCESSION PLANNING

Dr. BILLINGTON. I just want to add, Mr. Chairman, on this question of service to the Congress, because I think we are anxious not only in CRS. One of the important things that the Congress has helped us with, and of course we are very grateful, is succession planning. Because the kind of specialized talents embodied in the Library's staff, who know the history of issues as they have framed themselves in the legislative process, is an almost priceless asset. If we let all of these people retire without imparting that knowledge, that memory, that continuity of the Congressional experience, which is really deeply embedded in CRS, we will be missing an opportunity.

So we want to thank you for your support of our succession plans, and also mention the Law Library as well, which has shrunk its size considerably just through attrition. Twenty-three of its law specialists cover 200 jurisdictions around the world, using the world's largest collection of legal information, and respond on all kinds of exotic things. Seven of those 23 are 70 years of age or older, and all of that experience is going to be——

Senator BENNETT. Still very young and vigorous.

Dr. BILLINGTON. I am very much of that persuasion, too, increasingly so with every passing month.

So the ability to transmit memory and to provide, answer the kinds of questions that you made, because in addition to CRS and the Law Library, which more or less directly serve the Congress, the curators with their global reach and their high degree of specialty also represent a force that, particularly with the growth of electronic delivery systems, we should be able to answer more of the kinds of questions that perhaps were more readily asked in your father's time.

So this is a real major frontier for us, and the ability to have succession planning so that we can replace, not just replace the people but impart the knowledge and the people on down, is going to be I think as important an asset as our collections in the years ahead.

ADDITIONAL COMMITTEE QUESTIONS

So we do thank you for that support and hope that it can continue in the way that we have submitted for this year's budget as well.

Senator BENNETT. Thank you all. We appreciate your coming and appreciate the service that you render.

[The following questions were not asked at the hearing, but were submitted to the Library for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR ROBERT F. BENNETT

Question. The budget includes a request for $21 million and an additional 133 FTEs for a "Digital Futures Project" to increase the processing of digital materials and continue digitizing historical collections. The program has a 5 year cost of $120 million. I understand that this program is a follow on to "National Digital Library" project that was funded through a private-public match of $63 million over 5 years. ($48 million private/$15 appropriated funds.)

Have the authorizing committees approved this proposal?

Is $21 million necessary for this initiative, and are there any possibilities of continuing this work with private funding also?

Answer. The Library provided a copy of the Digital Futures Project five-year plan to the authorizing and appropriating committees. We did not request new authorizing legislation because the acquisition, storage, preservation, and dissemination of digital material is part of the Library's mission. As the Congress adds a new media to the Copyright Laws, the Library's responsibilities to support that mission must expand to cover that new format.

The National Digital Library Program (NDLP) was established as a five-year pioneering program to share electronically—for the first time—the contents of the Library of Congress American history collections with the wider public. The private sector sponsors we approached for NDLP seed money understood that that pilot program was aimed at proving core library materials accessibility could be greatly advanced in the new electronic environment. We believe that they helped launch what now is a core library service to the nation; and that this is not a new program, but rather the way the Library needs to conduct business and services now and in the future.

The success of the NDLP is proven; we have more than five million items of American history on-line or in the pipeline, and millions of "hits" each working day. The Library is now a world leader in providing high-quality educational materials on the Internet, both free of charge and with authoritative explanatory material. We are leading the way for many other libraries in the information age.

The proposed budget request is for the next phase. The Digital Futures Initiative is based upon the Library's mission—it is an integrated and interdependent program to acquire, store, preserve, and share digital materials in addition to traditional media—and we cannot risk losing any part of the program. Further, relying on private funds puts the success of the total program at risk, and could potentially leave the Library as the "Museum of the Book".

Private sector donors with whom we have had lengthy discussions see the Library's digital efforts as an ongoing and critical part of the Library's mission, rather than a time-limited project appropriate for private funding. That said, we doubt our ability to continue raising private funds at the level raised for National Digital Library Program. Thanks to this unique public-private partnership, the Library is poised to transform traditional library services to meet the current information needs of Congress and its constituents.

Question. The Library's THOMAS homepage was defaced on January 17th, and remained undetected for approximately 1.5 hours. At the time the Library indicated it was reviewing its network and computer security measures and procedures. Given CRS is dependent on the Library's computer system and CRS has a special confidential relationship with Congress, this is of particular concern.

What has the Library done to reduce the chance that this could happen again? Does this problem pose a risk for Congress?

Answer. The answer to this question is presented in two parts: first, the Library's reaction to the January 17th THOMAS intrusion and its future plans to secure this system, and second, the security concerns, needs and plans of CRS relating to such threats.

With regard to the THOMAS intrusion incident, Library staff were aware that the page had been defaced within about 30 minutes and the system was shut down within 90 minutes of the time the system was defaced. After blocking public access to the defaced THOMAS homepage and repairing the damage that had been done, public access to THOMAS was restored. To reduce the chance that this might happen again, the Library's technology Security Team identified appropriate additional network and computer security measures which were prioritized based on criticality of need and resource availability.

Several near-term tasks have been completed, and include: notification and information regarding the defacement to the appropriate authorities; an audit of all Library server systems and evaluation of possible problems; rebuilding all servers found to be compromised; review and change of all accounts and passwords on compromised servers, and on any servers for users that had access to compromised serv-

ers; review, refinement and restriction of public Internet access; implementation of software to isolate publicly available servers, in order to reduce the potential that an intruder could use one Library server to compromise another; and hardened host-based security measures through elimination of unnecessary and/or particularly vulnerable services.

Medium-term tasks have all been initiated, and include: implementing a system to identify and notify the Library's technology security staff of unauthorized changes to operating system software or files; review and change of all accounts and passwords on any servers for users that had access to compromised servers; implementing more secure method(s) of providing Library staff with the required remote access to Library systems (e.g., virtual private network); researching Library requirements for additional firewall implementation(s); and researching and implementing increased host-based security on NT (i.e., non-UNIX) servers.

It is our belief, that the specific exploitations used in the process of defacing the THOMAS homepage did not result in a compromise of confidential congressional information. Furthermore, after identifying the problem, the Library took and continues to take additional and appropriate security measures which have reduced any such risks to congressional information. It is, however, also true that network connectivity involving the Internet cannot be said to be completely secure. The Library and Congress will have to continue to balance security requirements with the goals of providing broad public access to legislative and collections materials.

With regard to concern with the Congressional Research Service (CRS) dependency on the Library's computer system and their special confidentiality needs. CRS has its own specialized security needs. They are distinct from those of the Library, as a result of the fact that CRS houses sensitive congressional information and works in a close and confidential way with the Congress. These concerns are magnified by the current connections between public and private information in the Library's systems.

At a minimum, CRS needs to have all of its systems protected by a variety of security measures that will adequately reduce the risk of intrusion. CRS is focusing on adequately reducing the risk of intrusion that might lead to: (1) unauthorized access; (2) corruption of data; (3) denial of service; or (4) intrusion into connected congressional systems. More specifically, in order to reduce security risks to an acceptable level, CRS believes that plans must include, at a minimum, the following: protection of CRS systems from intrusion through THOMAS or any other public system; completion of installation of a 100-megabit Fast-Ethernet network (on isolated CRS segments) which will be harder to penetrate than the current four-megabit token ring configuration (which overlaps with Library systems), will allow for more timely backup of data for disaster recovery purposes, and will make possible virtual network encryption of sensitive information such as ISIS congressional request tracking data; completion of work to provide "hot back up" for the ISIS system; and regular monitoring of all CRS systems for actual and attempted unauthorized intrusions.

We recognize that information technology developments create dramatic new research and communications capabilities, but many of these same developments also lead to proliferation of new tools for serious attack or mischief. CRS is preparing a multi-year plan for enhancing its research capabilities by making appropriate use of technologies and technical expertise in support of legislative services for the Congress. This plan will require more robust security measures designed to meet the increasing threats presented by these technological innovations. The Library and CRS will continue to assess the need for additional staff and other resources necessary to meet continuing, changing, and increasingly complex security challenges. Any additional staff must be expert in the development of security systems themselves and the underlying hardware and software that make them possible.

Question. When and by how much did the Library change the arrearage time estimates?

Answer. In 1998, as part of its request to Congress for release of funds for the initial purchase of the ILS, the Library proposed revised arrearage elimination targets. These revised targets, based on the number of arrearage reduction staff and the estimated amount of their time that would be devoted to planning for, implementing, and adjusting to working on the Library's new ILS (Integrated Library System), are to eliminate the non-rare print and map arrearages by September 2004; and to reduce the special format arrearages 80 percent by June 2007. The original goals were to eliminate the non-rare print arrearages and to reduce the special format arrearages 80 percent by December 2000.

Even with the impact of diverting a large contingent of our staff to plan for, be trained on, and implement the ILS, the Library is still ahead of its revised target for reducing the arrearages. Non-rare book arrearages were reduced from 242,611

to 153,826 during fiscal 1999—well ahead of the goal of 173,918. Total non-print arrearages were 18,821,596 items at the end of fiscal 1999—again, much ahead of the target of 21,062,695.

UNPROCESSED ARREARAGES AS OF SEPTEMBER 30, 1999

[121 Months—Showing changes since Fiscal 1989]

	9/30/89	9/30/99	Change	Pct. Chg.
Total items in arrearage	39,682,153	19,793,689	−19,888,464	−50.1
Print materials, total	4,042,526	972,093	−3,070,433	−76.0
Books	893,030	153,826	−739,204	−82.8
Microforms	587,473	.....	−587,473	−100.0
Serials (Pieces)	2,562,023	818,267	−1,743,756	−68.1
Special Materials, total	35,639,627	18,821,596	−16,818,031	−47.2
Manuscripts	13,641,784	9,198,697	−4,443,087	−32.6
Maps	64,000	25,787	−38,213	−59.7
Moving-image materials	630,259	322,828	−307,431	−48.8
Music	5,994,000	2,542,365	−3,451,635	−57.6
Pictorial Materials	13,060,480	5,482,052	−7,578,428	−58.0
Rare books	332,000	123,801	−208,199	−62.7
Sound recordings	1,917,104	1,126,066	−791,038	−41.3

LIBRARY SERVICES/MIS QUARTERLY ARREARAGE INVENTORY—SEPTEMBER 1999

Service Unit	Arrearage Size June 1999	Acquired		Processed		Net Change		Arrearage Size Sept. 1999
		Items	Percent	Items	Percent	Items	Percent	
Law Library	643,305	663,518	103.1	595,286	92.5	68,232	10.6	711,537
Library Services	18,175,935	1,583,679	8.7	677,462	3.7	906,217	5.0	19,082,152
TOTAL	18,819,240	2,247,197	11.9	1,272,748	6.8	974,449	5.2	19,793,689

NEW ARREARAGE GOALS COMPUTATION—JUNE 1998

	Sept. 1989	March 1998	Items processed	QTRs elapsed	Items per QTR	New goal	Items to process	QTRs to go	Items per QTR
Total Arrearage	39,682,153	19,427,869	20,254,284	.....	.....	7,127,925	12,299,944	.....	.....
Total PRINT	4,042,526	682,198	3,360,328	.....	.....	.....	682,198	.....	.....
Books	893,030	243,872	649,158	34	19,093	.....	243,872	26	9,380
Microforms	587,473	.....	587,473	34	17,279	.....	.....	26	.....
Serials (Pieces)	2,562,023	438,326	2,123,697	34	62,462	.....	438,326	26	16,859
Total NON PRINT	35,639,627	18,745,671	16,893,956	.....	.....	7,127,925	11,617,746	.....	.....
Manuscripts	13,641,784	7,727,099	5,914,685	34	173,961	2,728,357	4,998,742	37	135,101
Maps	64,000	23,414	40,586	34	1,194	12,800	10,614	37	287
Moving-image materials	630,259	302,882	327,377	34	9,629	126,052	176,830	37	4,779
Music	5,994,000	2,565,890	3,428,110	34	100,827	1,198,800	1,367,090	37	36,948
Pictorial Materials	13,060,480	6,730,670	6,329,810	34	186,171	2,612,096	4,118,574	37	111,313
Rare books	332,000	135,805	196,195	34	5,770	66,400	69,405	37	1,876
Sound recordings	1,917,104	1,259,911	657,193	34	19,329	383,421	876,490	37	23,689

Goal: Zero by September 30, 2004 (26 QTRs). Books, Microforms, Serials (Pieces), and Maps.
Goal: Twenty percent of September 1989 by June 30, 2007 (37 QTRs). Manuscripts, Moving-image materials, Music, Pictorial Materials, Rare books, and Sound recordings.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

Question. Dr. Billington, the Congress authorized the Architect of the Capitol to acquire on behalf of the Library a facility in Culpeper, Virginia, to establish a National Audio-Visual Conservation Center. As your statement indicates, the owner of the facility, the Packard Humanities Institute, has now come forward with an extraordinary offer to provide up-front funding of about $66 million to complete renovation of the facility. The government is being asked to fund 25 percent or $16.5 million of the cost.

How can Congress help show its support for this generous offer?

Answer. The Congress can show its support for this project and its appreciation to the donor in two important ways. First, we ask that the Congress approve the amendment to the Culpeper acquisition legislation (Public Law 105–144), that was recently submitted to our authorizing committees, whereby the donor would retain ownership of the property until the project is completed and the Architect of the Capitol is authorized to reimburse the donor up to $11.5 million. We expect that this would enable the Library to finish the facility three years sooner than is currently planned, with an expected savings to the government of about $6 million. Second, we ask that the Congress approve the Architect's fiscal 2001 budget request of $5 million for the Culpeper facility. This is the second installment on the government's $16.5 million contribution to the Culpeper project.

Question. Dr. Billington, the Library's National Digital Library Program has been highly successful in providing public access to high quality information about American history and culture. I noted in your statement that the Library is the 1999 winner of the Global Information Infrastructure Award for Education. This program was established as a five-year project supported primarily by private funding—on a three-to-one private/public match, or $45 million private funding to $15 million public funding.

The Library's Digital Futures initiative, totaling $21.3 million, assumes that the appropriations will be required to fund the majority of the on-going efforts.

Why is the Library proposing that the majority of the funding for the Digital Futures initiative would be from appropriated sources?

Answer. The National Digital Library Program (NDLP) was established as a five-year pioneering program to share electronically—for first time—the content of the Library of Congress American history collections with the wider public. This initiative was aimed at proving that core library commitment to accessibility could be greatly advanced in the new electronic environment.

We are happy to report that the NDLP has been a success so far. In fact, more than five million full-text primary treasures of American history are on-line or in the pipeline, and the utility of this material is demonstrated by the fact that we receive millions of hits each day. Today, the Library is the world leader in providing high-quality educational materials on the Internet—we are almost alone in providing our content both free of charge and with authoritative explanatory material.

The next phase of the project, Digital Futures, will bring an integrated and interdependent program to acquire, store, preserve, and share digital materials to the Library—meeting the requirements of our mission in the digital realm in addition to traditional media.

We approached private sector sponsors for seed money to start the landmark NDLP initiative. Private sector donors with whom we have had lengthy discussions, see the Library's digital efforts as an on-going mission effort rather than a time-limited project appropriate for private funding. We doubt our ability to continue raising private funds at the level raised for the development of the NDLP. In addition, we cannot risk losing any part of this program. By relying on private funds, we are placing the success of the total program at risk, which could leave the Library as merely a "museum of books" in the future. Thanks to the success of the unique public-private partnership that the NDLP has been, the Library is poised to transform our traditional library services into electronic services which will continue to meet the information needs of the Congress and its constituents.

Question. Dr. Billington, as part of the fiscal 2000 budget, the Congress appropriated $600,000 to support a cooperative effort with an educational archive to digitize materials related to ethnic groups of California, including Japanese Americans.

Please give the committee a brief update on the status of this project.

Also, what kinds of other digital collaborations are you involved in and what efforts are you taking with other institutions to establish a proper division of labor?

Answer. An important part of the Library's digital strategy is to work in collaboration with other institutions. Currently we have taken a leadership role in four

types of collaborations: Content; Technology; Research and Development; and Distribution.

Through our leadership in the area of Content, the Library has collaborations with 36 U.S. libraries and archives to digitize unique and important historical materials—which help us to tell the multi-medial story of America. In the Technology area, we are collaborating with other national libraries and the information industry on technical standards and the exchange of digital content in a distributed network environment. Our leadership in Research and Development is helping to sponsor the National Science Foundation's Digital Library 2 Initiatives. This is a multi-year grant program to fund research that addresses solutions to building, managing and navigating amongst complex digital libraries. Finally, in Distribution, we are collaborating with private sector publishers and vendors to help distribute this digital content more widely.

One recent content collaboration with the California Digital Library will result in the digitization of materials related to ethnic groups in California, including Japanese Americans. We expect that this project will contain about 35,000 items, including oral histories, manuscripts and images—unique material that is an important part of the American experience. We need to identify, digitize, and make available more such materials on immigration and our ethnic heritage.

Future collaborations can be even more important. It is apparent to us that no one institution can do all that is required to address the many dimensions of building, sustaining, and delivering digital content and services. We are playing a critical leadership role in helping to define material content, technical standards, and services. This is especially true as we work with other archives to make the large national asset of high quality educational content widely available to citizens everywhere. We envision that the future will include many institutional participants in a large network of libraries.

Question. Dr. Billington, last year, the Congress approved a succession plan for CRS and Library Services. This year, I see that you are now including the Law Library in your succession plan initiative.

Update the Committee on the status of your succession planning initiative. Also, outline the challenges of attracting "the best and brightest" for careers at the Library of Congress.

Answer. This is the third year of the Library's succession planning program. This program started with the Congressional Research Service (CRS) and was extended to Library Services in fiscal 2000. We are now including the Law Library in the fiscal 2001 budget request.

The basic concept for succession planning is the selection from departing staff of a very small number of critical positions which will mentor and transfer knowledge to their replacement. Our vision is building for the future—not replicating the past.

Overall, our experience in attracting the "best and brightest" candidates has been much like that of other government agencies—it is difficult to recruit graduate students to public service, particularly minority students. A parallel challenge is retention of talent. We face a particularly critical challenge in recruiting foreign law specialists for the Law Library, not only because 60 percent of its legal staff will be eligible to retire in fiscal 2004, but also because of the difficulty in recruiting persons from a limited pool of qualified applicants who have highly specialized qualifications in foreign and comparative law. It is difficult to compete with private sector employers who can offer higher salaries and bonuses to new and experienced employees. Also, we are burdened by the lengthy federal hiring process. The private sector can make "on the spot" offers to top candidates—in fact—some other federal agencies can move faster using streamlined/abbreviated hiring processes.

The Library has a great many advantages to offer to prospective employees: a challenging and rewarding work environment, which rewards motivation, creativity, and learning; attractive and competitive career advancement; competitive benefits packages; and job stability. Nationally and internationally, professional librarians view the Library of Congress as the "ultimate" worksite. Professional public policy analysts are attracted to employment with the Library for the close proximity to the Congress and the legislative process.

We have used every means possible to cast a wide net for finding the "best and brightest" for the Library. Some of those include: the Graduate Recruit Program and Law Recruit Program; on-site recruiting visits to top public policy schools nationwide; recruitment at law schools, through legal directories, and at library schools; Junior Fellows Program; and expanding use of the Internet for advertising employment opportunities.

Question. Dr. Billington, the Library has been involved in the development of the Capitol Visitor's Center.

Can you give us an update on where things stand with the Library's involvement at this time?

Answer. We have been Involved in the development of the Capitol Visitor's Center since 1991. Our involvement has two main aspects. First, with the auditorium, which we anticipate will be developed in a way that will contribute to the Center's mission—providing a unique educational experience for visitors to the capital. The auditorium will also provide the opportunity for the Library to highlight our audio-visual collections in ways we cannot do presently; the only venue we have available currently is the Pickford Theater, which seats only 64 persons. Second, with a tunnel to connect the Visitor's Center to the Jefferson Building, which we believe should be considered an integral part of this project. The concept of a tunnel was first raised by Members in the House and the Senate in 1991. We commissioned a study (issued in 1997) by the Capitol Visitor Center architects showing that it was technically feasible. We believe any Visitor Center which shows the history of the U.S. Congress should also celebrate the extraordinary achievement which is its Library.

Question. Dr. Billington, the Library is requesting $2 million to begin off-site storage operations at Fort Meade. I understand that the Library's first off-site book storage module will be ready to use at the end of 2000.

What book storage problems exist now?

How will the new book storage modules alleviate space problems in the John Adams and Thomas Jefferson Buildings?

Answer. Currently, more than 50,000 books are stored on the floors in the Jefferson and Adams buildings' stacks. We estimate that our book collections grow at the rate of 300,000 annually, or about 1,200 books per day.

Opening Fort Meade Module #1 will have a major impact on alleviation of the space problems in the Jefferson and Adams buildings. Once the space is freed up on Capitol Hill, we will be able to get books off the floor in both buildings.

We need the fiscal 2001 funding we have requested for short-term staff to shift the collections that remain on Capitol Hill. Our plan is to interfile the books currently on the floor into the correct order with books on similar subjects. We will then do a one-time shift of the materials to get the books close to the reading rooms where they are used. This effort will leave sufficient space in each area for the anticipated future growth of our book collections. After the initial accelerated transfer of items to Fort Meade Module #1, we plan to adopt a book-in/book-out process—in other words, transfer about 1,200 items each day from Capitol Hill to Fort Meade.

Question. Dr. Billington, the Library has been involved in developing an on-going preservation project, mass deacidification, for many years now. In fact, the Congress appropriated $11.5 million in 1984 for this effort. I understand that the 1984 funds are nearly expired and you are requesting $1.2 million to permanently fund a mass deacidification program.

Does the Library believe a cost-effective mass deacidification process is now available?

How many items has the Library already treated?

And, what is the Library's plan for treating its entire paper-based collections?

Answer. Deacidification is one of the most cost-effective preservation measures used to make books and other paper materials last for hundreds of years. Deacidification is an excellent example of "cost avoidance" in that it neutralizes the acid in paper and prevents paper from becoming overly brittle and unusable in only a few decades. On average, a deacidified book will last for 300–800 years. The total cost for selecting, treating, and refiling a book today is about $15. If the same book is left to become totally brittle, the future cost for microfilming or electronically copying it would be more than ten times as expensive. Amortized over the first three hundred years after treatment, the annualized preservation cost for saving a book through deacidification is only five cents. In addition, the fiscal 2001 request allows for an incentive plan which may result in an overall 16.7 percent cost reduction.

To date, the Library has successfully deacidified over 260,000 books.

Our deacidification "plan" is a proposal for a 30-year program that would resolve the Library's acidic book problem within the next generation. We propose to deacidify 5.3 million existing acidic books (one out of three in our collection), plus 100,000 new acidic volumes that are acquired each year (primarily from foreign publishers). Over the 30-year period, this program will preserve about 8.5 million books.

To accomplish this, we will start with treating 100,000 books and one million pages of manuscript material in fiscal 2001. In Year-5 through Year-30, we would treat 300,000 books per year, plus manuscripts. We do not recommend moving more than 300,000 books per year out of our stacks for deacidification treatment because of the disruptive and negative impact this would have to our reference services.

After 30 years, the plan calls for a reduced, but continuing, funding to deacidify only manuscript materials not previously treated plus newly acquired acidic books.

Question. Dr. Billington, the Library is requesting $2.5 million to establish permanent funding for 51 police positions authorized and funded initially by the 1999 Emergency Security Supplemental. The supplemental provided $17 million in funding for Library of Congress security enhancements, including $2.2 million for police staffing.

Please provide the committee an update on your progress in hiring the additional police positions.

How does the Library provide training for its police?

Also, briefly update the committee on the status of the other security enhancements funded by the supplemental.

Answer. As of February 14, 2000, 26 new police officers have been hired. The balance of new police officers (20) and the police administrative support staff (five) are projected to enter on duty in the second and third quarters of fiscal 2000.

The Library provides training for police in three phases: (1) new hires receive mandatory training (ten weeks of basic training at the Federal Law Enforcement Training Center and eight and one-half weeks of orientation/certification); (2) in-service training is provided for all officers, including firearms, defensive tactics, CPR/First Aid recertification, and daily briefings at roll call; and (3) specialized training for officers whose positions require specific technical skills.

All security enhancements are currently proceeding on schedule. We are continuing to work hand-in-hand with the Capitol Police and the Architect of the Capitol implementing the security enhancements.

Question. The Conference Report on H.R. 1905, the Fiscal 2000 Legislative Appropriations Act, directed the Architect to provide the Librarian with a "reasonable, effective and efficient plan of action * * *to correct the hazards and deficiencies" identified by the Librarian with respect to fire safety in the aftermath of the April 30, 1999, fire in the Madison Building.

Is the Library of Congress satisfied with the plan provided by the Architect and with the safety of your buildings?

Answer. The Architect of the Capitol (AOC) gave the Library's Safety Office the opportunity to review the plan prior to its submission to the Congress. The Library's Safety Office stated to the AOC that the plan was insufficient. While the Library of Congress realizes that the AOC cannot address all of fire safety issues at once, we recommend that the plan include the following four additional items: first, a priority list of the projects to address fire safety issues. Priorities should be based on a joint risk assessment by AOC and the Library which presents a realistic assessment of the capability of the AOC to complete multiple projects. Second, a plan for requesting funds to address the fire safety issues. Third, an organized approach to the inspection, testing, and maintenance requirements of OSHA and NFPA. Fourth, a process for providing on-going reports to the Library demonstrating progress (milestones) towards correction of fire safety issues.

For more than two years, the Library's Safety Office has vigorously communicated to the AOC the Library's concerns about major fire safety issues and the lack of progress to correct problems. Examples of the Library's concerns include: twenty-five percent of the sprinkler head change out was to be completed by February 2000, but only ten percent has been completed to date; the December 1999 completion date for the Madison Building fire alarm system upgrades was not met, and a revised completion date has not been provided; upgrades to the fire system in the Jefferson and Adams Buildings have not been competed, and the AOC indicates that the April 2000 test and certification completion date will not be met; and the smoke control design implementation was not completed by December 1999.

The Library will continue to work with the AOC to resolve outstanding concerns.

Question. Last year, the Library's Copyright Office increased registration filing fees.

What is the status of that fee increase and what are your projections for the future?

Answer. In July of 1999, the Copyright Office increased registration filing fee from $20 to $30. While fee receipts are higher as a result of this increase, there has been a drop in demand for registration.

The Copyright Office is forecasting $20,800,000 in fees for fiscal 2000. This projection is consistent with the impact on registrations filings that was seen following the last fee increase (in January of 1991, filings declined seven and one-half percent). For the last two months of fiscal 1999, filings declined nearly nine percent from the previous year, and filings were nearly ten percent lower for the first two months of fiscal 2000. The Copyright Office expects the fee increase will result in

approximately ten percent fewer filings than in fiscal 1998, followed by a slow recovery over several years.

Approximately twenty percent of filings still arrive with insufficient fees—creating an extra workload. Most filers, however, remit the required additional fee when requested to do so.

The Copyright Office projects fee receipts of $21,000,000 in fiscal 2001. If receipts exceed this forecast, the excess will be transferred to Copyright Office "No Year" account. The excess funds can be used in future years to offset increases in expenditures and/or potentially to decrease the net appropriation.

Question. Dr. Billington, last year there was some discussion about migrating your "talking book" machines to a digital format.

Please update the committee on your efforts in this area.

Answer. The transition from the current analog cassette talking book system to a digital program is both desirable and necessary, but must be thoroughly designed prior to implementation.

The Library has made five assumptions in planning for the next-generation of talking book system: the next system will be digitally based; the digital medium will have improved sound quality; readers will be able to listen to an entire book without turning over or replacing the tape or disc; the "player" will have enhanced navigational capabilities (the ability to jump from the table of contents to a chapter, to skip through text instantaneously, one paragraph at a time, to skip over footnotes, to insert bookmarks, etc.); and finally, the system will also have the capability to include the full text of a book in electronic form, along with the recorded version.

We will begin recording books in digital format well in advance of the transition. After successful small-scale tests, the Library will begin to produce a larger number of digital books, while the number of cassette players and cassette titles will be reduced. This transition will continue over a period of years. There are, however, several issues which could affect the length of time to complete transition: resistance to change to a new system (by older patrons) could lengthen the transition; the obsolescence of parts and materials (for the cassette players) may shorten transition; the cost of maintaining two parallel systems could shorten transition time; and finally, the availability of funds to manufacture new digital players and the complexity of the new system could be issues that lengthen the transition time frame.

Currently, the National Information Standards Organization (NISO), at the request of the Library, is developing a standard for digital talking-book machines. A member of the Library of Congress staff is chairing the NISO committee. The final standard is scheduled for December 2000.

It is anticipated that initiation of migration to digital talking books will occur in approximately five to seven years. Prior to that time, the Library will provide a full justification for implementation and request for one-time financial support.

MATERIAL SUBMITTED SUBSEQUENT TO CONCLUSION OF HEARING

[CLERK'S NOTE.—The following statement was received by the subcommittee and will be inserted in the record at this point.]

PREPARED STATEMENT OF JANET S. ZAGORIN, CHAIR, STANDING COMMITTEE ON THE LAW LIBRARY OF CONGRESS, AMERICAN BAR ASSOCIATION

Mr. Chairman and Members of the Subcommittee, the American Bar Association (ABA) appreciates the opportunity to submit this statement in support of the fiscal year 2001 Legislative Appropriations budget of the Library of Congress and its Law Library. My name is Janet Zagorin and I am Chair of the American Bar Association Standing Committee on the Law Library of Congress. In my non-volunteer life, I am a law librarian. I am currently the Director of Practice Development at Gibson, Dunn & Crutcher. Joining me in this statement is Bill Orton, former Member of Congress from Utah, and a member of the ABA Standing Committee on the Law Library of Congress. We submit this statement on behalf of William G. Paul, President of the Association.

The American Bar Association is the world's largest voluntary professional organization, and, with a membership in excess of 400,000, serves as the national voice of the legal profession. The ABA created the Standing Committee on the Law Library of Congress in 1932 as a measure of the Association's dedication to preserving and enhancing our nation's Law Library and its vast collection of legal literature and sources. Since its inception, the Standing Committee has acted as the Association's liaison and voice of the legal profession concerning the continued development and operation of the Law Library of Congress.

On behalf of the Association, I commend the Congress for having established one of the most prestigious and comprehensive legal collections in the world—now 2.3 million volumes strong. This year, the Law Library has asked for an increase in positions and funding which we believe is required if the Law Library is to meet congressional and other government demand for reference and research services, maintain its role as an innovator in the delivery of an exploding volume of electronic information, and preserve its treasures for future generations.

I know that you are facing many difficult choices as you contemplate the Legislative Branch budget, but I hope that you will find a way to spare our nation's Library from any cuts in its proposed budget. The Library has requested an increase to meet the demands of its strategic plan, a changing workforce, and a rapidly changing digital world. The Law Library, likewise, must be able to continue to maintain its role as the ultimate legal resource center for Congress and our citizens. In spite of shrinking resources, the Law Library continues to provide service to the public at large in American law through its reading room, and on foreign and comparative law on a priority basis through legal specialists in its research directorate. An enhanced web site for the Law Library to further facilitate access to legal reference services is being developed.

The Law Library is extremely grateful for the support of the Committee on Appropriations. As you may be aware, however, the Library has undergone significant reductions in staffing and services. While the funding the Law Library received last year enabled the Law Library to maintain and improve certain areas, the Library is still forced to confront the considerable downsizing that took place in previous years. Shortages in staffing are compromising the provision of comprehensive high-quality research and reference services and the very integrity of the Law Library collections. We ask for Congress' continued support in granting the Library the resources it needs to develop, maintain, and preserve its collections and its reference services, and to prevent further erosion of its workforce.

Faced with the necessity of developing a leading presence in the electronic age while maintaining its preeminent legal collection, the Library of Congress must have adequate funding to remain a leader in serving the Congress and the nation. Without such support, the Law Library is unable to achieve the level of research services it believes Congress deserves and requires. The Law Library serves over 100,000 users per year, with priority given to members of Congress. It supports over 70 hours per week of research, book circulation and legal reference services with a staff of only seven legal reference specialists. Adequate funding is needed to increase the number of specialists in order to keep pace with demand, including new workloads generated by the emergence of digital reference services. Additional funding is needed to support the provision of services to Congress and government offices in Spanish language jurisdictions, where currently only two legal specialists must cover 15 jurisdictions each. Further, at present staffing levels, only 60 percent of the 100,000 monographs received annually can be processed, among other shortfalls. We believe that proper funding for the Law Library's technical support team and computer systems is vitally important to ensure the integrity of its collections and to provide Congress with the services upon which it must rely.

In addition, while the Library is a critical resource available to every citizen of our country, immediate access to the great resources of the Law Library should be made more available to everyone—from isolated senior citizens to urban school children—via the Internet. Again, however, this only can be accomplished by increasing funding for the Law Library's technical support team and computer services support.

Succession planning has become paramount for the Law Library. The expected retirement of nearly 60 percent of its foreign law specialists by 2004 will require an unprecedented transfer of knowledge and skills to new staff, without which the Law Library's ability to deliver expected services—from research to analysis to collections development and other required tasks—will be seriously impaired. This in turn will erode its ability to support legislative initiatives, case law adjudication, foreign policy decision-making and other vital functions. We ask Congress to fund succession planning in the Law Library so that the services on which so many rely will not be compromised.

Fiscal year 2001 will follow a "Year of Great Transition" for the Library of Congress. One of the Library's building blocks for this transition is the expansion of the Global Legal Information Network (GLIN). GLIN is the digital future of the Law Library and is the Law Library's contribution to the overall digital program of the Library of Congress. What began as a simple card file over fifty years ago has grown into an international network of the world's legislative bodies sharing via the Internet the full text of their nation's laws and regulations. The GLIN database contains

information on over 75,000 laws and regulations from 46 countries, and provides Congress with a direct link to foreign, comparative, and international laws.

The Law Library collections have contributed significantly to the content of the Library's National Digital Library. Through a program entitled, "A Century of Lawmaking for a New Nation," the Law Library is making available through the Internet congressional documents and debates from the founding of the national government in 1774 through the 24th Congress in 1837. By the end of the project, documents and debates from the first 42 Congresses—including debates on ratification of the Constitution, records of the federal convention, and the debates and laws of the Continental Congress—will be available on-line. The ABA hopes that you will approve the budget request, which will enable the Law Library to continue adding Congressional records to the Internet. The funding requested for the Library's automation projects, including GLIN, will undoubtedly strengthen and enhance its efficiency and effectiveness internally and globally, in serving the Congress, in expanding public access to its invaluable collections, and in sustaining its role as the leader and progressive host of this vast knowledge.

Giving the Library of Congress and its Law Library the support needed to preserve the knowledge and ideas that sustain us as a community and a nation would be a significant gift to our country. The Library of Congress is the oldest federal cultural institution in our country, serving Congress as its priority client, all federal agencies, as well as state and local governments. But it is also important to remember that the nation at large is served by the Library. As technology and the information age advance, new opportunities to serve Congress and the nation are available, but at the same time new challenges exist that make support for the Library even more crucial. At this critical time, it is imperative that we continue to support this great institution. In a turbulent and challenging world, the Law Library represents a powerful reaffirmation that we are a democratic nation of laws and that access to our laws is, and should remain, open and free.

Mr. Chairman and Members of the Subcommittee, the American Bar Association appreciates your courtesy in allowing us to present this statement to you today. We hope that you will look most favorably upon the budget request of the Library of Congress and its Law Library.

JOINT COMMITTEE ON TAXATION

STATEMENT OF HON. WILLIAM V. ROTH, JR., CHAIRMAN

ACCOMPANIED BY LINDY L. PAULL, CHIEF OF STAFF

BUDGET REQUEST

Senator BENNETT. Our next witness is Chairman William Roth. We welcome the Honorable William Roth, who is chairman of the Joint Committee on Taxation, and he is joined by Lindy Paull, the Chief of Staff of the Joint Committee.

The committee has requested $6,747,000, which is an increase of 4.65 percent over fiscal year 2000. Senator Roth, we are honored to have you and welcome. We would be happy to hear what you have to share with us.

Senator ROTH. Mr. Chairman, I would like to thank you for having us here this morning. As you know, we have a written statement which will go into greater detail than my oral comments.

Senator BENNETT. It will be included in the record.

Senator ROTH. As you know, we have requested for the Joint Committee a $291,000 increase for the fiscal year 2001 appropriation. This increase is solely attributable to increases in personnel expenses: $228,000 is for personnel cost of living increases; $61,000 is for 1 percent meritorious increases in personnel expenses; and, there is $2,000 for the projected cost of employee transit benefits for the fiscal year. There is no overall change in the appropriation for non-personnel expenses.

The fiscal year 2000 appropriation for the Joint Committee included $200,000 to fund a report on the overall state of the Federal tax system, together with recommendations for possible simplification. This report was required under the IRS Reform Act and, as you may recall, this amount was included in the Joint Committee's fiscal year 2000 appropriation by this subcommittee. We are requesting equivalent funds for the study for fiscal year 2001 to enable the Joint Committee staff to complete its work on this study.

WORKLOAD

I would like to comment briefly, Mr. Chairman, on the workload of the Joint Committee. As you know, much of the work performed by the Joint Committee staff is the preparation of revenue estimates for Members of Congress. I think the record here is pretty outstanding. During calendar year 1999 the Joint Committee staff received 4,234 requests for revenue estimates and other assistance from Members. That is an increase of 55 percent over the requests received in 1998, and nearly 400 more than the requests for the entire 105th Congress.

The Joint Committee has disposed of 3,297, or 77.9 percent of the requests received in 1999, and has responded to 1,000 more re-

quests during 1999 than the average number of responses for each of 1997 and 1998. I think this demonstrates an enormous increase in Joint Committee staff productivity.

The Joint Committee staff has completed two major studies mandated by the IRS Reform Act: a study of the present-law system of penalties and interest, and a study of taxpayer confidentiality. These reports total more than 1,500 pages. Work on the studies placed a tremendous drain on our staff resources at the same time that the Congress was considering the tax relief bill last summer and the expiring provisions bill last fall.

PREPARED STATEMENT

I want to thank the subcommittee for its continued recognition of what I think is the very important role that the Joint Committee on Taxation plays in the development of revenue legislation, and I hope that it will continue to support the operation of this committee in the coming fiscal year.

[The statement follows:]

PREPARED STATEMENT OF HON. WILLIAM V. ROTH, JR.

INTRODUCTION

Mr. Chairman, we appreciate the opportunity to submit this written testimony to the Subcommittee on Legislative Branch of the Senate Committee on Appropriations on behalf of the fiscal year 2001 appropriation request for the Joint Committee on Taxation (the "Joint Committee").

The funding we are requesting for the Joint Committee represents the minimum amount necessary to finance the operations of the Joint Committee for fiscal year 2001. The Joint Committee provides essential services to the Congress that are not duplicated by any other Congressional or Executive Branch office. Failure to provide the requested funding will jeopardize the ability of the Joint Committee to provide these necessary services.

We want to thank the Subcommittee for its continued recognition of the important role that the Joint Committee plays in the development of revenue legislation. We are pleased that the Subcommittee has repeatedly acknowledged the needs of the Joint Committee, and we hope that the Subcommittee will continue to support the operations of the Joint Committee for fiscal year 2001.

Key points relating to the fiscal year 2001 appropriation request are as follows:

—The Joint Committee is requesting an appropriation for fiscal year 2001 of $6,747,000, an increase over the fiscal year 2000 appropriation of $291,000. This represents a 4.5 percent increase over the fiscal year 2000 appropriation. The increase is attributable to (1) personnel cost-of-living increases ($228,000), (2) 1-percent meritorious increases for personnel expenses ($61,000), and (3) the projected costs of employee transit benefits ($2,000) for the fiscal year.

—As required by the fiscal year 2000 Consolidated Appropriation Bill, the 0.38 percent rescission amount applicable to the Joint Committee is $24,533. The Joint Committee staff allocated $12,000 of this amount to Other Services and $12,533 to Equipment. These amounts have been restored for purposes of calculating the fiscal year 2001 appropriation request.

—Proposed adjustments have been made to the allocation of nonpersonnel expenses to better reflect actual experience, but no overall change in the appropriation for nonpersonnel expenses is requested for fiscal year 2001.

—Under section 4002(a) of the IRS Restructuring and Reform Act of 1998, subject to amounts being specifically appropriated for this purpose, the Joint Committee is required to report at least once each Congress to the Senate Committee on Finance and the House Committee on Ways and Means on the overall state of the Federal tax system, together with recommendations with respect to possible simplification proposals and other matters relating to the administration of the Federal tax system. The Senate appropriated $200,000 for this purpose in the Joint Committee's fiscal year 2000 appropriation, and this increase was accepted in the conference on the Legislative Branch appropriations. The Joint Committee is requesting that the Subcommittee appropriate equivalent

funds for this study for fiscal year 2001 to enable the Joint Committee staff to complete its work on this project.

Additional details relating to this appropriation request are provided below.

SUMMARY OF FISCAL YEAR 2001 APPROPRIATION REQUEST

The following summarizes the Joint Committee's appropriation request for fiscal year 2001:

Personnel Costs:	
Personnel compensation	$6,145,000
Transit benefits	2,000
Nonpersonnel Funding:	
Travel	12,000
Rent, communications, and utilities	30,000
Printing	500
Other services	126,500
Supplies and materials	154,000
Equipment	277,000
Total fiscal year 2001 request	6,747,000

As required by the fiscal year 2000 Consolidated Appropriation Bill, the 0.38 percent rescission amount applicable to the Joint Committee is $24,533. The Joint Committee staff allocated $12,000 of this amount to Other Services and $12,533 to Equipment. These amounts have been restored for purposes of calculating the fiscal year 2001 appropriation request.

DETAILS OF FISCAL YEAR 2001 APPROPRIATION REQUEST

Personnel Expenses

Cost-of-living.—Pursuant to information provided by the House Office of Finance, a 4.4 percent cost-of-living adjustment for calendar year 2000 and a 3.7 percent cost-of-living adjustment for calendar year 2001 were assumed in calculating proposed cost-of-living adjustments for personnel expenses. Using these assumptions, proposed cost-of-living adjustments for fiscal year 2001 equal $228,000.

Meritorious increases.—A requested increase of $61,000 is included in the appropriation to cover the cost of 1-percent meritorious increases for personnel expenses.

Transit benefits.—A requested increase of $2,000 is included in the appropriation request to cover the projected costs of transit benefits provided to Joint Committee employees.

FTEs.—The fiscal year 2000 appropriation included 3.0 additional FTEs for the Joint Committee. The Joint Committee staff is in the process of hiring for these new positions at this time. The hiring process for Ph.D. economists is such that the Joint Committee staff interviews in January and February for economists who will generally be available in the summer or fall of the year. Thus, the Joint Committee expects that the hiring for these additional FTEs will be completed by the end of the fiscal year. No change in FTEs for fiscal year 2001 over fiscal year 2000 is requested.

While no increase in FTEs is requested for fiscal year 2001, additional ongoing responsibilities have been assigned to the Joint Committee as a result of the IRS Reform Act. Under the IRS Reform Act, the Joint Committee is required to prepare a complexity analysis of all revenue provisions of widespread applicability to individuals and small businesses. In addition, the IRS Reform Act requires the Joint Committee to provide staffing and an annual report in connection with annual joint review of six Congressional committees on the operations of the Internal Revenue Service. The first of these reviews occurred in calendar year 1999 and a review will occur in each of calendar years 2000 through 2003.

Under section 4002(a) of the IRS Restructuring and Reform Act of 1998 (the "IRS Reform Act"), subject to amounts being specifically appropriated for this purpose, the Joint Committee is required to report at least once each Congress to the Senate Committee on Finance and the House Committee on Ways and Means on the overall state of the Federal tax system, together with recommendations with respect to possible simplification proposals and other matters relating to the administration of the Federal tax system. The Senate appropriated $200,000 for this purpose in the Joint Committee's fiscal year 2000 appropriation, and this increase was accepted in the conference on the Legislative Branch appropriations. The Joint Committee staff has begun planning for this study and it is anticipated that a study of this magnitude will require significant time and staff resources. It is requested that the Subcommittee appropriate equivalent funds for this study for fiscal year 2001 to enable

the Joint Committee staff to continue its work on this project. If this project proves to require even more time and resources than projected, a larger appropriation may be requested for this purpose in the future.

Nonpersonnel Expenses

In general.—The Joint Committee is requesting no increase in nonpersonnel expenses for fiscal year 2001. However, nonpersonnel expenses in certain categories have been reallocated to reflect more accurately the actual expenses that are anticipated in these categories.

Rent, communications, and utilities.—The Joint Committee request proposes to reallocate $3,000 from this category to other categories for fiscal year 2001. The amount requested in this category for fiscal year 2001 is an accurate estimate of the actual expenses that the Joint Committee will incur.

Printing.—The Joint Committee requests that $500 be reallocated to this category of expense from the category of rent, communications, and utilities for fiscal year 2001. The fiscal year 2000 appropriation had no amount allocated for printing, but actual Joint Committee expenses for fiscal year 1999 were $480. Similar expenses are anticipated for fiscal years 2000 and 2001.

Other services.—The fiscal year 2000 appropriation for other services is $124,000. The fiscal year 1999 actual expenses attributable to this category was $124,117 and the Joint Committee anticipates some additional expenses in fiscal year 2001 in this category. Reallocating $2,500 to this category from the category of rent, communications, and utilities (for a total fiscal year 2001 request of $126,500) will reflect more accurately projected expenses for fiscal year 2001.

This category represents a substantial portion of the Joint Committee's nonpersonnel expense. The Joint Committee utilizes consultants and other service providers to provide services that the Joint Committee staff does not have the time or expertise to otherwise perform. For example, the needs of the Members for immediate responses to requests for revenue estimates and the substantial volume of requests that the Joint Committee staff receives each year places limitations on the ability of the Joint Committee staff to perform certain work necessary for the preparation of revenue estimates. From time to time, the Joint Committee staff will contract with certain private sector organizations to do research that the Joint Committee staff could not otherwise perform because of the other responsibilities of the staff.

During fiscal year 1999 and 2000, certain of the amounts allocated to consultant contracts included services to update the Joint Committee document tracking system software and hardware; this project is discussed more fully in the equipment category below. There may be some residual consultant services required in fiscal year 2001 in connection with this effort.

Supplies and materials.—The Joint Committee is requesting no change in the amount appropriated for this category for fiscal year 2001. Actual expenses for fiscal year 1999 were $150,235 and the amount appropriated for fiscal year 2000 is $154,000. The fiscal year 2001 expenses are expected to be substantially equivalent to fiscal year 2000 expenses.

Equipment.—No increase in this category is requested for fiscal year 2001 over fiscal year 2000. Anticipated expenses in this category include: $80,000 for hardware and software maintenance; $50,000 for Xerox maintenance and costs; $100,000 for the purchase of document scanners, CD–ROM writers, and storage for expansions of the Joint Committee's document tracking system; and $35,000 for software for document tracking and an electronic mail server.

The purchase of equipment represents the single largest item of nonpersonnel expenses for the Joint Committee. The large volume of documents that the Joint Committee is required to produce in a very short time frame during the legislative process requires the use of sophisticated and technologically advanced computer and reproduction equipment. The Joint Committee staff upgrades computer software, hardware, and reproduction machines frequently to ensure that Members receive adequate service. During the consideration of the Taxpayer Relief Act of 1999, a number of Members complimented the Joint Committee staff on the speed with which the staff responded to the constantly changing provisions of the bill. The Joint Committee staff cannot provide this type of service to the Members unless it has the technology tools necessary for this type of sophisticated computer modeling.

In 1994, the Joint Committee staff implemented a computerized data base to track Member requests. During fiscal year 1999, the Joint Committee staff began upgrades to this data base system that will transition the Joint Committee staff from a system for processing Member requests that is paper-based and time consuming to a paperless system that will allow the Joint Committee staff to process and monitor all Member requests electronically from the time a request is received

until the final response is delivered to the requesting Member. This upgraded system is expected to improve substantially the efficiency of the Joint Committee staff in responding to Member requests.

In addition, this upgraded database system will maintain a complete electronic record of each request received from a Member of Congress and will enable real time tracking of the status of each such request. The Joint Committee staff anticipates that there may be some residual expenses relating to implementation of this new document tracking system during fiscal year 2001. For example, the Joint Committee staff hopes to be able to convert existing files of Member requests and responses to this new system. This will be a longer term project that will require some expense in fiscal year 2001.

REVIEW OF JOINT COMMITTEE ON TAXATION OPERATIONS DURING CALENDAR YEAR 1999

As is demonstrated below, the Joint Committee staff faced a significantly greater workload in 1999 compared to 1998. The Joint Committee staff saw substantial increases in the number of revenue estimate requests received from Members during 1999. In addition, the Joint Committee staff devoted significant staff resources to its work on two studies mandated by the IRS Reform Act.

Attachments A through E provide a summary of the activity of the Joint Committee staff for calendar year 1999. The attachments include the following information:

—Attachment A—information relating to the legislative tax reports (Committee and Conference Reports) on which the Joint Committee staff worked for the revenue-related legislation considered by the House Committee on Ways and Means and/or the Senate Committee on Finance;

—Attachment B—a listing of all documents published by the Joint Committee staff during calendar year 1999;

—Attachment C—a graph showing the number of Joint Committee requests received by the Joint Committee from Members of Congress for revenue estimates and other assistance during the period 1985 through 1999;

—Attachment D—a table providing information on revenue estimate requests and Joint Committee staff responses to various categories of requesting Members; and

—Attachment E—information relating to the Joint Committee staff's statutorily mandated duty to review large income tax refunds.

Tax legislative reports

The Joint Committee staff prepared 12 Committee and Conference reports relating to tax legislation considered by the Congress in 1999 and provided assistance on 5 trade Committee reports. The Joint Committee staff also prepares committee reports for the Senate Foreign Relations Committee relating to negotiated treaties and protocols for consideration by the Senate. During 1999, the Joint Committee assisted the Senate Foreign Relations Committee in its consideration of nine income tax treaties and protocols. A complete listing of these reports is included at Attachment A.

Joint Committee staff publications

In addition to its work on committee and conference reports, the Joint Committee staff published 99 documents during 1999, including pamphlets and other documents prepared for committee hearings and markups and conference action (see Attachment B). All Joint Committee staff publications are accessible from the Joint Committee's web page.

Among the documents published by the Joint Committee staff in 1999 was a 629-page study of present-law penalty and interest provisions mandated by the IRS Reform Act. The Joint Committee staff was able to meet the statutorily imposed deadline of July 22, 1999, for transmitting this study to the Congress despite the tremendous demands on Joint Committee staff resources made in connection with the consideration at the same time of H.R. 2488 (the "Taxpayer Refund and Relief Act of 1999").

At the beginning of 1999, the Joint Committee staff published a document providing background information relating to the Joint Committee on Taxation. This document was recently updated for 2000. An updated version of this document is included as Attachment F.

The Joint Committee staff plays an active role in formulating and presenting Congressional views on issues raised by the Administration's negotiation of tax treaties and other tax-related agreements. The Joint Committee staff prepares pamphlets for the Senate Foreign Relations Committee containing detailed descriptions of the provisions of negotiated tax treaties and protocols, including comparisons with the

current U.S. model treaty, which reflects preferred U.S. treaty policy, and with other recent U.S. tax treaties. The pamphlets also contain detailed discussions of issues raised by the proposed agreements. During 1999, the Joint Committee staff prepared 8 documents for the Senate Committee on Foreign Relations in connection with hearings on proposed income tax treaties and protocols. The Joint Committee staff consulted extensively with the staff of the Senate Foreign Relations Committee in analyzing the proposed treaties and protocols and in preparing pamphlets and committee reports for the Committee.

The Joint Committee staff's annual report on estimates of Federal tax expenditures (for fiscal years 1999–2003) was published in December 1999.

Revenue estimates and related analysis

Attachments C and D show data relating to the Joint Committee staff's revenue estimating activity for calendar year 1999. Attachment C shows the number of revenue estimate requests received by the Joint Committee staff each year from 1985 through 1999. Since 1985, when the Congress was actively considering legislative proposals that led to enactment of the Tax Reform Act of 1986, and when data on revenue estimate requests was first compiled, the number of requests received annually has increased by 1,116 percent.

The Joint Committee received 4,234 requests for revenue estimates and other assistance from Members during 1999, an increase of 55 percent over the requests received in 1998. During 1999, the Joint Committee staff received more requests from Members than the total number of requests received for the entire 105th Congress (3,871). The Joint Committee staff disposed of 77.9 percent (3,297) of the requests received in 1999 and has approximately 1,000 requests currently pending. During 1999, the Joint Committee staff responded to 1,000 more requests than the average number of responses for each of 1997 and 1998, demonstrating an enormous increase in Joint Committee staff productivity.

Attachment D shows the Joint Committee staff's response rate to various categories of Members requesting revenue estimates. While it appears that certain categories of Members received a lower percentage response rate than other categories, the approximately 1,000 requests pending at the close of 1999 will be addressed during 2000 (i.e., they continue to be treated as pending requests). Thus, a more accurate picture of the Joint Committee staff's response rate to Members will be demonstrated by the final statistics at the end of 2000 for the entire 106th Congress. The Joint Committee staff is cognizant of its responsibility to provide service to all Members requesting it and intends to continue to monitor its response rates to ensure that the Joint Committee staff responds to non-tax-writing Committee Members as well as the tax-writing Committee Members. Furthermore, the Joint Committee staff's new document tracking software, which is being installed at this time, will assist in monitoring Member requests and responses more easily.

JCT staff studies, investigations, and refund review

As noted above, the Joint Committee staff timely completed in 1999 a study of the present-law penalty and interest provisions mandated by the IRS Reform Act. In addition, the IRS Reform Act also mandated that the Joint Committee conduct a study of the present-law protections relating to disclosure of tax returns and tax return information, which is due January 22, 2000. The Joint Committee staff will meet the deadline for completion of this study. While no amounts were separately appropriated to the Joint Committee staff to complete these studies, studies of this nature place significant demands on limited personnel resources particularly during periods of high legislative activity such as that experienced during 1999.

An ongoing, statutorily mandated function of the Joint Committee is the review of IRS refunds or credits of income tax, estate and gift tax, or any tax on public charities, foundations, pension plans, or real estate investment trusts in excess of $1 million. The Joint Committee staff reviews and reports on such refund cases and makes comments or recommendations with respect to the proposed refund case to the IRS. Attachment E contains information concerning the Joint Committee staff refund review work. During fiscal year 1999, the Joint Committee refund staff reviewed 577 cases involving $5.81 billion in proposed refunds and 64 large deficiency cases. The Joint Committee staff raised concerns in 65 refund cases (or approximately 11.3 percent of the cases) and in 4 of the large deficiency cases. Errors identified by the Joint Committee staff produced a net reduction in refunds of $18.3 million in fiscal year 1999. The average annual reduction in refunds for the last 8 years is $11.9 million.

During 1999, the Joint Committee staff continued its investigation of whether the IRS selection of tax-exempt organizations (described in Code sections 501(c)(3) and 501(c)(4)) and individuals associated with such organizations for audit has been po-

litically motivated, including an analysis of the selection of such tax-exempt organizations for audit for reasons related to their alleged political or lobbying activities. This investigation represents an important exercise of the Joint Committee's statutorily prescribed duty of oversight of the administration of the Federal tax system.

The Joint Committee staff began work in 1999 on a study of the effectiveness of the present-law tax rules relating to tax-motivated expatriation.

ANTICIPATED WORKLOAD OF THE JOINT COMMITTEE ON TAXATION FOR CALENDAR YEAR 2000

During 2000, the Joint Committee staff's workload will be at least equivalent to what it has been in the past several years. The Joint Committee staff will be extensively involved in the legislative process to provide tax relief to the American taxpayers. Health-related revenue provisions are also expected to be considered as are a variety of pension-related provisions. The Joint Committee staff will (1) develop legislative proposals, (2) assist in the drafting of such proposals, (3) provide revenue estimates for numerous legislative options and amendments, (4) prepare markup documents and committee reports, and (5) provide additional economic analysis to the Members.

In addition to this anticipated legislative activity, the Joint Committee staff will continue to satisfy its new responsibilities under the IRS Reform Act. The Joint Committee staff is now required to prepare a complexity analysis for inclusion in Committee and Conference reports for all revenue legislation. The Joint Committee staff is required to prepare materials for the use of the Congress in connection with joint reviews relating to the operations of the Internal Revenue Service that will occur during calendar years 1999–2003. The Joint Committee staff will complete work on its study of the effectiveness of the present-law tax rules in deterring tax-motivated expatriation. The Joint Committee staff will begin work on a comprehensive study relating to the complexity of the present-law tax system. The Joint Committee staff's experience with the other studies mandated by the IRS Reform Act indicates that this study will require substantial staff resources that may exceed the additional amounts appropriated to the Joint Committee for fiscal year 2000. The Joint Committee staff hopes to complete a study that will provide the Congress with relevant information on the sources of complexity in the present-law tax system and ways in which such complexity could be addressed.

SUMMARY

Mr. Chairman, we hope that you will approve the appropriation request of the Joint Committee on Taxation. We believe that this request is the minimum amount necessary to fund the operations of the Joint Committee during fiscal year 2001. The Joint Committee staff workload for 1999 exceeded its workload for 1998 by more than 50 percent. There is no reason to expect that this workload will be reduced any time soon. If the requested funding is not provided, difficult decisions will be required concerning what staff activities can and should be funded. We hope that the Subcommittee will not force the Joint Committee to make these decisions.

Mr. Chairman, we recognize fully the budgetary constraints that make your work so difficult. At the same time, we hope that you will appreciate the important role the Joint Committee on Taxation plays in the analysis and development of tax legislation. We firmly believe that the nonpartisan technical tax experts on the Joint Committee staff provide a service to the Congress that is not and cannot be duplicated by any other Congressional office.

We respectfully urge the Members of the Subcommittee to respond favorably to the Joint Committee's funding request for fiscal year 2001.

ATTACHMENT A.—1999 TAX-RELATED LEGISLATIVE REPORTS WORKED ON BY THE STAFF OF THE JOINT COMMITTEE ON TAXATION

Tax Committee Report Explanations

H.R. 416 (Federal Retirement Coverage Corrections Act of 1999). H. Rept. 106–29. (House Ways and Means Committee report on rectification of certain retirement coverage errors affecting Federal employees.)

H.R. 434 (African Growth and Opportunity Act). H. Rept. 106–19 Part 2. (House Ways and Means Committee report on the bill.)

H.R. 1376 (Tax Relief for Individuals Performing Services in Yugoslavia, Albania, the Adriatic Sea And the Northern Ionian Sea). H. Rept. 106–90. (House Ways and Means report on the bill to extend the tax benefits available with respect to services performed in a combat zone to services performed in the Federal Republic of Yugoslavia (Serbia/Montenegro) and certain other areas.)

H.R. 2488 (Financial Freedom Act of 1999). H. Rept. 106–238. (House Ways and Means Committee report on the bill to Provide for Reconciliation Pursuant to Sections 105 and 211 of the Concurrent Resolution on the Budget for fiscal year 2000.)

H.R. 2923 (Extension of Expiring Provisions and Other Time-sensitive Provisions). H. Rept. 106–344. (House Ways and Means Committee report on the bill to extend expiring provisions, to allow fully the nonrefundable personal credits against regular tax liability.)

H.R. 3081 (Wage and Employment Growth Act of 1999). H. Rept. 106–467. (House Ways and Means Committee report on the bill.)

S. 331 (Budget Effects of S. 331). S. Rept. 106–37. (Senate Finance report on the Work Incentives Improvement Act of 1999.)

S. 1134 (Affordable Education Act of 1999). S. Rept. 106–54. (Senate Finance Committee Report on a bill to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, and to increase the maximum annual amount of contributions to such accounts.)

S. 1386 (Trade Adjustment Assistant Reauthorization Act). S. Rept. 106–119. (Senate Finance Committee Report on a bill to reauthorize existing trade adjustment assistance programs.)

S. 1387 (African Growth and Opportunity Act). S. Rept. 106–112. (Senate Finance Committee Report on a bill to extend certain trade preferences to sub-Saharan African countries.)

S. 1388 (Generalized System of Preferences Extension Act). S. Rept. 106–137 (Senate Finance Committee Report on a bill to extend the Generalized System of Preferences.)

S. 1389 (The United States-Caribbean Basin Trade Enhancement Act). S. Rept. 106–160 (Senate Finance Committee Report on a bill to provide additional trade benefits to certain beneficiary countries in the Caribbean Basin.)

S. 1429 (Taxpayer Refund Act of 1999). S. Rept. 106–120. (Senate Finance Committee report on a Bill to Provide for Reconciliation Pursuant to Section 104 of the Concurrent Resolution on the Budget for fiscal year 2000.)

S. 1792 (Tax Relief Extension Act of 1999). S. Rept. 106–201. (Senate Finance Committee report on the bill.)

Tax-Related Conference Report Explanations

H.R. 2488 (Taxpayer Refund and Relief Act of 1999). H. Rept. 106–289. (Conference report on the bill.)

H.R. 1180 (Ticket to Work and Work Incentives Improvement Act of 1999). H. Rept. 106–478. (Conference report on the bill.)

Senate Foreign Relation Committee Reports:

Report of the Senate Foreign Relations Committee on the Tax Convention with Estonia, S. Exec. Rept. 106–3.

Report of the Senate Foreign Relations Committee on the Tax Convention with Lithuania, S. Exec. Rept. 106–4.

Report of the Senate Foreign Relations Committee on the Tax Convention with Latvia, S. Exec. Rept. 106–5.

Report of the Senate Foreign Relations Committee on the Tax Convention with Venezuela, S. Exec. Rept. 106–6.

Report of the Senate Foreign Relations Committee on the Tax Convention with Slovenia, S. Exec. Rept. 106–7.

Report of the Senate Foreign Relations Committee on the Tax Convention with Italy, S. Exec. Rept. 106–8.

Report of the Senate Foreign Relations Committee on the Tax Convention with Denmark, S. Exec. Rept. 106–9.

Report of the Senate Foreign Relations Committee on the Protocol Amending the Tax Convention with Germany, S. Exec. Rept. 106–10.

Report of the Senate Foreign Relations Committee on the Amending Convention with Ireland, S. Exec. Rept. 106–11.

ATTACHMENT B.—1999 JOINT COMMITTEE ON TAXATION DOCUMENTS

JCS–99 Documents

JCS–1–99—Description Of Revenue Provisions Contained In The President's Fiscal Year 2000 Budget Proposal. February 22, 1999

JCS–2–99—Schedule Of Present Federal Excise Taxes (As Of January 1, 1999). March 29, 1999

JCS–3–99—Study Of Present-Law Penalty And Interest Provisions As Required By Section 3801 Of The Internal Revenue Service Restructuring And Reform Act Of 1998 (Including Provisions Relating To Corporate Tax Shelters) Volumes I & II. July 22, 1999

JCS–4–99—Strategic Plans And Budget Of The Internal Revenue Service, 1999—Joint Review. May 25, 1999

JCS–5–99—Explanation Of Proposed Income Tax Treaty Between The United States And The Republic Of Lithuania. Scheduled for a Hearing Before the Committee on Foreign Relations United States Senate on October 13, 1999. October 8, 1999

JCS–6–99—Explanation Of Proposed Income Tax Treaty Between The United States And The Republic Of Latvia. Scheduled for a Hearing Before the Committee on Foreign Relations United States Senate on October 13, 1999. October 8, 1999

JCS–7–99—Explanation Of Proposed Income Tax Treaty Between The United States And The Republic Of Estonia. Scheduled for a Hearing Before the Committee on Foreign Relations United States Senate on October 13, 1999. October 8, 1999

JCS–8–99—Explanation Of Proposed Income Tax Treaty And Proposed Protocol Between The United States And The Kingdom of Denmark. Scheduled for a Hearing Before the Committee on Foreign Relations United States Senate on October 13, 1999. October 8, 1999

JCS–9–99—Explanation Of Proposed Income Tax Treaty And Proposed Protocol Between The United States And The Italian Republic. Scheduled for a Hearing Before the Committee on Foreign Relations United States Senate on October 13, 1999. October 8, 1999

JCS–10–99—Explanation Of Proposed Income Tax Treaty And Proposed Protocol Between The United States And The Republic Of Venezuela. Scheduled for a Hearing Before the Committee on Foreign Relations United States Senate on October 13, 1999. October 8, 1999

JCS–11–99—Explanation Of Proposed Income Tax Treaty Between The United States And The Republic Of Slovenia. Scheduled for a Hearing Before the Committee on Foreign Relations United States Senate on October 13, 1999. October 8, 1999

JCS–12–99—Explanation Of Proposed Protocol To The Convention Between The United States And Germany For The Avoidance Of Double Taxation With Respect To Taxes On Estates, Inheritances, And Gifts. Scheduled for a Hearing Before the Committee on Foreign Relations United States Senate on October 13, 1999. October 8, 1999

JCS–13–99—Estimates Of Federal Tax Expenditures For Fiscal Years 2000–2004. December 22, 1999

JCX–99 Documents

JCX–1–99—List Of Expired And Expiring Federal Tax Provisions, 1998–2008. January 20, 1999

JCX–2–99—Description Of Revenue Provisions To Be Considered In Connection With The Markup Of The Miscellaneous Trade And Technical Corrections Act Of 1999. Scheduled for Markup by the Senate Committee on Finance on January 22, 1999. January 21, 1999

JCX–3–99—Estimated Revenue Effects Of S. 262, The "Miscellaneous Trade And Technical Corrections Act Of 1999." Scheduled For Markup By The Senate Committee On Finance On January 22, 1999. January 22, 1999

JCX–4–99—Background Information Relating To The Joint Committee On Taxation. February 3, 1999

JCX–5–99—Description Of Revenue And Social Security Provisions Included In H.R. 416, The "Federal Retirement Coverage Corrections Act". Scheduled for Markup by the House Committee on Ways and Means on February 11, 1999. February 11, 1999

JCX–6–99—Estimated Revenue Effects Of H.R. 416, The "Federal Retirement Coverage Corrections Act." Scheduled For Markup By The Committee On Ways And Means. February 11, 1999

JCX–7–99—Present Law And Background Relating To Tax Incentives For Savings. Scheduled for a Public Hearing Before the Senate Committee on Finance on February 24, 1999. February 23, 1999

JCX–8–99—Present-Law Tax Rules Relating To Domestic Oil And Gas Exploration And Production And Description Of H.R. 53 And H.R. 423. Scheduled for a Hearing Before the Subcommittee on Oversight of the House Committee on Ways and Means on February 25, 1999. February 23, 1999

JCX–9–99—Estimated Budget Effects Of The Revenue Provisions Contained In The President's Fiscal Year 2000 Budget Proposal. February 25, 1999

JCX–10–99—Description Of Revenue Provisions To Be Considered In Connection With The Markup Of The Work Incentives Improvement Act Of 1999. Scheduled for Markup by the Senate Committee on Finance on March 4, 1999. March 2, 1999

JCX–11–99—Estimated Revenue Effects Of The Chairman's Mark Of S. 331, The "Work Incentives Improvement Act Of 1999." Scheduled for Markup by the Senate Committee on Finance on March 4, 1999. March 2, 1999

JCX–12–99—Overview Of Present Law And Issues Relating To Tax And Savings Incentives For Education. Scheduled for a Public Hearing Before the Senate Committee on Finance on March 3, 1999. March 2, 1999

JCX–13–99—Overview Of Present-Law Rules And Economic Issues In International Taxation. Scheduled for a Hearing Before the Senate Committee on Finance on March 11, 1999. March 9, 1999

JCX–14–99—Analysis Of Issues Relating To Social Security Individual Private Accounts. Scheduled for a Public Hearing Before the Senate Committee on Finance on March 16, 1999. March 15, 1999

JCX–15–99—Tax Treatment Of Structured Settlement Arrangements. Scheduled for a Hearing Before the House Ways and Means Subcommittee on Oversight on March 18, 1999. March 16, 1999

JCX–16–99—Overview Of Present-Law Tax Rules And Issues Relating To Employer-Sponsored Retirement Plans. Scheduled for a Public Hearing Before the Subcommittee on Oversight of the House Committee on Ways and Means on March 23, 1999. March 22, 1999

JCX–17–99—Description Of Present Law And A Proposal Relating To Tax Relief For Personnel In The Federal Republic Of Yugoslavia (Serbia/Montenegro), Albania, The Adriatic Sea, And The Northern Ionian Sea. Scheduled for Markup by the House Committee on Ways and Means on April 13, 1999. April 13, 1999

JCX–18–99—Overview Of Present Law And Issues Relating To Individual Income Taxes. Scheduled for a Public Hearing Before the Senate Committee on Finance on April 15, 1999. April 14, 1999

JCX–19–99—Disclosure Report For Public Inspection Pursuant To Internal Revenue Code Section 6103(p)(3)(C) For Calendar Year 1998. Prepared by the Internal Revenue Service. April 29, 1999

JCX–20–99—Description Of Chairman's Mark Of Proposals Relating To Education Incentives. Scheduled for Markup by the Senate Committee on Finance on May 19, 1999. May 17, 1999

JCX–21–99—Estimated Revenue Effects Of The Chairman's Mark Of Proposals Relating To Education Incentives. May 17, 1999

JCX–22–99—Description Of Modification To Chairman's Mark Of Proposals Relating To Education Incentives. May 19, 1999

JCX–23–99—Estimated Revenue Effects Of A Modified Chairman's Mark Of Education Tax Incentives In An Original Bill, The "Affordable Education Act Of 1999". May 19, 1999

JCX–24–99—Report Of The Joint Committee On Taxation Relating To The Internal Revenue Service As Required By The IRS Reform And Restructuring Act Of 1998. Prepared for the House Committees on Ways and Means, Appropriations, and Government Reform and the Senate Committees on Finance, Appropriations, and Governmental Affairs For a Joint Review Scheduled on May 25, 1999. May 20, 1999

JCX–25–99—Description Of Revenue Provisions In Chairman's Amendment In The Nature Of A Substitute To H.R. 434, The "African Growth And Opportunity Act". Scheduled for Markup by the House Committee on Ways and Means on June 10, 1999. June 9, 1999

JCX–26–99—Estimated Revenue Effects Of Provisions In A Chairman's Amendment In The Nature Of A Substitute To H.R. 434, The "African Growth And Opportunity Act." Scheduled For Markup By The Committee On Ways And Means On June 10, 1999. June 9, 1999

JCX–27–99—Description Of Revenue Provisions In Chairman's Amendment In The Nature Of A Substitute To H.R. 984, The "Caribbean And Central America Relief And Economic Stabilization Act". Scheduled for Markup by the House Committee on Ways and Means on June 10, 1999. June 9, 1999

JCX–28–99—Estimated Revenue Effects Of Provisions In A Chairman's Amendment In The Nature Of A Substitute To H.R. 984, The "Caribbean And Central America Relief And Economic Stabilization Act". Scheduled For Markup By The Committee On Ways And Means On June 10, 1999. June 9, 1999

JCX–29–99—Present Law And Background On Federal Tax Provisions Relating To Retirement Savings Incentives, Health And Long-Term Care, And Estate And Gift Taxes. Scheduled for a Public Hearing Before the House Committee on Ways and Means on June 16, 1999. June 15, 1999

JCX–30–99—Overview Of Present-Law Rules Relating To International Taxation And Description Of H.R. 2018, The International Tax Simplification For American Competitiveness Act Of 1999. Scheduled for a Public Hearing Before the Subcommittee on Oversight of the House Committee on Ways and Means on June 22, 1999. June 18, 1999

JCX–31–99—Description Of Revenue Provisions Included In The United States-Caribbean Basin Trade Enhancement Act. Scheduled for Markup by the Senate Committee on Finance on June 22, 1999. June 18, 1999

JCX–32–99—Estimated Budget Effects Of The "United States-Caribbean Basin Trade Enhancement Act." Scheduled For Markup By The Committee On Finance On June 22, 1999. June 18, 1999

JCX–33–99—Description Of Revenue Provisions Included In The African Growth And Opportunity Act. Scheduled for Markup by the Senate Committee on Finance on June 22, 1999. June 18, 1999

JCX–34–99—Estimated Budget Effects Of The "African Growth And Opportunity Act." Scheduled For Markup By The Committee On Finance On June 22, 1999. June 18, 1999

JCX–35–99—Description Of Revenue Provisions Included In The Trade Adjustment Assistance Reauthorization Act. Scheduled for Markup by the Senate Committee on Finance on June 22, 1999. June 18, 1999

JCX–36–99—Estimated Budget Effects Of The "Trade Adjustment Assistance Reauthorization Act." Scheduled For Markup By The Committee On Finance On June 22, 1999. June 18, 1999

JCX–37–99—Description Of Revenue Provision Included In The Generalized System Of Preferences Extension Act. Scheduled for Markup by the Senate Committee on Finance on June 22, 1999. June 18, 1999

JCX–38–99—Estimated Budget Effects Of The "Generalized System Of Preferences Extension Act." Scheduled For Markup By The Committee On Finance On June 22, 1999. June 18, 1999

JCX–39–99—Present Law And Background Relating To The Marriage Tax Penalty, Education Tax Incentives, And Alternative Minimum Tax, And Expiring Tax Provisions. Scheduled for a Public Hearing Before the House Committee on Ways and Means on June 23, 1999. June 22, 1999

JCX–40–99—Description And Analysis Of Present-Law Rules Relating To International Taxation. Scheduled for a Hearing Before the House Committee on Ways and Means on June 30, 1999. June 28, 1999

JCX–41–99—Description Of Present Law And Proposals Relating To The Work Opportunity Tax Credit. Scheduled for a Public Hearing Before the Subcommittee on Oversight of the House Committee on Ways and means on July 1, 1999. June 29, 1999

JCX–42–99—Description Of The Financial Freedom Act Of 1999. Scheduled for Markup by the House Committee on Ways and Means on July 13, 1999. July 12, 1999

JCX–43–99—Estimated Revenue Effects Of The "Financial Freedom Act Of 1999." Scheduled For Markup By The Committee On Ways And Means Beginning On July 13, 1999. July 12, 1999

JCX–44–99—Distributional Effects Of The Financial Freedom Act Of 1999. July 13, 1999

JCX–45–99—Description Of Modifications To The "Financial Freedom Act Of 1999" (H.R.2488) Contained In The Chairman's Amendment In The Nature Of A Substitute. July 14, 1999

JCX–46–99—Description Of The Taxpayer Refund Act Of 1999. Scheduled for Markup by the Senate Committee on Finance on July 20, 1999. July 16, 1999

JCX–47–99—Estimated Revenue Effects Of The "Taxpayer Refund Act Of 1999." Scheduled For Markup By The Committee On Finance Beginning On July 20, 1999. July 16, 1999

JCX–48–99—Estimated Budget Effects Of The "Financial Freedom Act Of 1999," As Reported By The Committee On Ways And Means. July 16, 1999

JCX–49–99—Description Of Proposed Modifications To H.R. 2488, As Reported By The House Committee On Ways And Means On July 16, 1999, Including Statutory Language. July 21, 1999

JCX–50–99—Distributional Effects Of The Taxpayer Refund Act Of 1999. July 20, 1999

JCX–51–99—Description Of Proposed Modifications To The Provisions Of The Taxpayer Refund Act Of 1999. July 21, 1999

JCX–52–99—Estimated Revenue Effects Of The Chairman's Modification To The "Taxpayer Refund Act Of 1999." Scheduled For Markup By The Committee On Finance. July 21, 1999

JCX–53–99—Estimated Budget Effects Of H.R. 2488, The "Financial Freedom Act Of 1999," As Passed By The House Of Representatives. July 22, 1999

JCX–54–99—Distributional Effects Of H.R. 2488, The "Financial Freedom Act Of 1999," As Passed By The House Of Representatives. July 22, 1999

JCX–55–99—Estimated Budget Effects Of The "Taxpayer Refund Act Of 1999," As Approved By The Committee On Finance On July 21, 1999. July 23, 1999

JCX–56–99—Summary Of The Revenue Provisions Contained In S. 1429, The Taxpayer Refund Act Of 1999, As Reported By The Senate Committee On Finance On July 23, 1999. July 27, 1999

JCX–57–99—Comparison Of Provisions In H.R. 2488, As Passed By The House And The Senate. August 2, 1999

JCX–58–99—Comparison Of The Estimated Revenue Effects Of H.R. 2488, As Passed By The House And The Senate. August 2, 1999

JCX–59–99—Estimated Budget Effects Of H.R. 2488, As Passed By The Senate On July 30, 1999. August 2, 1999

JCX–60–99—Overview Of Conference Agreement For H.R. 2488, The "Taxpayer Refund And Relief Act Of 1999". August 4, 1999

JCX–61–99—Estimated Budget Effects Of The Conference Agreement For H.R. 2488. August 4, 1999

JCX–62–99—Distributional Effects Of The Conference Agreement For H.R. 2488. August 5, 1999

JCX–63–99—Summary Of The Revenue Provisions Of The Conference Agreement On H.R. 2488, The "Taxpayer Refund And Relief Act Of 1999". August 6, 1999

JCX–64–99—Description Of Expiring Tax Provisions In H.R. 2923. Scheduled for Markup by the House Committee on Ways and Means on September 24, 1999. September 23, 1999

JCX–65–99—Estimated Revenue Effects Of Expiring Provisions. Scheduled For Markup By The Committee On Ways And Means On September 24, 1999. September 23, 1999

JCX–66–99—Description Of Chairman's Amendment In The Nature Of A Substitute To H.R. 2923. September 24, 1999

JCX–67–99—Estimated Revenue Effects Of The Chairman's Amendment In The Nature Of A Substitute Relating To Expiring And Time-Sensitive Provisions For Markup By The Committee On Ways And Means On September 24, 1999. September 24, 1999

JCX–68–99—Description Of Selected Federal Tax Provisions That Impact Land Use, Conservation, And Preservation. Scheduled for a Hearing Before the Subcommittee on Oversight of the House Committee on Ways and Means on September 30, 1999. September 28, 1999

JCX–69–99—Description Of Chairman's Mark Relating To Expiring Tax Provisions. Scheduled for Markup by the Senate Committee on Finance on October 8, 1999. October 5, 1999

JCX–70–99—Estimated Revenue Effects Of A Chairman's Mark Relating To Expiring Tax Provisions. Scheduled For Markup By The Committee On Finance On October 8, 1999. October 6, 1999

JCX–71–99—Estimated Revenue Effects Of Title I. Of H.R. 2990, The "Quality Care For The Uninsured Act Of 1999," As Passed By The House Of Representatives On October 6, 1999. October 7, 1999

JCX–72–99—Federal Tax Issues Relating To Restructuring Of The Electric Power Industry. Scheduled for a Public Hearing Before the Subcommittee on Long-Term Growth and Debt Reduction of the Senate Committee on Finance on October 19, 1999. October 15, 1999

JCX–73–99—Description Of Modified Chairman's Mark Relating To Expiring Tax Provisions. Scheduled for Markup by the Senate Committee on Finance on October 20, 1999. October 19, 1999

JCX–74–99—Estimated Revenue Effects Of A Modified Chairman's Mark Relating To Expiring Tax Provisions. Scheduled For Markup By The Committee On Finance On October 20, 1999. October 19, 1999

JCX–75–99—Summary Of Tax Provisions Contained In The Wage And Employment Growth Act Of 1999 (H.R. 3081). Scheduled for Markup by the House Committee on Ways and Means on October 21, 1999. October 19, 1999

JCX–76–99—Testimony Of The Staff Of The Joint Committee On Taxation Before The Senate Committee On Foreign Relations Hearing On Tax Treaties And Protocols With Eight Countries. October 25, 1999

JCX–77–99—Comparison Of Revenue Provisions In H.R. 2990 As Passed By The House And The Senate. November 2, 1999

JCX–78–99—Comparison Of The Estimated Revenue Effects Of The Revenue Provisions Contained In H.R. 2990, As Passed By The House And The Senate. November 2, 1999

JCX–79–99—Comparison Of Joint Committee Staff And Treasury Recommendations Relating To Penalty And Interest Provisions Of The Internal Revenue Code. Scheduled for a Public Hearing Before the Subcommittee on Oversight of the House Committee on Ways and Means on November 9, 1999. November 5, 1999

JCX–80–99—Description Of Chairman Archer's Amendment To The Revenue Provisions Of The Wage And Employment Growth Act Of 1999 (H.R. 3081). Scheduled for Markup Before the House Committee on Ways and Means on November 9, 1999. November 9, 1999

JCX–81–99—Estimated Revenue Effects Of Chairman Archer's Amendment To H.R. 3081, The "Wage And Employment Growth Act Of 1999." Scheduled For Markup By The Committee On Ways And Means On November 9, 1999. November 9, 1999

JCX–82–99—Testimony Of The Staff Of The Joint Committee On Taxation Before The Committee On Ways And Means. November 10, 1999

JCX–83–99—Appendix I To JCX–82–99: NIPA And Federal Income Tax Receipts Data. November 10, 1999

JCX–84–99—Appendix II To JCX–82–99: Description And Analysis Of Present-Law Tax Rules And Recent Proposals Relating To Corporate Tax Shelters. November 10, 1999

JCX–85–99—Summary Of Conference Agreement On H.R. 1180 Relating To Expiring Tax Provisions And Other Revenue Provisions. November 17, 1999

JCX–86–99—Estimated Budget Effects Of The Revenue Provisions Included In The Conference Agreement For H.R. 1180. November 18, 1999

ATTACHMENT C.—*Joint Committee on Taxation revenue estimate requests*

Calendar year	*No. of requests*
1985	348
1986	474
1987	420
1988	900
1989	1,290
1990	1,286
1991	1,461
1992	2,350
1993	2,380
1994	1,259
1995	2,278
1996	1,792
1997	2,079
1998	2,729
1999	4,150

ATTACHMENT D.—106TH CONGRESS REQUEST DATA [1]

(As of January 10, 2000)

Requestors	Requests Received	Requests Closed	Percent Closed
Ways and Means Committee:			
Republicans	909	698	76.8
Democrats	365	243	66.6
Senate Finance Committee:			
Republicans	676	523	77.4
Democrats	954	818	85.7
Non-Ways and Means Committee:			
Republicans	261	210	80.5
Democrats/Independent	107	61	57.0
Non-Senate Finance Committee:			
Republicans	481	383	79.6
Democrats	419	306	73.0
Others	62	55	88.7

ATTACHMENT D.—106TH CONGRESS REQUEST DATA [1]—Continued

(As of January 10, 2000)

Requestors	Requests Received	Requests Closed	Percent Closed
Total	4,234	3,297	77.9

[1] Totals include both revenue and non-revenue requests.

ATTACHMENT E.—MEMORANDUM

DECEMBER 7, 1999.

To: Chief of Staff, Joint Committee on Taxation
From: Senior Refund Counsel
Subject: Refund Section—Operations Report October 1, 1998 through September 30, 1999

This is a report on the more significant developments in this Office during this period.

SUMMARY

Volume.—Refund Cases—577 reports were received during this period. The total dollar amount of refunds was $5,810,543,053.

Reports received	1995	1996	1997	1998 [1]	1999
Examination Division	425	375	457	334	449
Appeals Division	132	101	124	92	108
Department of Justice	20	25	18	12	15
Chief Counsel	2	5	3	1	5
Total	579	506	602	439	577
Concerns [2]	79	104	88	58	65

[1] 1998 was based on a short nine-month period, i.e., January 1, 1998 through September 30, 1998.
[2] Includes 12 post review deficiency cases for 1995, 16 for 1996, 4 for 1997, 3 for 1998 and 4 for 1999.

Post Review.—The Service reports 64 large deficiency cases to us on an annual basis. During this reporting period, we received 64 of these cases and wrote 4 concerns.

Other Action.—(1) We transmitted for consideration of future legislative action five issues that arose in various cases.

(2) We transmitted memoranda suggesting the Service take a position on a legal issue for future guidance.

Exhibits and Appendices provide detailed information on most of the foregoing.

Errors identified by us in fiscal year 1999 and prior years, and settled in fiscal year 1999 produced a net reduction in refunds of $18.3 million. The average annual reduction for the last 9 years is $11.9 million. Such corrections also reduced ATNOLCF's $15.7 million, AMFTC's $11.9 million, and minimum tax credits $300,000.

We hope that we are satisfactorily accomplishing our assigned portion of the Committee's mission and meeting your expectations. We look forward to a productive, challenging year.

EXHIBIT I.—REPORTS TO JC AS REQUIRED BY IRS CODE SECTION 6405

[From October 1, 1998 through September 30, 1999]

Month	No. of cases received	Cumulative total	Cumulative monthly average	Dollar receipts	Cumulative dollar receipts
October	44	44	44	$434,675,688	$434,675,688
November	42	86	43	179,703,354	614,379,042
December	24	110	37	163,924,794	778,303,836

EXHIBIT I.—REPORTS TO JC AS REQUIRED BY IRS CODE SECTION 6405—Continued

[From October 1, 1998 through September 30, 1999]

Month	No. of cases received	Cumulative total	Cumulative monthly average	Dollar receipts	Cumulative dollar receipts
January	60	170	43	514,653,189	1,292,957,025
February	49	219	44	423,046,072	1,716,003,097
March	48	267	45	671,919,531	2,387,922,628
April	55	322	46	411,354,430	2,799,277,058
May	49	371	46	616,195,829	3,415,472,887
June	51	422	47	471,338,950	3,886,811,837
July	42	464	46	817,094,229	4,703,906,066
August	62	526	48	667,827,936	5,371,734,002
September	51	577	48	438,809,051	5,810,543,053

EXHIBIT II.—JOINT COMMITTEE CASES RECEIVED BY TYPES OF TAXPAYER AND SOURCE—FISCAL YEAR 1999

	Amount	Percent		Amount	Percent
TYPES OF TAXPAYERS			SOURCE OF REPORTS		
Individuals	23	3.99	Examination	449	77.82
Estates	13	2.25	Appeals	108	18.72
Trusts	1	0.18	Justice	15	2.60
Corporations	540	93.58	Tax Court	5	0.86
Total	577	100.00	Total	577	100.00

EXHIBIT III.—JOINT COMMITTEE MONTHLY RECEIPTS—REFUND REPORTS FROM EXAMINATION AND APPEALS

[From October 1, 1998 through September 30, 1999]

Month	Examination	Cumulative	Appeals	Cumulative
October	33	33	10	10
November	31	64	10	20
December	19	83	4	24
January	44	127	14	38
February	41	168	6	44
March	41	209	7	51
April	47	256	8	59
May	37	293	11	70
June	41	334	10	80
July	30	364	7	87
August	47	411	10	97
September	38	449	11	108

EXHIBIT IV.—FISCAL YEAR 1999 JOINT COMMITTEE ON TAXATION CONCERNS ON REFUND REPORTS FROM IRS [1]

	Examinations	Appeals	Total No. of concerns issued
Number of concerns issued	46	15	61
Percent of total concerns issued	75	25	100

EXHIBIT IV.—FISCAL YEAR 1999 JOINT COMMITTEE ON TAXATION CONCERNS ON REFUND REPORTS FROM IRS [1]—Continued

	Examinations	Appeals	Total No. of concerns issued
Total reports received	449	108	557

[1] Number of Concerns does not include 4 on deficiency cases.

ATTACHMENT F.—BACKGROUND INFORMATION RELATING TO THE JOINT COMMITTEE ON TAXATION

JOINT COMMITTEE ON TAXATION

The Joint Committee on Taxation ("JCT") was established under the Revenue Act of 1926 and is one of the oldest joint committees of the Congress. It is composed of five Members of the House Committee on Ways & Means and five Members of the Senate Committee on Finance. The Chairman and Vice Chairman of the JCT are elected by the JCT members; these positions generally alternate each year between the Chairmen of the Ways & Means and Finance Committees.

MEMBERS OF THE JOINT COMMITTEE ON TAXATION—106TH CONGRESS

House	*Senate*
Bill Archer, Texas	William V. Roth, Jr., Delaware
Philip M. Crane, Illinois	Charles Grassley, Iowa
William M. Thomas, California	Orrin G. Hatch, Utah
Charles B. Rangel, New York	Daniel Patrick Moynihan, New York
Fortney Pete Stark, California	Max Baucus, Montana

JCT STAFF

The JCT has a nonpartisan professional staff that includes lawyers, certified public accountants, economists, and computer specialists. The JCT staff lawyers and accountants have substantial tax experience, including private practice experience with law and accounting firms and experience with the Internal Revenue Service. The staff economists have advanced degrees and substantial experience with computer modeling and quantitative methods of analysis relating to revenue estimation.

The JCT staff is available to any Member of Congress who would like assistance in formulating revenue proposals and examining the possible economic, legal, administrative, and revenue implications of such proposals.

TAX LEGISLATION

The JCT staff is closely involved in every aspect of the tax legislative process. Among other things, the JCT staff (1) prepares hearing pamphlets, committee reports, and conference reports (statements of managers), (2) assists the House and Senate Legislative Counsel in the drafting of statutory language, (3) assists Members of Congress with the development of tax proposals, (4) assists Members of Congress in addressing constituent issues and problems, (5) analyzes prepares revenue estimates of all tax legislation considered by the Congress, and (6) undertakes investigations and studies of various aspects of the Federal tax system.

In recent years, the JCT staff has prepared hearing pamphlets on fundamental tax reform, the marriage penalty, estate and gift taxes, the individual alternative minimum tax, effective marginal income tax rates, the taxation of capital gains, tax incentives for savings, tax provisions relating to health care, tax complexity for small business, and the restructuring of the Internal Revenue Service.

OTHER DUTIES

The JCT is statutorily required to (1) investigate the operation and effects of Federal taxes and the administration of such taxes, (2) investigate methods to simplify such taxes, (3) report the results of such investigations and make recommendations, and (4) review proposed income tax refunds in excess of $1 million.

From time to time, the JCT staff is asked to undertake special studies or investigations. For example, in the early 1970's, the JCT staff was asked to review President Nixon's tax returns. More recently, the JCT staff was asked to investigate allegations of bias in the IRS handling of exempt organization matters.

The JCT staff also prepares special reports that are required by law or requested by a Member. The JCT staff is required to prepare a complexity analysis of provisions contained in revenue legislation that are of widespread applicability to individuals and small business. The JCT staff conducted studies during 1999 of (1) the interest and penalty provisions in the Internal Revenue Code, and (2) provisions relating to taxpayer confidentiality. The JCT staff is also required to conduct a study of the complexity of the present-law Federal tax system and to prepare materials in connection with annual joint hearings relating to IRS operations for calendar years 1999–2003.

Each year the JCT staff prepares and publishes a list of tax expenditures, as required by the Congressional Budget and Impoundment Control Act of 1974 (the "Budget Act"). Tax expenditures are "revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability." The most recent JCT tax expenditure report was published in December 1999.

REVENUE ESTIMATES

Under the Budget Act, the JCT staff is the official scorekeeper of Congress for the budgetary implications ("revenue effects") of any proposed revenue legislation.

Any Member of Congress may request a revenue estimate for a tax proposal. A written request signed by the requesting Member should be sent to the Chief of Staff, Joint Committee on Taxation, 1015 Longworth House Office Building. The request should describe in detail the proposal to be estimated (including the effective date) and should include the name of a contact person in case there are questions about the proposal. Statutory language should be included if available.

Work on revenue estimates generally is done on a first-in first-out basis, with some exceptions made for previously estimated proposals. Some responses take longer than others because of difficulties in obtaining data and developing the necessary models. When revenue legislation is pending in the House or the Senate, requests relating to such pending legislation receive higher priority.

When revenue estimates are completed, the requesting Member receives a written response from the JCT Chief of Staff. The response contains a brief summary of the proposal and the revenue estimate for the proposal. The JCT staff does not provide verbal (telephone) responses to revenue requests.

ESTIMATING METHODOLOGY

The starting point for many revenue estimates is the tax return data supplied to the JCT staff by the Internal Revenue Service ("IRS"). These confidential data include statistically valid samples of individual and corporate tax returns. The JCT individual income tax model is based on a sample of approximately 150,000 individual tax returns chosen to reflect accurately all major features of the individual income tax. The data are statistically adjusted to match current baseline forecasts of all relevant economic and demographic variables for the current budget period. If a revenue estimate cannot be completed with tax return information, data are obtained from other sources such as the Department of Transportation, the Department of Commerce, the Department of Labor, the Department of Health and Human Services, the Department of Agriculture, the Department of Housing and Urban Development, the Social Security Administration, and the Federal Reserve Board.

The JCT staff strives to incorporate in its work the most recent advances in computer technology as well as advances in econometric and statistical methods of analysis. The JCT staff conducts meetings at least once each year of its Advisory Board of expert economists to review general issues relating to the JCT's revenue estimating methodology. All of the JCT econometric and microsimulation models are reviewed and recalibrated on an annual basis. In addition, a major ongoing project of the JCT staff involves researching the feasibility of and developing the capability to incorporate macroeconomic feedback in its future analysis of major Federal tax proposals.

The JCT staff will provide additional information regarding the data and methodology used to produce a revenue estimate upon request. Members who would like this information should contact the JCT Chief of Staff.

DISTRIBUTIONAL ANALYSES

The JCT staff also prepares estimates of the distributional effects of some tax proposals on a year-by-year basis. These distributional analyses show the effects of tax provisions on the tax liabilities of taxpayers in different income classes.

Distributional analyses generally are much more difficult to prepare than revenue estimates because (1) it is often possible to measure the magnitude of the changes in total taxes paid without knowing how these tax changes are allocated among income groups, (2) data on the income levels of the affected taxpayers are not always available, and (3) in some cases, no reliable method is available to allocate to individuals the taxes paid by businesses. The JCT staff will not provide distributional analyses for tax proposals in cases in which the effects of a proposal on different income groups cannot be measured with reasonable accuracy.

CONFIDENTIALITY OF REQUESTS

Requests made by Members of Congress to the JCT staff for revenue estimates, distributional analyses, or for other assistance are treated as confidential. Generally, responses to such requests are released only to the Member making the request and the JCT response remains confidential unless the Member decides to make the information public. This confidential treatment of Member proposals extends to the process of developing tax legislation, which may involve substantial consultation between a Member (and his or her staff) and the JCT staff. Similarly, any information provided to the JCT staff to help in the formulation of a revenue estimate is treated as confidential and is not released outside the JCT staff.

Any Member of Congress may request a revenue estimate of tax legislation which has been introduced or that otherwise has entered the public domain. When a revenue estimate has been included in a publicly available document (e.g., a revenue table summarizing a markup proposal or the results of a markup), the estimate is made available to anyone upon request.

JCT PUBLICATIONS

The JCT website (www.house.gov/jct) contains a listing of all JCT publications issued since 1981. Copies may be obtained from the JCT documents room (1620 Longworth HOB), by calling (202) 225–2647, or by sending an e-mail request to jctpublications@mail.house.gov. Publications issued in 1998 are available on the website for viewing or downloading. Publications issued in 1999 generally will be available on the website within one or two days of publication.

JCT OFFICES

The JCT maintains offices on both the House and Senate sides of the Capitol. The main JCT offices are located at:

1015 Longworth House Office Building
Washington, D.C. 20515
Phone: 202–225–3621
Fax: 202–225–0832

204 Dirksen Senate Office Building
Washington, D.C. 20510
Phone: 202–224–5561

FEDERAL TAX SYSTEM REPORT

Senator BENNETT. Thank you very much. Those are encouraging numbers indeed and they do demonstrate the high level of professionalism that you have established.

When do you expect the report on the state of the Federal tax system and tax simplification recommendations to be published?

Ms. PAULL. January of 2001.

Senator BENNETT. January of 2001, okay.

Ms. PAULL. It would be our hope that we would put it out before the Appropriations Committees begin their work again next year, so that they can consider whether or not the study is worthwhile to be funded again for the next Congress.

Senator BENNETT. With your other hat on as chairman of the Finance Committee, I would think you would want this report so that you could make the appropriate legislative changes.

Senator ROTH. That is the reason for the original request. That is correct.

Senator BENNETT. As chairman of the Finance Committee, are you satisfied with the timing of the report from the Joint Committee?

Senator ROTH. Yes, there has been very excellent cooperation.

Senator BENNETT. Senator Stevens, do you have any questions?

Senator STEVENS. Will this report be repeated every year, these two reports?

Ms. PAULL. The two reports that we did will not be repeated again.

Senator STEVENS. I mean the tax system and the simplification recommendations.

Ms. PAULL. Well, what was contemplated by the IRS restructuring bill was to have it done once a Congress. So while it really will not get out before the end of this Congress, it would really be for this Congress. Then, subject to the Appropriations Committees' review, you can decide whether or not you wanted to fund it for another Congress.

But our work would be once a Congress. The IRS has been asked to do it once a year, and their first study is due next month.

Senator ROTH. I think, as Lindy was pointing out, we will have an opportunity to examine all this prior to the next year's appropriation.

Senator STEVENS. We will not examine this one, yours. We will get it next January?

Senator ROTH. Yes.

Ms. PAULL. Right, as early as we can. It will be a comprehensive review of the entire tax code.

Senator STEVENS. We will have the IRS study before appropriations for 2001, but we will have yours in time for 2002, is that right?

Ms. PAULL. That is correct.

Senator BENNETT. Yes, we intend to have 2001's appropriations wrapped up by Memorial Day.

Senator STEVENS. Assuming we have a budget, that might be true.

Senator BENNETT. Assuming we have a budget.

I have no further questions, but we are very grateful to you for taking the time to come in and be part of the hearing process. I think it is important that we establish that relationship so that the committee stays informed and involved with what we are doing.

Senator ROTH. Thank you for your interest, and we appreciate the opportunity to appear.

Ms. PAULL. Thank you for your support.

Senator BENNETT. Thank you very much.

GOVERNMENT PRINTING OFFICE

STATEMENT OF MICHAEL DiMARIO, THE PUBLIC PRINTER

ACCOMPANIED BY:

FRANCIS J. BUCKLEY, JR., SUPERINTENDENT OF DOCUMENTS
WILLIAM M. GUY, BUDGET OFFICER
CHARLES COOK, CONGRESSIONAL PRINTING MANAGEMENT OFFICER

Senator BENNETT. Our next witness is the Public Printer, Mr. Michael DiMario. Mr. DiMario, if you would introduce whoever you bring with you.

Mr. DIMARIO. Good morning, Mr. Chairman. Mr. Chairman and members of the subcommittee: I am pleased to be here to present the appropriations requirement for the Government Printing Office for fiscal year 2001. With me are the Superintendent of Documents, Francis Buckley, and GPO's Budget Officer, William Guy. Also seated behind me is Mr. Charles Cook, who is our Congressional Printing Management Officer.

In the interest of time, I will very briefly summarize my prepared statement, which I have submitted for the record.

Senator BENNETT. It shall be printed in the record.

PUBLIC PRINTER'S STATEMENT

Mr. DIMARIO. Thank you. For fiscal year 2001 we are requesting a total of $121.3 million. This includes $80.8 million for the Congressional printing and binding appropriation and $34.5 million for the salaries and expenses appropriation of the Superintendent of Documents. It also includes $6 million for GPO's revolving fund for an extraordinary expense associated with the replacement of our air conditioning system.

We are requesting a statutory ceiling on our FTE's of 3,285. We have reduced employment levels substantially over the past decade. This FTE level, which is a reduction from our current ceiling of 3,313, will allow us to hire essential positions.

As my statement notes, we are also requesting two legislative changes to Title 44 U.S.C. as part of our appropriations submission.

PREPARED STATEMENT

Mr. Chairman, I realize time is short this morning and so this concludes my opening remarks. I would be pleased to answer any questions you have.

[The statement follows:]

PREPARED STATEMENT OF MICHAEL F. DIMARIO

Mr. Chairman and Members of the Subcommittee, I am pleased to be here to present the appropriations request of the Government Printing Office (GPO) for fiscal year 2001.

FISCAL YEAR 2001 APPROPRIATIONS REQUEST

For fiscal year 2001, we are requesting a total of $121,251,000. The request includes $80,800,000 for the annual Congressional Printing and Binding Appropriation and $34,451,000 for the annual Salaries and Expenses Appropriation of the Superintendent of Documents. It also includes $6,000,000 for GPO's revolving fund, to remain available until expended, for extraordinary expenses associated with the replacement of our air-conditioning system.

The Congressional Printing and Binding Appropriation is critical to the maintenance and operation of our in-plant capacity, which is structured to serve Congress' information product needs. This appropriation covers the costs of congressional printing such as the Congressional Record, bills, reports, hearings, documents, and other products. Each year, a substantial volume of this work is requisitioned. In fiscal year 1999, more than 800 million copy pages of congressional products were produced at an average cost of about 7.4 cents per page, inclusive of all prepress work, printing, binding, and delivery. This appropriation also covers database preparation work on congressional publications disseminated online via GPO Access, our Internet information service.

The majority of the Superintendent of Documents Salaries and Expenses Appropriation is for the Federal Depository Library Program (FDLP). While some of the funding for this program is for salaries and benefits, most is for printing and disseminating publications (including publications in CD–ROM and online formats) to depository libraries. This appropriation also covers other statutory distribution responsibilities, such as cataloging and indexing and international exchange distribution of U.S. Government publications, and provides the majority of funding for the operation of GPO Access. GPO's other major distribution functions, the sales program and agency distribution services, are funded by revenues earned and receive no appropriated funds.

CONGRESSIONAL PRINTING AND BINDING APPROPRIATION

The items covered by our request of $80,800,000 for the Congressional Printing and Binding Appropriation are as follows:

[In millions of dollars]

Category	*Estimated Requirement*
Congressional Record (including the online Record, the Index, and the bound Record)	17.8
Committee hearings	16.9
Miscellaneous Printing and Binding (including letterheads, envelopes, blank paper, and other products)	15.8
Bills, resolutions, amendments	10.3
Miscellaneous Publications (including the Congressional Directory, the U.S. Code, and serial sets)	6.8
Committee Reports	4.1
Details to Congress	2.3
Document	2.2
Committee Prints	1.8
Business and Committee Calendars	1.8
Document Envelopes and Franks	1.0
Total	80.8

Part of the increase in our request over the current year is due to changes in product prices. Price increases are anticipated to increase our funding requirements by $2,283,000 over the current year base, due to the increased costs of employee compensation and benefits (based on existing wage contracts), utilities, maintenance, materials, and supplies.

The majority of the increase in our request is due to projected workload, or volume, increases. An increase of $5,220,000 over the current year base is required due to anticipated workload increases, based on historical trend data. Most of this increase, or $2,880,000, is projected for miscellaneous publications due primarily to the reprinting of the U.S. Code, which is done every six years under the provisions of Title 1, U.S.C., section 202. In addition, there is an increase of $1,045,000 in miscellaneous printing and binding to provide for the restoration of projected workload to a level requisite to meet historical demands. Based on historical data, we also project increased workloads for bills, resolutions, and amendments, hearings, committee reports, documents, details to Congress, and committee prints. A partially offsetting workload reduction is projected for business and committee calendars.

While these estimates are based on historical factors and represent our best estimates as to the projected workload for the first session of the 107th Congress, actual workload may vary.

SALARIES AND EXPENSES APPROPRIATION

The programs covered by our request of $34,451,000 for the Salaries and Expenses Appropriation of the Superintendent of Documents are as follows:

[In millions of dollars]

Program	*Estimated Requirements*
Federal Depository Library Program	29.8
Cataloging and Indexing Program	3.3
International Exchange Program	.9
By-Law Distribution Program	.5
Total	34.5

Mandatory pay increases and price level changes represent $926,000 of the total requested increase. Mandatory pay increases account for $403,000 of this amount. We are requesting $523,000 to cover price level changes calculated at the assumed rate of inflation for the year, or 2.1 percent.

A total of $3,409,000 over the current year base is requested for workload changes, primarily for expenditures associated with the FDLP. Of this amount, $1,624,000 is requested under miscellaneous services to fund expenses primarily associated with GPO Access operating and hardware costs, resulting from the continuing addition of new products and capacity to GPO Access as well as ensuring permanent public access to the FDLP electronic collection. A total of $1,029,000 is requested under depository and international exchange printing to fund increases in depository printing expenses, as the result of the reprinting and distribution of the U.S. Code. An increase of $582,000 is requested under personnel compensation and benefits to fund 5 additional depository library program positions (3 for GPO Access support, development, and new product outreach; 1 for library inspections; and 1 for FDLP electronic collection development), and 4 additional catalogers in the cataloging and indexing program. The balance of the requested workload increase, or $214,000 less anticipated offsetting reductions of $40,000 in travel and transportation costs, is for materials and supplies, primarily to support the continuing expansion of GPO Access.

We are also requesting an increase of $244,000 in depreciation due to an increase in asset acquisitions, again primarily in support of GPO Access.

Transition to More Electronic Dissemination.—The transition to a more electronic FDLP is continuing, as projected in the *Study to Identify Measures Necessary for a Successful Transition to a More Electronic Federal Depository Library Program* (June 1996), as required by Congress in the Legislative Appropriations Act for Fiscal Year 1996. In fiscal year 1999, 46 percent of the new titles made available were disseminated electronically. So far in fiscal year 2000, 67 percent of the new titles available to the public through the FDLP have been online. Because of electronic information dissemination, the FDLP now delivers more products than ever before. In fiscal year 1999, 70,340 new titles were disseminated through the FDLP. That was the second highest amount ever, and there is no end in sight to the potential program growth of electronic titles.

Status Report on GPO Access.—We recently submitted the second *Biennial Report to Congress on the Status of GPO Access*, as required by section 4103 of Title 44, U.S.C. As the report notes, GPO Access now serves as one of the leading online sources of free, official Government information for the public. Its resources, covering all three branches of the Federal Government, provide public access to more than 104,000 titles on GPO servers and an additional 62,000 titles on Federal agency web sites. The public currently uses GPO Access to retrieve approximately 21 million Federal documents each month, and user feedback is highly positive. Moreover, the cost to operate this system has been significantly less than was originally projected. Overall, GPO Access has been a highly successful undertaking, and promises to continue serving as one of the public's primary sources for electronic access to Government information.

REVOLVING FUND

Fiscal Year 1999 Performance.—After two consecutive years of year-end net income, GPO completed fiscal year 1999 with an under-recovery of $5 million on $765 million in total revenues, a margin of approximately six-tenths of one percent. The

under-recovery was financed by retained earnings and did not place GPO in an anti-deficiency position or require additional appropriations.

The primary cause of the under-recovery was in our sales program, which is funded entirely by revenues earned on sales of publications. The free availability of publications on GPO Access and other Government web sites has contributed to reduced sales of printed products, although other factors, including reduced agency publishing and competition from other sales organizations, both public and private, are also contributory factors. We also experienced an under-recovery in our printing procurement program. We have made price adjustments in both programs to increase cost recovery in the future, and we are reviewing additional options to restore the sales program to a sound financial basis. During the year, an audit of GPO's financial reports and systems for fiscal year 1998 was conducted by KPMG Peat Marwick, Inc., under contract with the General Accounting Office. The audit resulted in a clean opinion for GPO.

Air Conditioning System.—Our appropriations submission includes a request for $6,000,000 for the revolving fund, to be available until expended, to cover the cost of necessary improvements to GPO's air conditioning system, which is in critical need of replacement. Without a direct appropriation, financing this extraordinary capital expense through the revolving fund will require us to reimburse the fund through rate adjustments. As this expense is not directly related to the provision of printing and information product services, its impact on our rate structure will be detrimental to our ability to carry out our mission to provide cost-effective and economical products and services. The installation of our air conditioning system in the early 1970's was funded by direct appropriations to the revolving fund, and we request that this extraordinary cost be funded similarly. I note that the Senate included funding for this system last year and hope you do again for fiscal year 2001.

FTE Level.—We are requesting a statutory ceiling on employment of full-time equivalents (FTE's) of 3,285. This FTE level will allow us to hire for essential positions. GPO is now at its lowest employment point in the past century, principally due to our use of technology.

For the record, Mr. Chairman, I would like to state that with GPO's utilization of technology improvements, we have made major contributions to the reduction in total legislative branch employment since fiscal year 1990. The *Statistical Abstract of the United States 1999* reports that total legislative branch employment between fiscal year 1990 and fiscal year 1998 fell from 37,495 to 30,474, a decline of 7,021, or about 19 percent (table no. 566, p. 363). In the same period, total GPO employment declined from 5,049 to 3,435, a reduction of 1,614, or 32 percent. The reduction in GPO employment represented 23 percent of the total reduction in legislative branch employment during the fiscal year 1990–98 period, yet as of September 30, 1998, total GPO employment of 3,435 represented slightly more than 11 percent of overall legislative branch employment.

Y2K Preparedness.—I am pleased to report that, under the leadership of Chairman Bennett, we managed the transition to the Year 2000 successfully, with no disruptions to the essential systems supporting Congress' information products. We worked with the Senate and the House of Representatives, as well as the GAO oversight team, to prepare for the transition, and staffed these systems on New Years Eve to monitor the transition.

GPO had 40 systems designated as mission-critical. Following New Years, we experienced minor roll-over anomalies in 3 of these systems, 2 of which support the Superintendent of Documents sales of publications program and one which supports the Federal Depository Library Program. However, each of these was repaired in a matter of hours with no adverse effect on GPO's customers or operations. An additional system, the Superintendent of Documents refund check processing system, which was not designated as mission-critical, experienced roll-over anomalies as a result of contractor failure to deliver a Y2K-compliant version before New Years. It subsequently underwent Y2K remediation in-house and is operational. These issues were reported to the GAO.

ADDITIONAL ISSUES

Legislative Changes.—We are requesting two legislative changes to Title 44, U.S.C., as part of our appropriations submission.

We are requesting a change to section 303 of Title 44, regarding the pay of the Public Printer and the Deputy Public Printer, to maintain pay parity with other comparable legislative branch officials as well as appropriate comparability with senior congressional staff. We have provided information on this matter to our legislative oversight committees, although I note that changes in the pay levels for the

Public Printer and Deputy Public Printer typically have been provided through the appropriations process, as they last were in the early 1990's.

We are also requesting a change in section 1708 of Title 44, regarding the pricing of sales publications, to provide us with greater flexibility in pricing documents for sale, including the setting of sales discounts at rates comparable to the private sector in order to attract greater commercial interest in the resale of Government publications. We are in the process of providing information on this change to our legislative oversight committees and will provide the same information to this Subcommittee.

Strategic Plan.—At the request of the Chairman of the Joint Committee on Printing, we have prepared a strategic plan for GPO. It has been transmitted to the Joint Committee as well as to Members of this Subcommittee and the House Subcommittee on Legislative Appropriations, and to GPO's legislative oversight committees, the Senate Committee on Rules and Administration and the House Committee on House Administration.

The strategic plan charts our course for providing information reproduction and dissemination services to the Government and the public over the next five years, from fiscal year 2001 to fiscal year 2005. Although GPO is not covered by the Government Performance and Results Act, our plan has been designed, to the maximum extent possible, consistent with the requirements for strategic plans contained in that Act and in Office of Management and Budget Circular No. A–11, section 210, Preparation and Submission of Strategic Plans. We consulted with staff of the Joint Committee on Printing in the development of the plan.

From our perspective, GPO currently plays—and will continue to fulfill—the Government's leading role in the provision of information products and services. The 1998 management audit by Booz-Allen & Hamilton, Inc., found strong support in Congress for GPO's in-house production operations for congressional printing, "universal support" among executive branch agencies for GPO's printing procurement program, and strong support for the FDLP. In addition, the audit recommended that GPO make an increasing amount of government information available electronically, free of charge, over the Internet.

Our strategic plan is based on our assessment of the future of the Federal information product environment, an environment once dominated by traditional printing and information reproduction processes but now changing rapidly and forever from the impact of e-information technologies, especially the Internet. GPO is already a major player in this environment with GPO Access and related e-information capabilities. We will continue to fulfill a leadership role in the Government in the provision of innovative, efficient, and effective e-information products and services.

At the same time, GPO will continue to meet the ongoing needs of the Government and the public for information products and services in traditional formats. Over the next six years, the Government will produce more than $1 billion annually in printing and reproduction services. Printing continues to serve as an effective safeguard for ensuring that those without access to computers can still use Government information, and for guaranteeing both the authenticity of official Government information as well as permanence. While we envision a gradual decline in GPO's size as the mix of electronic and traditional work we produce changes over time, maintaining a well-equipped and expertly staffed printing and dissemination capability for the foreseeable future will give us an important tool to manage this transition.

Audit Recommendations Status Report.—Consistent with the requirement contained in House Report 105–734, accompanying H.R. 4112, the Legislative Branch Appropriations Act for Fiscal Year 1999, we have submitted the second annual report on the status of actions to implement the recommendations contained in the management audit of GPO, conducted in 1998 by Booz-Allen & Hamilton, Inc.

As with last year's status report, the latest report shows that GPO either plans to act, is currently acting, or has acted affirmatively on more than 75 percent of the recommendations contained in the Booz-Allen & Hamilton final audit report. These include recommendations on planning, program modernization, ensuring financial stability, promoting intra-agency communications, and improving information technology capabilities as well as ensuring preparedness for the Year 2000. We will continue to utilize the Booz-Allen & Hamilton recommendations to make management improvements to GPO operations.

Mr. Chairman and Members of the Subcommittee, this concludes my prepared statement. I would be pleased to answer any questions you may have.

[From the Congressional Record, February 16, 2000]

GOVERNMENT PRINTING OFFICE: STILL BETTER THAN EVER

Mr. HOYER. Mr. Speaker, I am delighted to bring to the House's attention an article about the Government Printing Office from the December 1999 issue of In-Plant Graphics.

This prestigious printing-industry journal has, for a second consecutive year, ranked the Government Printing Office first among the "Top 50" printing plants surveyed, thus labeling GPO as the best in-plant operation in America. The December 1998 issue of In-Plant Graphics, while bestowing the same honor for the first time, described the GPO as "better than ever." These accolades, from a respected trade publication, together speak volumes about the diligence and dedication of the versatile GPO workforce.

As the 1999 article, entitled "The Digitizing of GPO," reveals, in recent years technology has changed dramatically the way many Americans acquire government information, and the GPO has been in the vanguard. GPO still prints the Congressional Record and the Federal Register each night for its many customers who must have traditional paper copies, including the Congress itself, and produces other printed products around the clock. However, GPO also distributes these and other products in electronic format, quickly, economically and widely.

As a case in point, late one Friday afternoon last November, the federal district court in Washington delivered to GPO for publication its findings of fact in the Microsoft antitrust case, a proceeding of immense economic significance and national interest. Within one hour of GPO's subsequent release of the document at 6:30 PM, interested persons had accessed it 152,000 times through a special GPO website established for that purpose. Simultaneously, walk-in customers could purchase printed copies of the document in GPO's main bookstore.

While preserving its capability to produce ink-on-paper, GPO recognizes that demand for electronic products will increase exponentially in the years ahead. The public already downloads over 21 million documents each month through GPO Access [http://www.access.gpo.gov], GPO's electronic gateway to more than 160,000 federal titles. The GPO is committed to working with its customers and others to facilitate that change. GPO is itself reaping the benefits of technology and passing the savings along to the American people. The agency accomplishes all these feats with 30 percent fewer production employees than it had just six years ago.

Mr. Speaker, please join me in saluting the dedicated men and women of the digitized Government Printing Office, still better than ever. The article follows:

[From the In-Plant Graphics, Dec. 1999]

THE DIGITIZING OF GPO

(By Bob Neubauer)

When the Federal District Court for the District of Columbia prepared to release Judge Thomas P. Jackson's "Findings of Fact" in the Microsoft case in November, the court contacted the U.S. Government Printing Office. GPO was asked to make advance preparations for the rapid dissemination of the document. GPO, as always, was ready for the challenge.

Judge Jackson's decision was announced at 4:30, and the court sent a printed copy and a disk version of the 207-page document to GPO, where print production began immediately. Covers had been produced in advance. By 6:30, when GPO's main bookstore reopened, copies were available. By 8:30, 147 had been sold.

Meanwhile, GPO made the findings available on its Web site in WordPerfect, PDF and HTML formats. It established a URL for this information (usvms.gpo.gov). In the first hour of release, the site experienced 152,000 successful connections.

For GPO, the largest in-plant in the country, such monumental projects have become second nature.

Now in its 139th year of existence, GPO drastically changed itself over the past few years from a strictly ink-on-paper provider to a high-tech digital data delivery organization. The public downloads some 20 million documents a month from GPO Access, GPO's Web site (www.access.gpo.gov).

"We're putting more and more electronic products up, which seems to be what the public wants," notes Public Printer Michael DiMario. He recently signed a request for more Internet bandwidth in the form of a T3 line to accommodate the anticipated demand.

The successful online dissemination of the Microsoft findings was welcome news for those who remember the initial posting of the Starr Report last year, when GPO Access was jammed with traffic, which clogged the system.

"We took certain steps to upgrade the number of T1 lines that we have and install additional servers," notes Andrew M. Sherman, director of congressional, legislative and public affairs. A BigIP load balancer, served by five T1 lines, kept heavy volume from freezing some visitors out.

Over the past few years, Sherman notes, online delivery has helped to decrease print volume—as well as outside procurement. (Also contributing were shrinking government budgets and fewer requested copies.) Concurrently, the skills of GPO's work force have migrated toward the electronic end.

But print is still strong. GPO's two new Krause America LX170 computer-to-plate systems are now up to speed, Sherman says, and they're being used to run plates for all major publications, including the Congressional Record and the Federal Register. The new passport bindery line is operational, as well. And with 7.5 million passports passing through GPO last year, the line has its work cut out for it.

In the next decade, DiMario says, GPO will strengthen its efforts to share its expertise with other government agencies. Already it has expanded its Federal Printing and Electronic Publishing Institute, which offers courses to help agencies deal with technological changes.

GPO also hopes to provide digital access to even more government documents in the future, he says. As for GPO's size, DiMario doesn't see it changing much. GPO has already downsized dramatically in the 1990s. In 1994 it employed 1,701 production personnel; today there are 1,173.

"We're probably scaled back as much as we can be . . . without some potential problems," observes DiMario. "We've got a very professional work force. The results speak for themselves."

Y2K PREPAREDNESS

Senator BENNETT. Thank you very much.

Let me just for the record make a comment. The last time you were here it was not your happiest moment before this subcommittee as there was a controversy about the level of your preparedness with respect to Y2K, differences in your estimation and those of GAO. I should for the sake of the record state that Mr. DiMario came to my office along with the experts from GAO and we had a very constructive and useful session where those issues were discussed and the differences between the two agencies were ironed out.

We are delighted, of course, with the fact that there were no Y2K problems, the Congressional Record printed appropriately and on time, and that the projections that you made, Mr. DiMario, about your level of preparedness came true. I think, given some of the questions that were raised last year, it is only appropriate that that be formally acknowledged in the record this year and that you be given appropriate congratulations for the work you did.

I know that was a very serious approach on your part. You took the issue seriously and dealt with it in a professional way, and we need to acknowledge that.

Mr. DIMARIO. Thank you, Mr. Chairman. We appreciate that very much.

BUDGET INCREASE

Senator BENNETT. You are asking for a 17.5 percent increase over last year. Can you highlight for us why the increase or the particular areas that lead to that kind of an increase, because it is greater than the cost of living increase or other kinds of normal step-ups that we would have. I think the record should show those areas specifically where that increase is coming.

Mr. DIMARIO. Yes, sir. In congressional printing and binding (CP&B) we are asking for a $7.5 million increase. $2.283 million

of that request is for COLA's, and let me clarify. That is $2,283,000. $5,220,000 is for workload increases. We are basing that workload increase on the fact that this is a Presidential election year and we historically looked to similar kinds of years when we do workload projections. So we are adjusting our workload based on that historic data.

We also have——

Senator BENNETT. Excuse me. What is the impact of Presidential elections? More speeches?

Mr. DIMARIO. Well, as an example, we will have the Inauguration itself. We have to do the printing and binding for the Inauguration. That is some $280,000 in cost, or it was last election. We anticipate that it will probably be a little bit more this coming election. But that is for the printing and binding associated with the inaugural itself, so it is those kinds of costs.

I cannot say that there are more speeches, but a beginning Congress with a new President, there seems to be historically greater workload.

Senator BENNETT. I see.

Mr. DIMARIO. In addition to that, we have a requirement that is statutory that gets placed against the CP&B to produce the United States Code. That is done every 6 years where the entire code is replaced. We have included $2.9 million for that in the CP&B appropriation request.

We have also included an amount of $6 million for air conditioning replacement which I mentioned in my opening remarks. As you will recall, we included that last year and this committee approved an amount of I believe $5 million at that time. In conference, the House did not recommend it and the item was deleted. We still have that requirement, we need the money, and so we are again asking that and hope that in your wisdom you feel that funding it is appropriate.

When we put the air conditioning in initially it was done as an extraordinary line item and not placed against the rates that we charge to our customers, which is the only other way we would fund this item.

In addition, we have some increased funding for our Office of Superintendent of Documents and those amounts are a result of an increase in electronic access, distribution of the United States Code to depository and international exchange libraries, and the need for some increased staffing. It also reflects just general pay increases, as does the CP&B budget. We have contractual arrangements. We negotiate wages with our employee unions and pursuant to those contracts that we have in place the employees are entitled to mandatory pay increases. So those pay increases are reflected both in the Superintendent of Documents Office and in the CP&B.

In the Superintendent of Documents Office there is a request for an additional nine employees that we intend to add, some to do inspection work that is required by statute, some to do cataloging work for the increased workload that we have gotten as a result of our electronic access system. We have some 20 million publications that are retrieved from our system on a monthly basis. We keep adding titles to it by reaching out to other Government agencies and identifying electronic products that we can put into the

system. But we desperately need to be able to catalog those resources that we are adding to the system, and so we are adding catalogers. So we have a budget increase of $582,000 for nine FTE's.

I think that in general covers the budget.

POLICE

Senator BENNETT. I understand you have a police force of roughly 50 officers. Would it make any sense to have the Capitol Police serve your current needs?

Mr. DIMARIO. I certainly would look into it as a way of having a more efficient structure. We have a demand on us from our current police force to pay wages that are comparable to the Capitol Police and to the Library of Congress. The Library of Congress had their pay adjusted to a level comparable to the Capitol Police by a statute that was introduced a number of years ago.

Senator BENNETT. Right.

Mr. DIMARIO. Ever since, our police have felt that they are part of the legislative branch and they are not treated in the same way. However, our function is substantially different. We do not have a patrol function for the streets as a general rule. We do patrol our parking lots. Other than that, they are primarily fixed posts at the building itself. We do not have any need to have extraordinary travel elsewhere.

But I think certainly it would add to the manpower structure, the Capitol Police, if they had these additional resources. I believe it is worthy of discussion and I would certainly look forward to talking to the Capitol Police if you believe that would be appropriate.

Senator BENNETT. I think we ought to at least have the discussion. It may be when the discussion is over they say leave everything as it is.

But how many incidents do you have that the police deal with, and what kind of incidents?

Mr. DIMARIO. In number, I cannot give you off the top of my head a specific number, but the number is very, very small. Some occurrences involve our own employees. Issues might pertain to some action where the police stop someone, say, in entering the building and the employee might object to that and you might have a scuffle of one sort or another. We have had those kind of incidents.

We have had some street crime where, on the sidewalks in front of the building or nearby, there have been some instances where the police have acted. They do from time to time act when there is an accident in front of the building.

Their jurisdiction by statute is limited to the Government Printing Office and the adjacent areas. We have a difficult time defining what "adjacent areas" means. In concert with the Metropolitan Police and the corporation counsel's office, a number of years ago we at their request defined that, or they defined it, to say that we had no jurisdiction in the streets at all, that our jurisdiction ended at the sidewalks.

That puts the officer in a bit of jeopardy if they react to a crime occurring across the street. It puts the agency in jeopardy, and that

is difficult. We do have a delegation from the Metropolitan Police Department to issue Metropolitan parking tickets on our parking lot premises.

By way of jurisdiction, I would submit that the Capitol Police also have a concurrent jurisdiction in this expanded area that they showed on their chart.

Senator BENNETT. Right. Are you within the expanded area?

Mr. DIMARIO. Yes, sir. They come down to H Street and that is the defining block for the GPO.

FACILITY CONSOLIDATION

Senator BENNETT. Tell us about your efforts to consolidate the operations in the entire metropolitan area. Specifically, is there excess space at the North Capitol Street location?

Mr. DIMARIO. We have been consolidating space as we have caused the agency to reduce in size over the years. So if you go back to when I first came to GPO in 1971, we had many more field activities in the Washington area. We closed Eisenhower I and II and Fairington, three warehouses in northern Virginia. We closed a facility at the Navy Yard and at Union Center Plaza. We have closed a whole range of facilities and consolidated in the central office. We still have facilities in Laurel, Maryland. We gave up 25,000 square feet of space this last year. I think we mentioned that in the hearing last year.

As the sales of Government publications program has reduced in demand—the number of publications, because we are putting up electronic products and for other reasons, it is reducing substantially—additional space in northern Virginia has become excess.

We are now in the process of looking to move a paper warehouse facility that we have in northern Virginia at Springbelt to the Laurel facility and to better utilize the space out there. Our hope is to reduce the warehouse facility space by an additional 180,000 square feet. It happens that the lease is up in northern Virginia and we are now in that process, so hopefully that will occur.

In the central office, we have not done a recent examination of our space. I have just last week initiated such an action and have asked our staff to examine the space holdings that we have. We are primarily a factory, so we have just a small amount of office space that is configured as office space. From past experience, it is quite expensive to turn industrial space that was built for a factory into office space.

We will look to see what surplus space we have available and we will consider leasing that space to other Government agencies. In the past we did have a small amount of space that we leased to FAA and also to the Census Monitoring Board. But at present we have no one in there.

REVOLVING FUND LOSSES

Senator BENNETT. Finally, can you talk about the losses in the revolving fund?

Mr. DIMARIO. Yes, sir. The losses have been primarily in two areas. In the printing procurement program, the workload has declined substantially and so we had a loss of some $5 million. In the sale of publications area, we had a loss of some $9 million. We had

some other areas in which we had an overrecovery of costs, so our net loss was $5 million.

The sale of publications program is one that we are giving considerable attention to. I directed that we immediately increase our pricing structure by 15 percent. That is being undertaken. With some of our subscription sales, that becomes problematic to do instantly because you bring those on when the subscription renewals are due. So we are undertaking that. Other publications are being priced as they become available with a 15 percent increase.

We are also looking at, as I mentioned, warehouse consolidation. That will cut our costs dramatically and hopefully offset some of those losses that we had. We are also looking to cut our personnel costs in that area. Even though I mentioned an increase in personnel before in the Superintendent of Documents Office, those nine personnel are not in the Sale of Publications Program. They are in the salaries and expenses appropriation.

So hopefully we will be able to consolidate and downsize and contain that loss that we have had. To a degree, the losses are a mark of our success. The more publications we have put up on line, the fewer we have for sale or that we are able to sell in paper. That expressly happened with the CFR's. CFR's were among our best sellers, and the Federal Register. As we put more and more CFR's up as electronic products, the demand for the paper products just fell apart. In fact, I would say the subscription sale loss from the Congressional Record and the Federal Register and the CFR's is the bulk of the loss in the sales program. So we are doing what we can there.

In the printing procurement program, I am offsetting the losses there, where we have had a decline in volume. We have consolidated as much as possible, we have reduced staffing. I also imposed a price increase. The price that we charged Government agencies was 6 percent of the procured cost of the product. Products were coming in at very, very good prices for a number of years because paper prices had been very, very depressed and paper is a very large part of the cost of a procured printing job.

So I have directed that we move that surcharge from 6 percent to 7 percent. Again, I did that to coincide with the fiscal year change, so that implementation was to begin with October 1. So we are in that phase right now. We think that measure, given the volume that we have and other things that are being done, should cause the program to be operating in the black, or at least at the break-even point, by the end of the year.

I would point out that, given all of this, if you look at our total budget that we handle, that flows through GPO, the loss of $5 million or the underrecovery of $5 million is about 0.6 of 1 percent of the total. So while it is something that we do not want to happen, we are a breakeven and a not-for-profit operation. So we are fairly close to what we are supposed to be doing.

ADDITIONAL COMMITTEE QUESTIONS

Senator BENNETT. And the increase from 6 percent to 7 percent could wipe that out?

Mr. DIMARIO. Yes, sir, I think that will do that. All our calculations that we have gone through, we think that increase will make us solvent.

[The following questions were not asked at the hearing, but were submitted to the Office for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

Question. With reference to the tables for "Congressional Billings for Committees," on pages 11–16 and 11–17 of GPO's Fiscal Year 2001 Budget Justification, it stands out that the House Appropriations Committee's billings is far in excess of any other committee of either the House or Senate. For example, the total billing for the House Appropriations Committee was $4,081,671; but the Senate Appropriations Committee, by contrast, was only $465,726. The major expense was for printing of "hearings," which totals $3,649,578 for the House Appropriations Committee, but only $87,379 for the Senate Appropriations Committee. I would like to say, however, that we in the Senate do not want, in any way, to criticize the manner in which the House Committee on Appropriations handles its printing of hearings, nor any other committee for that matter, but it appears that no other committee in either the House or Senate comes anywhere near this amount.

Can you tell us why there is such a significant difference in printing expenses between the House and Senate Appropriations Committees—what may have caused this huge difference? And, have you made any effort to improve efficiency in this area, or is this just one of those unavoidable situations where little can be done to achieve savings?

Answer. The difference in billing amounts between the House and Senate Appropriations Committees is, in large part, due to two factors: a substantial variance in the numbers of volumes and pages of hearings and other publications submitted by each Committee, and significant disparities in the formats in which each Committee submits material to GPO.

First, the number of appropriations hearings printed during the past two fiscal years averaged 71 volumes per year for the House compared to only 21 volumes per year for the Senate. Further, in fiscal year 1999, House appropriations hearings averaged 1,172 pages each compared to only 674 pages for the Senate.

Second, the Senate makes greater use of GPO's Microcomp typesetting system, scans submitted material or obtains electronic files, and submits all material electronically to GPO. The House, due to the larger volume of hearings produced as well as tighter publishing schedules, submits a large volume of materials in formats that require keyboarding and proofreading at GPO. Reporters' hearing transcripts are marked up by witnesses and submitted to GPO with the electronic file to be updated and proofread. The House Appropriations Committee also submits a large amount of camera copy, from which GPO produces negatives for use in the printing process. While camera copy is a more cost effective and efficient format than manuscript, its shortcomings include the lack of a searchable electronic database.

It should be noted that part of the cost difference is mitigated by the fact that the Senate Appropriations Committee has three to four detailed GPO printers who prepare much of the material and create electronic files. The cost of these details ($291,000 in fiscal year 1999) was charged to the Congressional Printing and Binding Appropriation, not to individual hearings.

GPO plans include capturing the House Appropriations Committee camera copy in electronic format (encapsulated PostScript) during the proofing cycle so that pages can be output with the graphics included in place. When accomplished, these pages can then be handled via our computer-to-plate system rather than being conventionally composed. This will also facilitate an improved online product that includes graphics in place. Future improvements will likely involve increased capture of validated keystrokes electronically at the time of document creation, minimizing the need for scanning or rekeying and proofreading, as well as expanded computer-to-plate capacity at GPO.

Question. In recent years, the use of technology has expanded throughout the federal government, resulting in dramatic changes in the way federal agencies operate. Can you tell the committee the extent of impact (both good and bad) on GPO as a result of these recent technological advances?

Answer. The impact of technology on GPO has been overwhelmingly positive from the standpoint of improved services and reduced overall costs to the public to access government information. At the same time, the implementation of new technology continues to present serious management challenges. There has been a cost shifting, as the cost of traditional hard copy publications has declined, but the costs of pro-

viding electronic services has increased. This has required re-alignment of the workforce, training, new equipment and software. GPO's request for the Salaries and Expenses Appropriation for fiscal year 2001 includes an increase of $1.6 million to adequately fund GPO Access, an award-winning online service. GPO Access was established by law, and began operation in 1994. GPO Access links the public with about 170,000 titles. Overall, the public has retrieved more than 520 million documents since 1994. Monthly document retrievals average more than 21 million, or about 924 gigabytes of information. Increased funding is required for additional products and capacity and to assure permanent access to the Federal Depository Library Electronic Collection.

The reduced volume of paper publications throughout Government and the reduced demand for paper formats of government publications by the public, has created financial strains on GPO's General Sales Program. For example, GPO placed one of GPO's best sellers, the Federal Register, online in 1994. Since then, subscriptions have declined from 19,300 to about 6,700 today. The decline in sales volume has a negative impact on GPO's revolving fund revenue, making it difficult to fully recover costs. GPO is responding with a number of management actions to reduce costs and improve marketing of Government publications.

Question. You are requesting a legislative change to Section 303 of Title 44 regarding the pay of the Public Printer and Deputy Public Printer. Would such a salary increase for the Public Printer and Deputy Public Printer trickle down to your top-level administrators who might be capped at their senior-manager level?

Answer. As a result of the legislative change being requested, there would be no automatic impact on the salary cap of senior-manager level employees at the Government Printing Office. Any increase to the salary cap, which is presently the same as Executive Level IV, would require a determination by the Public Printer.

SUBCOMMITTEE RECESS

Senator BENNETT. I have nothing further. Thank you very much for coming in. We appreciate your hard work and your attention to these kinds of details.

Mr. DIMARIO. Thank you, Mr. Chairman.

Senator BENNETT. With that, the hearing is recessed.

[Whereupon, at 11:34 a.m., Tuesday, February 22, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2001

TUESDAY, FEBRUARY 29, 2000

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:30 a.m., in room SD–116, Dirksen Senate Office Building, Hon. Robert F. Bennett (chairman) presiding.

Present: Senators Bennett, Stevens, Craig, Feinstein, Durbin.

Also present: Senator Mikulski.

ARCHITECT OF THE CAPITOL

STATEMENT OF ALAN M. HANTMAN, AIA, ARCHITECT OF THE CAPITOL

OPENING STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. The committee will come to order. Senator Feinstein has been delayed with other pressures, and we all understand how that happens to us, but we look forward to her joining us when she can so I will insert her statement in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DIANNE FEINSTEIN

I look forward to receiving the testimony of the three distinguished panelists appearing before the Legislative Branch Appropriations Subcommittee today. I have several written questions for our panelists which, with the consent of Chairman Bennett, will be entered as part of the hearing record, along with their responses.

With respect to the Architect of the Capitol, I would just like to say how delighted I am that the work on the Senate Employees Child Care Center has finally been completed. Although there were a number of problems that seemed to plague the project during the construction phase, it has been through the dedication and persistence of so many of the people involved that we now have a wonderful facility where our employees' little ones can learn and play in a safe environment. It has been something in which I have taken a keen interest, and I want to thank the Architect of the Capitol, Mr. Hantman, as well as the Center's Board of Directors and staff, for their perseverance in working with the contractor to meet those challenges and to finally get the doors open for the new facility.

Additionally, I want to say to the Architect that I certainly appreciate and understand the magnitude of his responsibilities. It seems almost incomprehensible to undertake a project as large as the Visitors Center, while at the same time, making essential repairs and renovations to the Capitol, as well as other congressional office buildings. Adding to the complexity of these tasks is the ever-present challenge to maintain the historic beauty and dignity of the magnificent buildings within our Capitol Complex.

I welcome Senator Mikulski to our Legislative Branch hearing this morning. I understand she may have a few concerns she would like to raise with the Architect, and I welcome her participation.

Senator BENNETT. Now, this is the third of four hearings that the subcommittee will hold on the fiscal 2001 budget request. Our last hearing, which had been scheduled for Tuesday, March 7, will be rescheduled to Tuesday, March 21. Senator Feinstein reminded me that Tuesday, March 7 is primary day in California, and she will have other responsibilities on that day. So, we will allow her to vote in California without any sense of conflict back here, and hold the hearing the 21st of March.

Now, today we hear from the Architect of the Capitol, the General Accounting Office and the Office of Compliance, in that order. So, our first witness will be Alan Hantman, the Architect of the Capitol, joined by Michael Turnbull, the Assistant Architect, and Stuart Pregnall, the Budget Officer.

And we have been told that Senator Mikulski, who is a member of the full committee, ranking member of the VA–HUD Subcommittee, will be joining us. Senator Mikulski, who is also a member of the Senate Rules Committee, which is the authorizing committee for the Architect of the Capitol—and she has shown an interest in the Architect's testimony—may or may not have some questions.

Now, I would like to commend Mr. Hantman and Mr. Turnbull, before we hear their formal statements, on their efforts in the financial management area. That is an area where there has been some controversy in the past. I appreciate the diligent way in which you two gentlemen have approached this challenge. We comment when there is controversy. There should be comment when there is progress.

So, with an annual budget of over $200 million, plus a new visitor's center project to look forward to, a sound financial management system obviously is a crucial part of your responsibilities, and we know that your office has spent a lot of time over the past year working on this project. We would like to commend you, and specifically Russ Follin on your efforts.

Now, the Architect has requested $252,121,000, to be exact. That is a $41,832,000 increase, or over 20 percent increase over fiscal 2000.

So, Mr. Hantman, with that set up, if you will, of where you are and what you are asking for, we will be pleased to hear from you.

OPENING STATEMENT

Mr. HANTMAN. Thank you, Mr. Chairman, and good morning.

In addition to Mr. Turnbull and Mr. Pregnall, of course, Russ Follin is here from our FMS group. We also have Larry Stoffel, our superintendent of the Senate office buildings, and Amita Poole, superintendent of the Capitol Building, and several other staff members.

I am also honored to be joined this morning by the Honorable Bill Livingood, who is the Sergeant at Arms of the House, and also chair of the Capitol Police Board. He joins the Honorable Jim Ziglar, who is Sergeant at Arms, as you know, of the Senate, and Chief Abrecht, to respond to any questions that we might have regarding the $7.5 million in Capitol projects we have in our budget for the Capitol Police this fiscal year.

Y2K

Before I start my testimony, though, Mr. Chairman, may I preface my remarks by indicating that, as you know, today is Y2K-light. And I am pleased to report that on February 29, today, just as on January 1, 2000, the Y2K bug did not bite. And as you know, that of course, is due to an awful lot of good cooperative work from all the agencies and jurisdictions across the Hill.

It was a wonderful display of people really throwing themselves into a project, and basically your exhortations and your leadership really were key to that also. So, I want to thank you for that, and thankfully that is now out of our way. Everything is pretty much under control and we can move on to other business.

FISCAL YEAR 2001 BUDGET REQUEST

I am pleased to present to you the fiscal year 2001 budget request for this agency. I am very proud of the progress we have made to date over the last 3 years. There is an awful lot of rebuilding we have had to do.

We here on Capitol Hill are really emerging from a time capsule. We have a small city here, some 24 buildings that have been built over the last 200 years. We have 30,000 people who work here on a daily basis. On a peak day, we might have 25,000 people coming to visit us. It is 273 acres. This is a small city. And it is a city that evolved over this 200 years with its own unique methods of operating.

Now, not until the Congressional Accountability Act took effect in 1997, that you really had to take into account things such as the Occupational Safety and Health Act of 1970, or the Fair Labor Standards Act of 1938.

And clearly those pointed out issues of need in this agency, and it is very appropriate for Senator Mikulski—good morning and welcome—to come in because Senator Mikulski, of course, championed the Architect of the Capitol Human Resources Act which really called for fair methods of proceeding for modern management procedures and techniques; for an end to the glass ceiling; for an opportunity for people to have upward mobility. All of these issues are issues that we have been addressing, and we are working on, and we still have more to do.

AOC RESPONSIBILITIES

So, although you mentioned very large budget issues, I would like to couch them in the context of what our responsibilities are campus wide. And to this effect, we have appended to our testimony and to our budget request, some 11 appendices dealing with a wide range of responsibilities.

The first one, appendix A, deals with life safety issues. Appendix C responds specifically to the Architect of the Capitol Human Resources Act, and many of the concerns that Senator Mikulski has been championing these years. Appendix H deals with the financial management systems.

So, there is an awful lot of information there. Some of it is budget related, but most of it really is fed by the budget process in terms of staffing or in terms of finance.

So, as I stated, there really is still much to be done, and that is really why our budget focuses on four priorities this year. The first priority is to continue the process of creating an even safer physical environment for Members, for staff and for visitors from a life safety perspective.

Second priority is to improve customer service. That is why our budget includes things such as a request for funding to provide daytime cleaning in public and restroom areas, something that does not exist right now, and there has certainly been some controversy in terms of the level of cleanliness that we can maintain with just nighttime cleaning.

That is because we have such a high volume of visitors, many people coming through the buildings. We need to hit those spaces much more frequently than just on the nighttime shift.

We are also requesting funding for staff, staff for fire safety issues, staff for project management and planning. These are all major issues that we need to address.

A third area of responsibility that we want to focus on is enhancing the preservation, utility, the security of our buildings. Bids for the Senate perimeter security should be in within the next 2 weeks. We will be coming back to you in May for the release of funds that have already been approved for Capitol Square perimeter security. At that time, the final design drawings will have been completed.

Our fourth criteria is continuing to build a stronger, better trained staff. The social architecture of our agency is very necessary to address all of our priorities. We are a service agency. Our people are essentially the backbone of everything that we do. So, our fiscal year 2001 budget really has been structured to support these four priorities.

Appendix F discusses several of our ongoing projects, including the multi-phase Dirksen renovation project, which you, Senator, have clearly experienced from a first-hand perspective.

We are into our fifth phase of that project right now, and we have been getting wonderful cooperation from Members, from staff. Clearly any project of this nature causes dislocations and we have tried to minimize that, and I think successfully to a large extent.

DOME RESTORATION PROJECT

Appendix F also talks about the first phase of the Dome Restoration Project, which is proceeding very well, and we should be wrapping that up in the next several months within budget. But you will not see in our budget a funding request for the second phase of the Dome Project. We will be coming back to you in fiscal year 2002 for those funds.

They are needed, but in terms of limited finance ability, limited budgeting ability and our staffing needs, we need to focus on the four priorities I addressed before.

And the results of the study that we have done so far, the work we have done so far, indicate that the Dome is structurally sound. There is no immediate threat of collapse or anything of this nature.

We still do have problems of leakage. We still do have the need to remove the lead based paint from the exterior, re-prime it, repaint it, recast some of these sections. But with the priorities that

I have established before, we think that we can put this off one more year. We will be coming back to you in successive years for that.

So I really do, Mr. Chairman, want to thank you for your leadership, for your support. We are going to continue to build the physical, social infrastructure to improve this agency and support Congress as we go forward.

PREPARED STATEMENT

We would be more than happy to talk about any of the issues that we have in the appendices and the budget. And thank you for your attention.

[The statement follows:]

PREPARED STATEMENT OF ALAN M. HANTMAN

Mr. Chairman: As we step into a new millennium, we also celebrate 200 years of Congressional occupancy of our Capitol, this magnificent structure that is the physical representation of democracy not only for our nation, but for the world. There have been many changes inside these walls over those two centuries, but it is undoubtedly true that at no time in history has the office of the Architect of the Capitol experienced more fundamental change, or had so many essential projects to accomplish, than in the brief time since I have been privileged to be Architect of the Capitol.

I am pleased to appear before this Subcommittee to propose the fiscal year 2001 budget for the Architect of the Capitol. I look forward to working with you as we continue, together, to build the social and physical infrastructure that will better serve and support the United States Congress as it meets the constant and changing needs of the American people and nation this coming year and far into the future.

I am often asked how I like the position of Architect of the Capitol. And I usually respond: It is a magnificent challenge. It is magnificent because of the unique structures and grounds and environment I work with here. It is magnificent because of the opportunity to support the greatest legislative body in the history of the world.

Magnificent, yet, it is equally challenging. It is a challenge to move forward on many fronts, to simultaneously protect the past, support Congress in the present, and plan and build for its future. It is a challenge to work in an atmosphere that must be, at the same time, open and accessible yet safe and secure; where offices never fully empty and efforts never cease; and where the work of the AOC must minimize inconvenience while creating the structure to augment the essential tasks of Congress.

We often refer to our complex here as the Capitol Campus. But it is actually a community. And it is a city that in some respects is emerging from a time capsule.

Our city of more than two dozen buildings, more than 270 acres, more than two centuries of rich experience—and as many as 30,000 daily inhabitants and visitors—developed in its own special manner. Until provisions of the Congressional Accountability Act went into effect only three years ago, we in AOC were not affected by provisions such as the Fair Labor Standards Act of 1938 and the Occupational Safety and Health Act of 1970. We had our own structures. We had our own ways. Now we are attempting to make a giant stride, more than six decades long, into the 21st century.

Our challenge is to meet today's needs—without destroying yesterday's heritage for those who will occupy this special place in the future.

While there is clearly much work left to be done, we have made significant progress and are proud of what has been accomplished so far in rebuilding the foundation of this agency. Because of the great scope of work we face, and the challenges we must successfully meet with a reduced workforce, it is necessary for us to specifically focus our efforts this year in four areas that are essential to our ongoing core mission of supporting and serving the Congress.

These areas are:

—Creating an even safer physical environment for Members, staff and visitors in line with the requirements of the Congressional Accountability Act;

—Improving the delivery of customer services;

—Enhancing the preservation, utility and security of our buildings, with the Capitol Visitor Center being a notable illustration;
—Continuing to build a stronger, better trained staff—which is the very foundation necessary to address the first three priorities.

As I have testified in the past, the level of employees in this agency has decreased from 2,407 in fiscal year 1993 to a current ceiling level of 2,012—a 16 percent decrease in staffing. Current actual employment is lower because we are in the process of backfilling re-engineered positions as a result of the first phase of our recent buyout, which is detailed in Appendix C of this testimony. At the same time, our workload has increased due to the need for physical improvements to modernize and enhance safety in these aging structures. It is important to recognize that we have reached the saturation point where the amount of work to be done in several areas has taxed our staff capacities to the fullest extent. We are therefore requesting funding for critical staffing needs for life safety, service delivery, and project support, as well as for the tools needed by our staff to do our jobs more effectively.

Because of the necessity of moving forward in these critical areas, with their attendant fiscal implications, I am delaying the request for appropriations to initiate the next phase of the Capitol Dome Renovation Project until next year in order to focus resources on these essential areas.

Work on the Dome can be delayed in the short run because we are finishing our first-phase emergency examination of the structure, and happily have found that the basic structure is fundamentally sound. The next stage of repairing and restoring the cast iron skin and interior Rotunda finishes of the Dome is clearly important and needs to be addressed in the short term, but in our judgment there are higher priorities on which to focus finite resources this year.

LIFE SAFETY

In this context, planning for and implementation of life safety programs throughout the campus remains my number one priority and this priority has been supported by Congress through the Congressional Accountability Act. Implementing such a program across the campus and bringing the Capitol and our other structures into conformance with the most modern codes and practices is a process that is complicated by virtual full-time occupancy and the extremely limited "turn around" space for the "musical chairs" sequencing inherent in the renovation process. It also is complicated by the need to change the AOC work culture. We need to work out appropriate methods with the committees of jurisdiction to accelerate these processes. Appendix A discusses many of our initiatives in this area, and projects and planning. Substantial appropriations will continue to be required to accomplish this work in the coming years.

The physical, technological and human challenges in both preserving the historic integrity of our architectural treasures and bringing them into conformance with modern safety standards are difficult and will create inconveniences in these buildings, but they are achievable. Once again, these fixes will be neither cheap nor quick, and support of this effort by the Congress will continue to be needed to accomplish this vital work in a timely manner.

CUSTOMER SERVICES

We also must continue to improve the quality of our maintenance services to occupants of Capitol Hill. One major example of improved services is the need for daytime cleaning of public areas in the House and Senate Office Buildings. In order to accomplish this, increases in our staffing levels for these functions are required. This request includes additional staff to improve operations, meet life safety needs, and improve project management; as well as funding to continue to build improved operational tools and services such as computer-assisted facilities management, financial management systems, and improvements in information resource management.

BUDGET SUMMARY

Our total request is $252,121,000, which is a $41,832,000 increase over the fiscal year 2000 level, broken down as follows: Our operating budget requested increase is $18,577,000 over last year's amount of $164,805,000. This increase is mostly due to mandatory COLAs, increased operations and maintenance costs, and the request for additional staff described above. Our capital budget increase is $23,255,000 over last year's funding level. This includes $7.45 million for projects requested by the Capitol Police and $6 million for projects requested by the Library of Congress. It also includes $9 million for major repairs, life safety and security upgrades to the

Cannon House Office Building Garage. It is important to note that all of the capital projects in this request meet our 100 percent design requirement.

As described in the attached appendices, we have successfully completed an extraordinary amount of work and instituted essential and fundamental changes in the three years I have been Architect of the Capitol. We have gone a long way toward implementing Congressional directives by instituting a 100 percent design policy, continuing to overhaul and improve our personnel systems (Appendix C), continuing to build a vital staff to move forward on the challenging life safety front, and have created a financial management system cross servicing agreement and are beginning to implement the basic general ledger needs it encompasses (Appendix H). However, these important steps are only the beginning of the marathon we must run to build an agency that meets the challenges of this new millennium. Our budget reflects our essential priorities and needs in order to continue on our course and increase the speed and effectiveness of improvements necessary to meet our changing times.

Mr. Chairman, I request that my full statement and supporting materials be placed into the record. Several detailed reports on accomplishments and initiatives, such as life safety, project management, and the budget, are also appended for your information and the record.

I thank you and the other Members of the Subcommittee for your leadership and concern in supporting our efforts to better serve Congress and the American people.

APPENDIX A.—INITIATIVES IN LIFE SAFETY

INTRODUCTION

The agency has undertaken significant steps to revitalize the life safety program. Since last year the AOC has enhanced the newly formed Life Safety Program Division with the addition of a new Director and Deputy Director. Augmentation of this program with additional personnel for the existing Safety and Occupational Health and Fire System and Life Safety Branches, as well as the proposed Environmental Branch, of the Life Safety Program Division is either underway or under development pending funding.

—The Safety and Occupational Health Branch conducts safety inspections of buildings and work sites, drawing and project review, provides consultation to the Jurisdictions on safety programs and issues, and develops and implements Agency programs.

—The Fire System and Life Safety Branch conducts fire prevention inspections, drawing and project reviews, fire alarm system programing, and provides oversight to the fire prevention program.

—The proposed Environmental Branch will develop and implement program and policy, review projects for environmental impacts, provide consultation to the Jurisdictions, and conduct periodic oversight inspections.

Systematic approaches to reviewing and developing programs and standard operating procedures throughout the Capitol Complex has begun, including baseline surveys and continuous coordination with the Office of Compliance survey teams on the detailed process of identifying and prioritizing program requirements. Significant steps have been taken to identify, correct, and prevent physical and program deficiencies in a proactive rather than reactive manner. This is a formidable task that requires considerable staff and consultant resources to accomplish at a progressive pace. Descriptions of the steps taken and those needed are expanded upon below.

The Life Safety Program Division has submitted an aggressive plan and is implementing a Safety Initiative that will bring the Agency along the road to further conformance with requirements defined by the Congressional Accountability Act. It is important to note that full conformance with the Act will be difficult to achieve due to the necessity of preserving the historic nature and infrastructure of the facilities. The AOC is evaluating the alternative code provisions that have been developed to allow for performance based protection, such as the NFPA's new Life Safety Code, which was adopted at their Fall 1999 meeting, and building codes such as those in the states of Wisconsin, Pennsylvania and Texas to specifically address the life safety issues in historic structures with significant public spaces, monumental ceiling heights, open grand stairways, etc. Technology under development such as OSHA's Fire Safety Advisor (currently in BETA format) will also help with regard to assessment, means, and methodology development. Work has also begun on the development of an Environmental Branch that will address requirements of the Environmental Protection Agency as enforced by the District of Columbia.

SAFETY INITIATIVE

A full review and analysis by the Life Safety Program Division will be completed this year of the Congressional Accountability Act, the referenced Occupational Safety and Health Administration (OSHA) standards, and review of code requirements for both private industry and other Federal Agency programs. This review will determine where the current AOC program is with regard to the rest of the country, where it needs to be, and a validation of the multi-year plan prepared by the Life Safety Program Division on how to get it there. The initial analysis determined that the OSHA Voluntary Protection Program (VPP) Model should serve as the framework for the new program and that bench marking established safety programs would be done to provide the information necessary for the AOC Safety Program. The VPP program was established by OSHA to provide private industry and Federal Agencies a means of measuring their programs and provide OSHA proof that their program is exemplary. Qualifying programs in the VPP program can earn certification from OSHA as Star Programs worthy of recognition and duplication. The AOC's goal is to develop and implement a program that OSHA will consider exemplary. New resources are necessary to accomplish this goal to bring the safety program to a compliant level as described by the Congressional Accountability Act and are essential to sustain the program and keep the AOC on track with any future changes to requirements. Resources identified in the fiscal year 2001 budget include increases in permanent and contractor staffing, survey and analysis costs, and general operating funds. Work has begun in the following areas:

Administration and Management.—This area focuses on how a Safety Program is developed and implemented. Several specific elements are described to achieve an acceptable level in the VPP framework. These include: Development of a Safety Policy Statement and Safety Manual, the establishing of Safety Committees with written Charters and Policies, and establishment of a Mishap Reporting Policy, a Hazard/Close Call Reporting Policy, and a Disciplinary Policy for Safety Violations. There must also be a means of measuring job performance with regards to safety.

The existing AOC Safety Manual and program elements are being reviewed by the Life Safety Program Division against these requirements. Available resources are also being reviewed and the AOC safety program plan is being refined. The Human Resource Management Division (HRMD) is revising the current Performance Evaluation System (PES) to include requirements for evaluating safety in job performance. Safety Committees have been formed in several of the Jurisdictions and the Life Safety Division is working with these committees to refine their charters and objectives. The existing committees are also being used as resources in the formation of committees in the other Jurisdictions.

Assessments.—This area focuses on the identification of hazards associated with the workplace or job performance. The model requires surveys and analysis to be done to fully identify and quantify hazards so all information is available to make risk management decisions. Actions necessary to meet these requirements include performance of a Baseline Hazard Analysis, an Industrial Hygiene Survey, Job Safety Analysis, Annual Compliance Audits, and the establishment of comprehensive Preventative Maintenance Programs, Contingency Safety Plans, Emergency Preparedness Exercises, and Corrective Action Plans.

The AOC through the use of Life Safety Services, Incorporated, has recently conducted the first comprehensive Annual Compliance Audit. This audit not only satisfies OSHA requirements by identifying systemic deficiencies and areas needing correction, but it also provides information necessary for the Life Safety Program Division to focus AOC resources. Corrective action plans have been initiated on items not requiring funding and a risk assessment analysis is being conducted to prioritize corrective actions requiring additional funds. The AOC is working with the Public Health Service (PHS) on the completion of comprehensive job safety analysis for job assignments at the Capitol Power Plant and industrial hygiene surveys for on-going construction projects, such as the Dirksen Senate Office Building renovation project. PHS is also providing assistance with the identification and program development for addressing confined spaces. Work with the Army Corp of Engineers is providing information on the location of asbestos and lead in Capitol Hill buildings. These surveys must be expanded to include all of the complex. The AOC Preventive maintenance Program will utilize the CAFM program once fully implemented to schedule, track and record maintenance. As previously noted, the AOC has established a Task Force on Contingency Safety plans and used that work as part of the Y2K initiative.

Training.—This area focuses on how employees have been prepared to perform their assigned tasks in a safe manner. The model requires the preparation of a Master Training Plan and emphasizes specific training of Safety Committee Members. It also calls out for specific training in Mishap Investigation, Emergency Prepared-

ness, OSHA Training for Employees and Management, and training in how to conduct a Job Safety Analysis.

The Life Safety Program Division has identified safety training required by OSHA for all AOC employees and this training list is being coordinated with HRMD to integrate the AOC Safety Master Training Plan with the AOC Master Training Plan. The safety training has been prioritized, made mandatory, and is underway. Courses can be broken down into a one-time requirement, an annual requirement, or a periodic requirement based upon working conditions. Eleven of thirty-four one-time classes, three of the seven periodic courses and eleven of the eleven annual courses have thus far been conducted. Each of these courses requires course curriculum development based upon an assessment of the requirements of the standard and how the it is applied here. Vendor selection is underway for the remaining courses, HRMD is preparing for an additional fifteen courses this year.

Record Keeping.—This area focuses on what information is necessary to document the status of the program elements. Actions include the development of several databases such as an Inspection Database, a Mishap Reporting/Close Call Database, a Hazard Analysis Database, a Personal Protective Equipment Database, an Employee Compensation Database, and a Corrective Action Tracking Database.

The Life Safety Program Division is actively reviewing other Federal Agency programs to determine if existing databases can be used by the AOC or if internal development from scratch is necessary. The AOC has already developed and implemented an Occupational Worker's Compensation Program database in the past fiscal year. This system is being used to identify trends and areas needing focused attention. Further database development will be dependent upon program and policy development. Each Jurisdiction will be required to develop standard operating procedures to ensure appropriate input, use, and integration of these databases. The Life Safety Program Division will provide guidelines and assistance to the Jurisdictions on this development. Corrective action tracking is currently being done by each Jurisdiction using various methods such as Microsoft Excel spreadsheets. These are now being reviewed by the Life Safety Program Division. Efforts are underway to integrate these into a uniform format so the creation of a central database can be expedited.

Document Review.—This area focuses on how the program adjusts to changes in requirements, technology, and hazards. The AOC model requires a complete document review, document updates for existing areas as appropriate, and preparation of documents for areas where none exist. It also requires an annual review and revision of documents as appropriate.

An extensive review of current program documentation is underway. It is anticipated most of the current documentation will require an update to comply with current requirements. Preliminary reviews also indicate a significant effort will be required to address areas not currently having documentation. Much of this effort will be in the development of standard operating procedures at the Jurisdictional level defining program implementation.

ENVIRONMENTAL PROGRAM INITIATIVE

The Environmental Protection Agency (EPA) notified the AOC in June of 1999 that a Preliminary Assessment in conformance with the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA or Superfund) was required from the AOC for the Capitol Hill Complex. This assessment provides the EPA with information on the potential for pollution of the environment from Capitol Hill facilities. Preliminary Assessments are reviewed by the EPA for determination of sites needing closer examination or remediation. The Life Safety Program Division has begun a review of the program requirements associated with Environmental Protection Agency laws and regulations. LSSI during their baseline safety survey was tasked to provide an assessment of environmental conformance. This survey identified numerous program areas requiring review and development. Issues such as waste water discharge permitting, Spill Prevention, Control, and Countermeasures Plans, inventory of chemicals and storage areas, and secondary containment issues were identified. Additional personnel and contractor support has been requested to begin the detailed program review and development associated with all aspects of the Environmental Program.

The Life Safety Program Division currently has one Hazardous Waste Specialist on staff addressing hazardous waste collection and removal. This Specialist is also responsible for coordination of the AOC Recycling Program. Program information on recycle collected for fiscal year 1999 is provided in the table below.

RECYCLE PROGRAM SUMMARY TABLES

Bldg.	Fiscal year 1999 Tons						Fiscal year 1999 dollar amount earned
	High grade	Mixed grade [1]	Newspaper	Corrugated board	Contaminated (No value)	Total/building	
RHOB	89.438	135.985	139.530	.....	919.188	1,284.141	17,340
CHOB	19.240	103.858	52.055	3.240	603.813	782.206	5,635
HSOB [2]	1.593	222.395	.755	.....	379.180	603.923	4,238
Total	110.271	462.238	192.340	3.240	1,902.181	2,670.270	27,213

[1] Includes both mixed paper and paper graded as commercial office mix.
[2] Includes high grade paper collected from the Capitol, Senate side.

The General Services Administration (GSA), which administers the recycling contract, credits the AOC with the amount earned from recycling. Funds received from GSA are deposited in the U.S. Treasury. In addition to the funds earned and the positive environmental impact that recycling has, cost avoidance is achieved because waste sent for recycling is eliminated from AOC landfill costs. Based on avoided tipping fees and transportation costs, a saving of approximately $77 per ton of waste sent for recycling is achieved. For fiscal year 1999, based on more than 2,670 tons of waste sent for recycling, the approximate saving is $205,600.

Jurisdictional personnel are responsible for the daily coordination and pick-up of recycle associated with their buildings. The recycle program implemented in fiscal year 1999 installed desk cans and relabelled centralized containers. The Life Safety Program Division coordinates the overall program, administers the contract for collection, and provides oversight and consultation services.

CONSULTANT SUPPORT FOR LIFE SAFETY PROGRAMS

In the preparation and presentation of fiscal 2000 and 2001 budget requests, life safety capital projects were placed in their own project category, and were given the highest priority. As each project was put forth for consideration, the agency used design/build criteria to meet current life safety standards while carefully integrating these systems into the Capitol complex's historic surroundings. Starting back in March 1997 the agency has used the services of several firms to provide the technical expertise and the much needed resource support required within the Life Safety Program Division to address program requirements.

In August 1997, the consulting firm of KCCT was hired to study exit doors throughout the complex and prescribe a plan of correction to permit proper egress in an emergency and facilitate the integrated installation of security devices as required by the U.S. Capitol Police. This work has included redefining the direction doors swing open, replacement of revolving doors, frame modifications to house security hardware and redesigning vestibules to accommodate egress requirements, all while maintaining a design that is compatible with the architectural surroundings.

At the present time, more than 72 doors in the Capitol, House and Senate Office Buildings have been reconfigured to fully meet life safety requirements. Sixty-five more remain uncorrected and have engineering and architectural design requirements which necessitate funding requirements. These will be addressed as funding permits.

In October 1997, James Posey Associates was placed under contract to provide professional services, material and equipment necessary to provide construction documents for sprinkler protection (and other services) within the Dirksen Senate Office Building. This project began on April 12, 1999. James Posey and Associates have also been utilized in the upgrade of the Rayburn House Office Building. This project is currently at the contractor bid stage of procurement.

The fire protection consulting firm of Gage-Babcock was placed under contract in September, 1998, to respond to task orders. These included:

—General Fire Protection Description of all facilities and complex wide fire and emergency management systems

—*Omega Sprinkler recall identification*.—This provided quantities and locations of recalled sprinkler heads throughout the Capitol Complex. Sprinkler heads have been received and replacements are currently underway.

—*Building Fire Protection System Survey and Descriptions*.—This project provides a baseline on each building and provides the background necessary to standardize and centralize fire alarm systems and their monitoring. The task is expected to be completed in mid-February.

—*Design inter-connectivity of various life safety systems and emergency master control centers*.—This is the immediate follow-on work to item b to provide a central monitoring center for all Capitol Hill life safety systems.

—Design the replacement for existing fire pumps in the U.S. Capitol, Russell Senate Office Building, and Cannon and Longworth House Office Buildings—designs have been completed. Installation is following our procurement requirements.

—Upgrade fire pump electrical feeds—Ford House Office Building—design was completed in May 1999. The upgrade is in the construction stage.

—Emergency signs and lighting and egress study to establish way finding and directional/exit signage needs for each building's fire protection and life safety and occupancy loads throughout the complex. Exit signage is 95 percent complete. Egress analysis has been completed for the Hart Senate Office Building and Capitol Police Headquarters Building and is approximately 70 percent completed for the rest of the Capitol complex. Should there be issues which require design, funds will be requested in fiscal year 2002.

—Prepare requirements for a fire alarm system upgrade for ADA compliance and identify areas of refuge for each building and the requirements to meet National Fire Protection Association standards in these areas. Design estimated to be completed 6/00.

—The design for the extension of sprinklers in Russell Rotunda, Committee and Caucus rooms, Basement and Sub-basement, and machine and control rooms, and attic spaces of Hart, the O'Neill Building, and the Ford House Office Building are scheduled for completion in 2001. Design of sprinkler systems for Capitol Power Plant administration building, Longworth, JMMB, Canine Facility at DC Village have been completed.

—Upgrade fire protection systems.

—Design of firefighter telephones in Hart Building. Completed 8/99.

—Design of fire alarm system upgrade to Longworth. Completed 9/99.

—Senate Employee Child Care Center—Design of smoke detectors and review of new facility fire systems. Completed 10/99.

—Rayburn alarm manual pull station upgrade for travel distance and ADA—design in progress, estimate completion end of February 2000.

In August of 1999, Life Safety Support Services, Incorporated was contracted to investigate the conditions associated with the fire in the James Madison Building and the citations issued by the Office of Compliance. They were also tasked to survey the other buildings on Capitol Hill to determine whether similar conditions existed elsewhere. Their report was used as part of the response to the citations issued by the Office of Compliance. LSSI was also tasked to perform the baseline OSHA and EPA surveys mentioned previously. Their findings were consolidated and have been analyzed for prioritization using a risk assessment scheme. Corrective action plans are being developed for each finding. Those capable of being corrected in-house with existing resources have already been initiated. Those requiring funding will be submitted using the priorities previously discussed.

Aerosol Monitoring and Analysis was contracted to perform a confined space survey at the Capitol Power Plant. They are currently tasked to provide a lead assessment at the Day Care Center at the Ford House Office Building and air sampling at the Rayburn House Office Building.

Mantech, Incorporated has been tasked to provide asbestos and lead surveys in the Capitol and Longworth House Office Building. They have also been tasked to provide environmental services at 501 1st street and laboratory services for the Safety and Occupational Health Branch.

ERM, Incorporated has been tasked to provide monitoring, evaluation, demolition, and removal of underground storage tanks.

The agency has a Memorandum of Understanding with the U.S. Army Corps of Engineers to provide architectural, engineering and construction support services as required. The agency will primarily use their services for survey and analysis support. Activities have included the removal and replacement of underground storage tanks (USTs) and surveys of the Supreme Court Building for asbestos.

The Agency has a Memorandum of Understanding with the Public Health Service to provide safety, occupational health and industrial hygiene support services as required. The agency will use their services to supplement existing resources and to serve as a third party consultant on safety, occupational health or industrial hygiene related issues. Activities have included a comprehensive job hazard analysis for the Capitol Power Plant employees, confined space evaluation and training at the Power Plant, industrial hygiene services for issues at the Power Plant and projects at the Capitol, and Dirksen Senate Office Building.

The AOC has an agreement with the Office of the Attending Physician (OAP) to provide medical support. The OAP currently coordinates physicals associated with the Medical Surveillance Plan and provides consultation services as requested.

While these are positive steps to remedy some of our concerns, there is much more to be done. Projects need to be completed and/or current conditions within existing systems need to be corrected. Many time lines to complete projects currently remain extended due to lack of accessibility to occupied spaces where work would inconvenience Members, but the agency will actively work with the oversight committees, the Capitol Police Board, and other involved parties to develop methods of accelerating their completion. The agency is engaging systems once each zone is fully programmed, commissioned and ready to go on-line without affecting the integrity of the rest of the system.

MAINTENANCE

The agency's program utilizes National Fire Protection Association maintenance standards and manufacturer's guidance as tools for the superintendents to schedule the necessary maintenance and documentation. In addition, the Life Safety Program Division will conduct inspections of maintenance work being performed as well as relevant records. The AOC intends to comply with record keeping requirements by utilizing the Computer Assisted Facility Management (CAFM) system once it is fully implemented. Preventive maintenance is the key to longevity of the operating systems throughout the complex as well as the life safety systems currently in place and those being planned or installed at the present time.

The agency is also working with other support offices to coordinate work areas, storage, and occupancy to maintain egress paths clear and safe as part of an overall safety maintenance program.

PROJECTS

Upgrades to the fire suppression systems for the food service areas that address today's cooking oils was requested and approved for fiscal year 2000. Contract award is expected third quarter.

Smoke detectors are being placed in rooms within the Capitol as they are being renovated. Due to access problems (requiring displacement of Members while work is occurring) the fire alarm system upgrades in the Capitol are progressing at a much slower rate than anticipated or desired. A re-design of the new components will be conducted to zone the common public spaces separately to expedite fire alarm system coverage. Coordination with the Capitol master plan will also be conducted. Emergency Lighting in the Capitol has also been completed.

A project impact analysis report procedure has been developed pertaining to the life safety system impacts on renovation/improvement projects such as the Capitol Dome and Dirksen Senate Office Building renovation. This is a newly implemented process, part of the project planning portion of our program, and indicates typical areas of consideration that will be reviewed with each project involving life safety elements. This tool will also be used when systems that support life safety are being modified such as water main replacements, room partitions installation, and electrical system work.

Fixed fall protection systems for Capitol Building roofs have been designed and installation is scheduled for 2001.

Fire alarm system upgrades associated with Y2K compliance and their certification per National Fire Protection Association standards has been estimated and will be conducted upon receipt of requested funding from GAO.

A focused confined space program has been implemented in the Capitol Power Plant and its associated tunnels. This program will be expanded to include the remainder of Capitol Hill once a full confined space survey has been conducted. In addition, the AOC is working with the U.S. Capitol Police to ensure all entrants are appropriately trained.

SUMMARY

To meet the Life Safety Program Division goals set for the AOC, resources will be required to develop and implement programs and policies at the Agency and Jurisdictional levels. Several major elements have been identified, these include:

Space must be identified to facilitate temporarily moving a group of Members and/or Committees to provide access to their suites and meeting rooms to allow renovation and modification including fire protection systems.

Design and installation funding must be provided to correct issues identified in surveys conducted by the Life Safety Program Division, the Office of Compliance, and the Office of the Inspector General.

Manpower resources are not available in-house to develop and implement programs and install, commission and maintain systems in an acceptable manner while continuing to meet our day-to-day operational requirements. External resources and the funds to provide continued support needs to be provided as requested in the fiscal year 2001 budget.

The development of the Environmental program and the analysis and survey requirements of the Environmental Protection Agency laws and regulations will require additional personnel and resources. Focus by the Life Safety Program Division has been on Safety related planning due to staffing limitations. Attention must be given to environmental matters because non-compliance with Environmental laws and regulations, can subject the Agency to citations and monetary fines. Enforcement by the EPA and the District of Columbia thus far has been limited. Announcement in June of 1999 of a response deadline for submittal of a CERCLA Preliminary Assessment indicates EPA's intention to begin a closer look at Capitol Hill Programs.

APPENDIX B.—SECURITY UPDATE

The past year was a seminal year for security in the Capitol Complex. From the terrorist attacks both domestic and abroad, to the tragic deaths of Officer Chestnut and Detective Gibson, to the ever increasing threats to our facilities and the Leadership, a heightened awareness and emphasis on planning and implementing appropriate security measures dominates the focus of the Capitol Police Board, the U.S. Capitol Police and the AOC. The AOC concentrated on supporting the efforts of the Capitol Police and the other law enforcement entities to improve the security within the Capitol Complex.

The Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, (Public Law 105–277), provided additional funding in the amount of $106 million for the implementation of the proposed security improvements. Plans for the utilization of these funds were developed and submitted to the appropriate committees for approval. A complete obligation plan was submitted to the House and Senate Committees on Appropriations for review and approval. These approvals have been received. In moving forward with these plans in an expeditious manner, we are continuing to work closely with U.S. Capitol Police, Library of Congress Police, and the U.S. Supreme Court Police, to coordinate these significant efforts that are unprecedented in the history of the Capitol Complex.

Other proposed short and long term projects include the Capitol Visitor Center. It is a key component of the systematic modernization and strengthening of the integrated security infrastructure program which has been presented to the Committee. In that regard, we received a substantial portion of the funding to construct the Capitol Visitor Center and received approval for the review and validation of the existing design and programmatic needs. The design development and construction document phases will follow after approval of outstanding issues raised in the validation phase.

In early 1997, a Memorandum of Understanding (MOU) was executed with the Capitol Police that established the division of responsibilities, and the processes and procedures to be followed when developing and implementing security projects. This memorandum defined the processes and procedures important to the close working relationship between the two organizations.

Briefly, the MOU assigns the responsibility for design, procurement, installation and maintenance of physical security barriers and other structures to the Architect of the Capitol while the Capitol Police's Physical Security Division is in charge of design, procurement, installation of security systems, including intrusion and duress alarms, x-ray, scanning and other security systems for facilities. My office continues to provide infrastructure support for the implementation of these systems. This has resulted in a strong working relationship between the two organizations.

The Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 transferred the responsibility for design, installation, and maintenance of security systems to protect the physical security of the buildings and grounds of the Library of Congress from the Architect of the Capitol to the Capitol Police Board to be carried out under the direction of the Committee on House Oversight of the House of Representatives and Committee on Rules and Administration of the Senate. In response to this change, a separate MOU outlining the process, procedures and responsibilities for the improved security programs of the Library of Congress was entered into by this Office, the Capitol Police and the Library of Congress.

In addition to the planning for the programmatic, personnel and physical security needs provided for in the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, funding was provided in fiscal year 1999 to conduct a com-

prehensive Master Plan that will present the options for providing the current and future facility needs of the Capitol Police and the participating law enforcement entities operating within the Capitol Complex. These include a new shared offsite delivery center where all deliveries to the Capitol Complex can be properly screened, a shared training facility that would support the collective training requirements of the police, a modern command and communications center that is capable of monitoring and administering the existing and proposed security systems in a centralized and coordinated manner, as well as other support facilities not currently or adequately provided. The Master Plan has been submitted to the appropriate committees for review and approval as part of the planning approval process to support the development of the proposed new security and police facilities.

The 1998 Supplemental Appropriations and Rescissions Act, (Public Law 105–174) provided $20 million to improved perimeter security for Capitol Square, as well as the streets surrounding the Senate Office Buildings. The Capitol Police Board was directed to develop a specific plan for this project. The challenge is to sensitively integrate a sophisticated security program into the historic landscape of the Capitol Grounds and the fabric of the incomparable complex of buildings that grace Capitol Hill. The solution has been strongly influenced by the fact that the Capitol is the "Peoples' Building" and visitors must perceive it as such with reasonable access being provided. Perimeter fencing and other overly intrusive security measures have, therefore, been avoided.

The primary elements of the plan include improved security at all entrances to Capitol Square through the use of a combination of high impact vehicle barriers that are police activated at the most critical locations, or card activated egress from parking related areas. These are to be used in conjunction with a continuous string of security bollards similar to those designed for and installed at the White House. These bollards would replace the concrete planters and sewer pipes that had been temporarily put in place in the 1980s. In addition, by integrating electronic and other security systems at each vehicular entrance, a continuously secure perimeter would be created largely internal to the original Fredrick Law Olmsted walls.

The end result of the proposed changes will be significant improvements to both the security needs and appearance of Capitol Square. Approval for this plan was received from the Senate Committee on Rules and Administration and the Committee on House Administration and construction documents will be completed in May 2000. At that time we will request approval to obligate funds for bidding the project. The Senate Committee on Rules and Administration also specifically approved the Board's plan to improve the physical security elements protecting the Senate grounds and office buildings. Although this matter relates solely to the Senate, funding is included under our "Perimeter Security" project in the "Capitol Grounds" appropriation for this purpose. To resolve the security concerns, the Board recommended that landscape elements and bollards similar to those recommended for Capitol Square be used to replace the existing "Jersey" barriers, concrete planters and pipe sections. This solution maintains the necessary levels of security while softening the visual impact of these measures. The detailed construction plans and specifications have been completed and are being bid.

The Capitol Police Board approved five security related projects that are included in the Architect of the Capitol's fiscal year 2001 appropriation. These five security related projects as listed in our budget are as follows:

—Infrastructure for Security Installations ($500,000), which provides the infrastructure accommodations to support the continued installation by the Capitol Police of door controls, alarms, cameras and other security devices throughout the Capitol Complex.

—Security Project Support ($200,000) will provide this Office with technical staffing resources to coordinate and oversee the design and construction of capital improvements to be implemented by this Office that were funded in the Omnibus Consolidated and Emergency Supplemental and Appropriations Act, 1999.

—Off Site Delivery and Screening Center ($4,500,000) for the acquisition of land to build a new off site delivery and screening center, based on the findings in the Master Plan.

—Design, Training Facility ($700,000) will provide for design of new training facilities based on the findings in the Master Plan.

—Vehicle Maintenance Facility ($2,250,000) will provide for land acquisition and design of a new vehicle maintenance facility based on findings in the Master Plan.

APPENDIX C.—AOC HUMAN RESOURCES ACT OF 1995 ACHIEVEMENTS

INTRODUCTION

The Congress passed the AOC Human Resources Act of 1995 in the Fiscal Year 1995 Legislative Branch Appropriations Act, Public Law 103–283, approved July 22, 1994. The law required that the AOC develop a human resources management program consistent with modern practices common to Federal and private sector programs.

HUMAN RESOURCES PROGRAM FOCUS

Since April of 1997, the Human Resources Management Division (HRMD), under a new Director, has made the following areas a priority: customer service delivery; program/policy development; service delivery systems re-engineering; and personnel action and operational processing simplification.

In order to accomplish these priorities as well as the daily human resource operational requirements, HRMD has, as a team, formed relationships across branches and functions to address these new challenges. The following information outlines HRMD's progress so far and identifies new directions for the coming year.

PROGRAM GUIDANCE COMPLETED

The following program guidance was developed and distributed, with briefings provided to all Agency Supervisors:

Training Program.—The training program was significantly revitalized and expanded to meet management and employee training needs. Specifically, we have:

—Administered a wide range of training courses for AOC employees at all organizational levels and of varied disciplines.

—Published a new training guidance handbook which has been provided to managers, supervisors and foremen during scheduled informational meetings. The handbook addresses the overall process for handling training requests and provides the following information: a detailed listing of training videos that are available for check-out or for viewing in the HRMD learning resources center by AOC staff; guidance on staff cross-training and job and non-job related training; instructions for completing on-site as well as off-site training requests; sample curricula and on-the-job training suggestions for a wide variety of trade occupations; and a copy of the General Services Administration's Facilities Management Training Center Catalogue.

—Implemented an automated training system to capture all training activity and funds allocation.

Architect's Mobility Program (AMP).—With the assistance of a cross jurisdictional workgroup, we have revamped the program guidelines. The program is designed to provide career growth opportunities for employees in lower-graded, career-limiting positions. The program is being implemented with 8 to 12 vacancies initially. This is to ensure that we are able to provide the necessary one-on-one assistance to the selecting official and the selected employee to develop a tailored training development plan. We provided informational sessions for employees and supervisors with detailed information about the Program, and operating procedures. Specific assistance has been given to employees on the application process, on completing the necessary forms, etc.

Hazard Pay/Environmental Differential.—Guidance has been developed and provided for supervisors to use in requesting hazardous duty pay for appropriate work situations. The guidance provides for a number of steps to be taken by the supervisor prior to instructing employees to work in conditions that may be considered as hazardous duty. The guidelines provide for a health and safety review of the proposed working conditions, the applicable safety equipment, and other health/safety considerations. Once this review is completed, the supervisor will follow the procedures outlined to request from HRMD the authority to grant hazardous duty pay to employees involved in that specific work assignment.

Temporary Limited Duty Assignments.—Guidance was developed and provided for use by supervisors when considering requests from employees for limited duty assignments, on a short-term basis, while recovering from a non-work related injury or illness. This information identifies the initial steps employees must follow and the documentation necessary to clearly substantiate a medical limitation. With specific medical documentation, the supervisor can make a determination whether or not a limited duty assignment is possible based on the employee's medical limitations and mission needs.

Reissuance of Policy on the Administrative Work Week.—Based on numerous questions about what constitutes the work week and inconsistent application of policies

in different segments of the agency, we reissued the AOC policy and standardized procedures to all employees.

PROGRAMS AND POLICIES THAT ARE COMPLETED AND READY FOR UNION NEGOTIATIONS

HRMD has completed the following program and policy guidance, which is awaiting negotiations with the Union. AFSCME Local 626 was elected by AOC employees representing laborers, custodial workers, various administrative support employees, and many employees of the U.S. Botanic Garden. As negotiations are completed for each policy, we will implement each of these initiatives. Our work on Program and Policy development is carried out in coordination and collaboration with Chief Employment Counsel and Chief Labor Relations Counsel. This ensures compliance with applicable laws and regulations including provisions of the Human Resources Act and the Congressional Accountability Act.

Temporary Promotion Policy.—Completed the policy and procedures for supervisors to follow in proposing temporary promotions for employees. The policy provides for a uniform way of proposing, documenting, competing when necessary, and approving temporary promotions for AOC staff. Through this policy, Agency supervisors will be able to make a time-limited change of an employee's assignment, with a corresponding time-limited increase in pay.

Work Detail Policy.—Completed the policy and procedures for supervisors to follow in proposing details (temporary work assignments) for their employees. The policy provides for a uniform way of proposing, documenting and approving details for AOC staff. Through this policy Agency supervisors will be able to temporarily assign an employee to a different position or set of duties, without a change in pay. The employee that is temporarily assigned to a different position or duties continues to officially occupy his/her position of record.

Classification Appeals Policy.—Completed development of a classification appeal process for employees to use when the classification of their position (job title, series and/or grade) is in question. The process ensures that a thorough review and analysis of the position is completed; a specific report of findings is provided; and that HR staff meet to discuss the findings with the employee and the supervisor. The policy also provides for a third party (a neutral reviewer) to conduct the review in cases where this may be more appropriate.

ADDITIONAL HUMAN RESOURCES ACCOMPLISHMENTS

Delegations of Authority.—In June 1997, the Human Resources office was granted full delegated authority to carry out the wide range of personnel actions necessary to support and carry out the mission of the Agency.

Informational Briefings.—The Human Resource staff has been conducting informational briefings for groups of supervisors and managers in each jurisdiction. The briefings cover temporary limited duty assignments, hazardous duty pay/environmental differential, updates to the disciplinary process, the Architect's Mobility Program, the Training Handbook and other Human Resource program areas. The briefings are one method HRMD is using to develop an ongoing, cyclical dialogue with Agency supervisors to assure they understand the policies of the Agency and our intent to create standardized policies and procedures across all of our jurisdictions.

Earlyout and Buyout Program for the Senate Restaurants.—Based on Congressional authorization, developed program guidance, operating procedures, informational materials and facilitated counseling sessions to help employees decide if they were interested in applying for a buyout and/or earlyout during November/December 1997. The overall process, which required about three months of staff effort, resulted in 23 employees accepting the separation incentive. Through a second buyout program, in fiscal year 1998, an additional 17 employees accepted a buyout. These efforts have resulted in an estimated saving of $1 million per year for the Senate Restaurants. In developing the guidance and procedures to administer this authority, we benchmarked similar activities at other agencies and completed a successful programmatic review conducted by General Accounting Office (GAO) staff. Our experience with this authority is that it is an effective tool that holds much promise as a component for re-engineering other areas of the Agency.

Enhancing Supervisory Skills Workshop.—With the assistance of a training consultant, we developed and administered this workshop for all AOC supervisors. The mandatory three-day training session addressed numerous topics with a focus on refreshing and enhancing supervisory skills. This workshop was the first of what will be a series of training opportunities aimed at improving the management and supervisory skills of AOC executives, managers, supervisors, foremen and assistant foremen. Major components of this workshop included segments to: enhance communications with employees; provide basic skills and the tools to effectively and promptly

address conduct and discipline issues; address methods for providing positive reinforcement to staff; and, allowed an open discussion and review of pressing problems/issues.

Streamlining the Discipline Process.—In an effort to improve the timely and fair handling of disciplinary cases, we examined AOC's current process and procedure to identify areas where processing time for these actions could be reduced, without changing the existing policy. A number of areas were identified where supervisors, HRMD, and the Hearing Officers could be more time efficient. To help reduce the time it takes to resolve a disciplinary case, we developed processing time standards. A decision was also made to obtain the services of independent contractors, skilled in handling hearings, to assume the duties that have been carried out by AOC managers. In doing this, we have added an additional degree of independent objectivity and consistency to the review of cases in addition to improving overall timeliness of handling a disciplinary action.

Reengineered the Employment Suitability Process.—In order to ensure that new employees are suitable, from a security perspective, for employment with the agency, we reengineered the appointment and suitability review process. In conjunction with the U.S. Capitol Police, we now conduct a criminal history review prior to appointing all applicants within the agency. This changed process will also minimize the disruption to mission related work and will improve our overall business practices.

Contract Administration Training Initiative.—In collaboration with the Procurement Division, HRMD led an initiative to promote the training of contract project officers. A comprehensive program plan and schedule was developed to facilitate a contract project officer and a contract administration course. The first phase of this training program has been completed. This initiative will enable the agency to more efficiently and professionally handle the administration of contracts for services that will be performed for AOC. The next training initiative (to be completed during fiscal year 2000) will address the open market and small purchase procurement process.

Position Management Review.—In coordination with the Budget Office, HRMD implemented an Agency-wide process that ensures completion of a budget analysis and a position management review prior to a position being approved for recruitment. The position management review, completed by this office, focuses on: the need for the position; duplication of effort or overlapping of functions; the appropriate supervisory span of control; and staffing alternatives to ensure the position is filled at the lowest possible grade (salary) level.

Position Classification Studies.—Efforts in this area have resulted in:

—Completion of a number of position classification review studies including: raising the career ladder to the GS–13 level for Architect positions in the Architectural Division; developing GS–13 program manager positions in Engineering; and developing GS–13 level positions in the Information Resources Management Division.

—Completion of a preliminary review of a random sample of Laborer positions in the House, Capitol and Senate Office Buildings. The review was completed in response to employee complaints that their positions should be paid at a higher level. We found that the majority of the positions were either properly graded or were over graded. A broader study to review the proper classification (title, job series and grade) of all Laborer and Custodial Workers will be necessary.

—Completion of a review of all the positions in the Botanic Garden to determine the proper titles, series and grades of these positions.

Organizational Studies.—An organizational management review was completed for the Superintendent of the Capitol, resulting in a reorganization with consolidation of a number of shops. An organizational realignment, to consolidate the grounds staffs at the Supreme Court and the Library of Congress under the AOC Landscape Architect, was also completed. Currently, we are working with the Superintendent of the Senate Office Buildings, the Director of Engineering, and the Immediate Office of the Architect on a number of organizational issues. In addition, provided management and organizational analysis to establish the organization structure for the Financial Management System Program, the Capitol Visitor's Center Project Office, and the Life Safety Program Initiative.

These efforts are part of our Strategic Planning and Organization Management efforts to develop sound, efficient, cost-effective staffing patterns for the Agency. This work will result in streamlined organizations with appropriate supervisor-to-employee staffing ratios. We also assess options that will facilitate the identification and development of centralized operations, and opportunities for multi-tasked job assignments and upward mobility positions.

CSRS to FERS Conversion.—AOC had over 900 employees who were eligible to convert from CSRS to the FERS Retirement System during the open season that concluded on December 31, 1998. We had a comprehensive strategy in place to inform eligible employees of the process, considerations, financial implications, etc. HRMD provided one-on-one counseling and retirement comparisons to any interested employee who considered making the change. In addition, 79 employees participated in either FERS Transfer briefings and/or individual retirement transfer counseling sessions provided by HRMD.

AOC Electronic Job Announcements.—A procedure to "post" all AOC job vacancies on the Office of Personnel Management Job Information Home Page (www.usajobs.opm.gov) was developed and implemented. AOC vacancies can now be found by any interested applicant "surfing" the net. In addition, to foster increased opportunities for all AOC staff, we implemented a policy of advertising jobs Agency-wide. This replaced the existing practice of advertising jobs primarily at the jurisdiction level. This will not only provide more opportunities for current AOC staff, but ensures consideration of a broader pool of candidates. Should we anticipate that there would not be a broad cross section of available internal candidates, the vacancies would be advertised to all sources (both within the AOC and to outside sources). Our goal is to ensure that vacancies are filled using a fair and open competitive procedure.

Human Resources Newsletter.—Developed and have been publishing a Human Resources Newsletter, Employee Matters, as part of the AOC Shoptalk. The newsletter provides AOC employees with current Human Resource information, program initiatives, upcoming events, training information, etc.

Human Resources Web HomePage.—A new resource for AOC employees who have access to the AOC intranet has been developed. Employees can now find out about Human Resources-related information and policies on-line. Since this is just the beginning of our venture into the website design, we will continue to modify and enhance the HomePage based on feedback. Currently, the HomePage contains:

—Employee-wide notices issued by HRMD.
—A complete HR staff roster with contact numbers and service areas.
—The Uniform Policy and related documents.
—Issues of Employee Matters.
—Links to other sites such as TSP, Social Security and Federal Job Opportunities including AOC jobs.
—A feedback link to E-Mail a message to HRMD-Link.

In the near future, the site will be expanded to include:

—Every current AOC human resources policy.
—Mission-related information about HRMD and its branches, including each of the services and programs we provide.

HUMAN RESOURCES INITIATIVES CURRENTLY UNDERWAY

AOC Year 1 Reengineering Plan using Buyouts and Earlyouts.—Based on Congressional authorization, we developed program guidance, operating procedures, and informational materials. We conducted 20 employee group briefings and provided 195 one-on-one retirement/resignation counseling sessions to assist employees interested in applying for a buyout and/or earlyout during the application window of June 1-August 6, 1999. We received and approved 73 buyout requests. Our plan provides for the filling of 72 of the vacancies (46 positions are being reengineered to be advertised and filled as various needed disciplines; 26 positions will be filled in-kind—the position to be filled will be the same type of position as was vacated).

AOC Year 2 Reengineering Plan using Buyouts and Earlyouts.—A proposal will be submitted in January-February 2000, for Congressional authorization.

Performance Evaluation System (PES).—A plan was developed and implemented to review and make necessary program and policy changes to revamp the AOC PES. Focus groups comprised of supervisors, foremen, employees and managers were used to assist in the initial phase of the review. A cross jurisdictional workgroup of AOC staff, including Union representation, worked with HRMD staff to help develop proposals for necessary changes to revamp the system. A number of program and policy enhancements are being adopted which will provide for a more usable system. The revamped PES program is in the final review process. The implementation plan provides for union negotiations, approval of the final policy by the Architect, and implementation Agency-wide. Program implementation is projected during the February-March 2000 time frame.

Awards Program.—An awards policy/program to establish a comprehensive incentives and recognition program, including provisions to pilot monetary and time off awards is being developed. Providing an incentive system, that recognizes perform-

ance, productivity and exceptional employee contributions toward fulfilling our mission, will serve to reinforce service excellence, professionalism, creativity, and teamwork AOC-wide. A draft Agency policy has been reviewed by senior Agency managers and suggested revisions are being made. Project completing a final proposal for management review by March-April 2000. (Prior to implementation, necessary union negotiations will need to be completed).

AOC Pay Flexibilities Policy.—We have completed a draft proposal for several pay flexibilities—Retention Allowances, Recruitment Bonuses, and Superior Qualifications Appointments. These pay flexibilities will provide the option for paying a monetary incentive to; retain a high quality employee that may be looking to leave the Agency; better attract high quality candidates during the Agency's recruitment process; and grant a higher step of a grade in appointing a uniquely skilled individual to fill a critical position. A draft Agency policy has been reviewed by senior Agency managers and suggested revisions are being made. Project completing a final proposal for management review by late April-May 2000. (Prior to implementation, necessary union negotiations will need to be completed).

Employee Safety and Protection.—In collaboration with the AOC Health and Safety Office, HRMD has been actively addressing employee safety and protection in the workplace. We developed and implemented (with union concurrence) an employee uniform policy in the Senate Office Buildings, the House Office Buildings, the Botanic Gardens and the Capitol Grounds. We are also working to ensure that we have program and policy guidance to address other employee personal protection issues such as protective clothing, eye protection, safety shoes, etc., to further support AOC health, safety, and training initiatives.

Review of all Laborer and Custodial Worker Positions.—A study to review the proper classification (title, job series and grade) of all Laborer and Custodial Workers was initiated in mid January 2000 and is expected to take several months for completion. The study is in response to employees complaints that positions are not properly classified and as a result of a previously completed review of a random sample of positions in the House, Capitol and Senate Office Buildings.

Human Resources Process/Systems Reengineering.—In the same fashion that the discipline process was streamlined to reduce processing time, we are systematically reviewing and revamping other HR processes and procedures so they are more responsive to management and employee needs. Even though this requires us to make a large investment of time, addressing these initiatives and the business of modernizing AOC's Human Resources programs are being approached with a great degree of enthusiasm by the HRMD staff. Our current focus is the re-engineering of the operating processes and procedures followed by the Employment and Services Branch. Staff workgroups are systematically analyze, modernize, simplify and implement new ways of doing business in a number of areas including: recruitment, pay and benefits processing, retirement counseling and program administration, health and life benefits administration, etc. A few examples of accomplishments to date include:

—Development and implementation of a Human Resources Staff Competency Development Model. The model provides a road map for the professional, technical, and career development of the HR staff.

—A pilot employee benefits group has been formed to provide more responsive, focused services tailored to individual employee needs. The group provides one-on-one services in retirement counseling, health and life benefits, thrift savings, and resolution of other employee needs.

—An employee suitability procedure was revamped to ensure a more timely responsive review of employment suitability for prospective employees and contractors. The process provides for close coordination of employee suitability with the U.S. Capitol Police.

—A team was identified to provide continuous assistance to Agency managers in addressing ongoing operational issues. Through regular participation in jurisdictional staff meetings or working with individual or groups of employees the team.

—Developed and implemented two informational/communications tools to provide guidance to employees and to supervisors on emerging issues. Tools Of The Trade are guidance documents for managers and supervisors on how to handle specific program, policy or operational issues. HR Bulletins are informational issuances to all employees regarding important upcoming activities/events.

Labor Management Relations and Negotiations.—With the election of a union to represent approximately one-third of the Agency's workforce, HRMD now has additional program responsibilities to carry out in collaboration with the Labor Relations Attorney. HRMD is working with a wide variety and a significant number of day-to-day union issues as well as serving on the management negotiation team. They

regularly participate in meetings with union officials to address specific issues or concerns and to provide information. The staff is devoting a considerable amount of time to carry out negotiations with the union on a labor-management contract as well as on specific policy issues.

Supervisor and Employee Handbooks.—Under two separate initiatives, we are developing a Supervisory Handbook for Managing Human Resources and an AOC Employee Handbook. Both publications are designed to provide both supervisors and employees with relevant and accurate AOC policies, procedures, processes, programs, and benefits.

Workers' Compensation Program.—HRMD has initiated a concerted effort to develop a comprehensive program to address the high workers' compensation costs being incurred by the Agency. We have developed a Three-Year Strategic Plan with goals of: returning claimants to work following an injury; proactively managing cases and medical care; and containing costs and reducing lost work time. Some of our accomplishments to date include:

—Implementation of a Memorandum of Understanding with the Office of the Attending Physician to provide medical consultation in connection with work-related injuries/illnesses;

—A limited duty program that can provide limited duty to every partially disabled employee injured on the job;

—Development and implementation of a Workers' Compensation Tracking System to provide managers, supervisors, the Health and Safety Office, the attending Physicians's Office and the Human Resources Office with immediate access to new injury cases as they occur, for performing mishap investigations, generating injury reports, and for identifying and tracking injury trends.

—Completed a review of 396 workers' compensation claims, implemented 48 corrective actions, returned 93 employees to work in limited duty work assignments, returned 14 employees to full duty from our short term and long term rolls, and canceled 2 employees' ineligible cases.

—Working with the Office of Workers Compensation, we completed a review of 101 long-term cases and have requested their intervention in 20 cases for possible rehabilitation, re-employment or reduction of benefits.

—Completed detailed research into a number of potentially fraudulent cases. Based on our findings, we have referred and requested a complete administrative review of 15 workers compensation cases by the Department of Labor.

We will continue to develop specific initiatives, in conjunction with the AOC Health and Safety Office and with the Attending Physician's Office, to systematically address each aspect of workers' compensation, to provide for a proactive return to work program and to aggressively pursue cases of potential fraudulent claims.

Forging New Business Relationships.—HRMD has been working with several organizations across the campus:

—The U.S. Capitol Police to establish joint efforts to successfully and safely deal with potential workplace issues;

—The Office of the Attending Physician and the Occupational Health and Safety staff to develop better program linkages with regard to workers compensation, training and other program areas; and

—Participating in initial discussions with the Sergeant at Arms and the Chief Administrative Officer on potential areas for mutual cooperation.

The staff is actively participating on several executive agency forums: a member of the Small and Independent Federal Agencies Personnel Group; a member of the Office of Personnel Management's Human Resource Accountability Workgroup; participate in the Classification and Compensation Society forums; and are actively involved in the Federal Safety and Health Council.

UPCOMING HUMAN RESOURCES INITIATIVES

This is a brief summary of HRMD initiatives on the horizon:

Leave Administration.—Guidance and instructions being used by the various jurisdictions are being collected in an effort to assess how leave is administered across the AOC. We want to look at options for developing more standard policies and procedures for handling the various aspects of leave administration including:

—Process for requesting and approving leave (annual, sick, without pay, etc.).

—Process for annotating and documenting tardiness.

—Process for annotating, documenting and initiating action to address AWOL situations.

As an initial effort, based on initial findings HRMD is developing several Tools Of The Trade for managers and supervisors to address appropriate documentation

and use of sick leave and tardiness. A comprehensive review and update of the Agency policy will be planned as a future program initiative.

Records Management.—HRMD is reviewing the information AOC organizations currently maintain about the employment and conduct of individual employees with the goal of developing guidelines to standardize these practices. Individual supervisors and managers may find it convenient to maintain unofficial personnel records containing information about their employees for purposes of initiating personnel actions, tracking leave usage, and recommending discipline. The information maintained might duplicate some of that in the employee's Official Personnel Folder, but may include copies of additional material such as employee's counseling, incident reports, and supervisory notes. In order to provide consistency in the content and manner in which employee information is kept, HRMD will develop guidelines to govern what documentation may and may not be maintained, as well as general information on the employee's right to review it.

Update and Revamp the AOC Conduct and Discipline Policy.—The AOC operating process and procedures for handling conduct and discipline matters will be reviewed and updated. The existing process is rather cumbersome and can be very time intensive. The necessary procedural steps in administering the disciplinary process will be streamlined.

A Comprehensive Wage and Pay Administration and Hours of Duty Policy.—In addition to current work efforts on the AOC's Pay Flexibilities Policy, HRMD will look into developing a more uniform, comprehensive, way of addressing wage and pay matters to cover holiday pay, overtime, tours of duty, etc. This effort will standardize pay administration and work scheduling across the Agency and provide clear operating guidelines for AOC supervisors to follow.

Human Resources Management Information System.—Based on program and management needs, research is needed to actively pursue modernization of HR information management systems. The lack of an automated system results in very labor intensive efforts on behalf of Agency managers, administrative staff, the HR staff, and the Information Resources Management staff in completing day-to-day business transactions. An automated system would not only greatly reduce the necessary paperwork, but would also reduce the processing time for personnel actions and would facilitate generation of necessary Agency and Oversight Committees' reports. Such a system would be able to provide for: on-demand, accurate, management reports for program analysis; processing of personnel actions; personnel forms; position classification process; simple, protected, employee access to their personal pay, benefits, retirement, insurance, and other employment related information.

Human Resources Process/Systems Reengineering.—The staff will continue to reengineer, streamline and revamp our operating processes and procedures with the goals of reducing processing time and providing more responsive customer services. Following the model we used in the conduct and discipline process (previously addressed in this report), we will complete a process to streamline and reengineer operating processes and procedures in the Employment and Services Branch and then replicate the model in the Classification and Pay Administration Branch, the Management and Employee Relations Branch, and the Employee Development and Communications Branch.

Our organizational goal is to be more responsive in meeting the needs of our AOC customers, and provide timely, cost-effective HR services. We envision Human Resources as a proactive partner and resource in advancing the AOC mission of being an innovative and efficient team dedicated to service excellence and to preserving, maintaining and enhancing the national treasures entrusted to our care.

APPENDIX D.—INITIATIVES REGARDING THE CONGRESSIONAL ACCOUNTABILITY ACT

INTRODUCTION

Enacted in 1996, the Congressional Accountability Act of 1995 (the CAA) affords all AOC employees, and their union representatives a process by which to present allegations regarding workplace matters before the independent Office of Compliance. In addition, the CAA requires the Office of Compliance General Counsel to conduct complex-wide inspections to guarantee workplace safety and health.

COMPLAINT PROCESS IN DISCRIMINATION CASES

An employee who wishes to allege violations of the CAA may request counseling and mediation from the Office of Compliance. Individuals who wish to file such requests need not put in writing, or prove, any allegations during formal counseling, mediation or before entering the formal litigation process. At mediation the AOC must be ready to respond to any employment-related matters, including discrimina-

tion, wage and hour and family leave issues, or other workplace issues, without regard to the legal merits of claims. The CAA and the Office of Compliance procedural rules require that all mediation and formal hearing proceedings are strictly confidential and require parties to sign agreements to that effect.

After the mediation period, a complainant or a designated representative may initiate the litigation process by filing a formal complaint in the Office of Compliance or a civil action in Federal Court. (The CAA requires that Formal Complaint cases be kept confidential. On the other hand, Federal court cases are not confidential.) There are currently 14 active district court cases naming the AOC as the defendant. In the 15 cases in which courts have ruled, the AOC has received favorable rulings, including dismissals.

DISCRIMINATION CASE STATISTICS

Based on the official figures provided by the Office of Compliance (the OC) for calendar year 1999, individuals filed 311 requests for counseling naming the AOC as the respondent employing office. (The filing of such requests is a pre-requisite to filing a Request for Mediation upon which the OC first informs the AOC of the existence of a complaint from an employee.) The OC only discloses numerical statistics in this area and has not authorized the release of any information in these cases. The Office of Compliance proceedings concerning these requests by law are strictly confidential. As stated above, 14 active cases are currently pending in federal court.

OCCUPATIONAL SAFETY AND HEALTH PROVISIONS OF THE CAA

Section 215 of the CAA directs the Office of Compliance General Counsel to inspect any area or activity within the jurisdiction of employing offices, including all of the buildings within the AOC's jurisdiction with respect to compliance with occupational safety and health standards. (As of January 1998, the Library of Congress, separate and apart from the AOC, is covered by this provision regarding its own activities.) The OC General Counsel conducts inspections of all such locations at least once every Congress, but also whenever an employee or an employee representative requests an inspection.

The CAA empowers the General Counsel to issue a citation or notice when he has reason to believe that a violation of Section 215 of the CAA has occurred. The General Counsel's issuance of a citation or notice by itself does not establish that there has been a violation of the CAA. If the General Counsel issues a complaint against an employing office in the CAA process, an independent hearing officer conducts a hearing at which the OC General Counsel and the employing office may present arguments as to whether the facilities or work practices are in compliance with the law. A hearing officer's decision may be appealed to the OC Board of Directors and then to the Federal Circuit Court of Appeals.

Beginning in January 2000 the OC General Counsel is conducting a periodic inspection of the Capitol Hill complex and other facilities under the jurisdiction of the AOC. Also, in calendar year 1999, in 19 cases the OC General Counsel has conducted individually requested inspections of certain facilities. These inspections may be narrowly focused on one location or activity or involve facilities and activities across the Capitol Hill complex, such as the ongoing fire safety inspections of all of the buildings under AOC jurisdiction, mentioned below. The AOC has been fully cooperative in the inspection process and has responded to each issue raised.

In late April 1999, the General Counsel cited the AOC for the lack of roof fall protections on the Capitol Building and for failing to test for the Legionella bacteria at the frequency that he felt desirable in the East Towers of the Capitol Power Plant. With regard to the first issue, the AOC was well underway with its plan to provide for fall protection, not only on the Capitol Building, but on all of the buildings in the complex. In the second matter, the AOC had already begun its seasonal testing for the Legionella bacteria at the East Towers when the citation was issued. At the suggestion of the OC General Counsel, the testing is now done on a weekly basis. All tests at all the cooling towers of the Capitol Power Plant have been negative.

In July 1999, citations were issued concerning inspection and maintenance of certain electrical components of the system in the James Madison Memorial Building of the Library of Congress. Pursuant to the recommended abatements in the citations, the AOC conducted tests and maintenance of the subject electrical switchgear, as well as the switchgear throughout the building. The AOC also initiated a training program to ensure that safe electrical practices, including the de-energizing of electrical lines, as necessary, are followed. Finally, the AOC established a procedure to notify the Library police and others in writing when any part of an alarm system is out of service for repairs. These actions abated the alleged violations noted in the

issued citations. Beyond that, the AOC has initiated the process for designing and, as funding permits, installing new switchgear equipment throughout the Madison Building.

Pursuant to several January 1999 requests for inspection by AOC and Library of Congress union representatives, the Office of Compliance is continuing to conduct inspections of all the buildings in the Capitol complex regarding fire safety. As discussed elsewhere, even before these inspections began, the AOC had ongoing efforts to identify and address the issues concerning fire safety in buildings under its jurisdiction and care.

APPENDIX E.—INITIATIVES IN LABOR-MANAGEMENT RELATIONS

INTRODUCTION

Provisions under the Congressional Accountability Act, Public Law 104–1 (CAA), afford all eligible AOC employees the right to choose an exclusive representative to engage in collective bargaining with Employing Offices. Since the CAA's passage, seven different groups of AOC employees have exercised this right. One representation petition is currently pending for an additional proposed unit of Masons employed at the AOC. The following discussion describes labor-management relations activities that have taken place over the past three years.

FORMATION OF UNIONS

In August, 1997, the first bargaining unit at the Architect of the Capitol (AOC) was established. Approximately 600 laborers, custodians and other occupations were organized by AFSCME Council 26, Local 626, which was certified by the Office of Compliance as the first exclusive bargaining agent for AOC employees.

In November, 1998, AFSCME Council 26, Local 626 was certified by the Office of Compliance as the exclusive representative of a unit of production and maintenance employees at the United States Botanic Garden.

On January 13, 1999, Plumbers Local Union No. 5, United Association of Journeyman and Apprentices et al. was certified as the exclusive bargaining agent, by the Office of Compliance, for a unit of plumbers employed by the AOC's Construction Management Division. The AOC and Plumbers Local 5 have met twice to discuss potential contract issues. To date, no proposals have been presented for bargaining.

On August 17, 1999, the International Brotherhood of Electrical Workers, Local 26, was certified by the Office of Compliance as the exclusive bargaining agent for a unit of journeyman electricians employed by the Construction Management Division.

On October 14, 1999, AFSCME Local 626 was certified by the Office of Compliance as the exclusive representative of laborers and coal loaders at the Capitol Power Plant. This is an addition to the existing unit consisting of other laborers and custodial workers in the House and Senate Office Buildings and the Capitol.

On October 16, 1999, Sheet Metal Workers' International Association, Local Union No. 100 was certified by the Office of Compliance as the exclusive representative of sheet metal workers employed by the Construction Management Division of the AOC.

On November 15, 1999, the Washington D.C. Regional Council of Carpenters, United Brotherhood of Carpenters and Joiners of America was certified by the Office of Compliance as the exclusive representative of carpenters employee by the Construction Management Division of the AOC.

UNION NEGOTIATIONS

The AOC and AFSCME Local 626 have negotiated the following agreements:

—Uniforms for Senate Office Buildings and Capitol Building employees
—Time Clocks for Capitol building employees
—Official time and the Number of Designated Union Officials
—Dues deduction
—Architect's Mobility Program
—Overtime assignments at the Botanic Garden

Several articles of the Master Contract

—Ground Rules for Master Contract Negotiations.
—Negotiability issues for Master Contract Negotiations
—Reassignments for House, Senate and Capitol personnel
—Buy-Out, Early Retirement
—Transfer of Custodial Employees
—Uniforms for U.S. Botanic Garden Employees

To date, negotiations have not begun with the other certified Union representatives.

LABOR-RELATIONS MEETINGS/NEGOTIATIONS

At least 60 labor-management meetings have been held during the past year to discuss various issues, including staffing, time and attendance, training opportunities, change in work assignments, discipline, health and safety.

MASTER CONTRACT NEGOTIATIONS

Collective bargaining between AFSCME Local 626 and the AOC began on July 21, 1999 to negotiate the first comprehensive master contract agreement between the AOC and a labor organization. On September 20, 1999, negotiations were completed with 4 issues remaining, yet to be resolved. Parties have agreed to meet on January 28, 1999 to resolve these final issues so that an agreement may be implemented by early Spring.

ALLEGATIONS OF UNFAIR LABOR PRACTICES

During the past three years, twenty-seven unfair labor practice charges were filed by various organizations representing AOC employees. Seventeen were withdrawn, six were dismissed, and a settlement was reached in one case involving the reassignment of employees. One charge involving dues deductions was investigated by the Office of Compliance and a complaint was issued. The AOC was found to be in violation and required to post the remedial Order. Another charge alleging violations based on, inter alia, the denial of official time to a union representative is under investigation. A separate charge, filed by the Electrical workers' union (IBEW, Local 26), alleges the discriminatory lay-off of an employee due to his union activities. That charge currently is under investigation.

APPENDIX F.—STATUS OF SELECTED CAPITAL IMPROVEMENT PROJECTS

U.S. Botanic Garden Conservatory Renovation

The contract for the renovation of the U.S. Botanic Garden Conservatory was awarded to The Clark Construction Group, Inc., of Bethesda, Maryland, in September 1998. The company was issued a Notice to Proceed in the same month and extensive work presently underway is clearly visible to passers-by. The renovation and reconstruction of the 1933 Conservatory will totally replace and modernize its building systems while retaining its architectural character. The initial award is for the renovation of the structure (including the interior landscapes) and installation of water treatment, security and environmental control systems. The staff of the U.S. Botanic Garden will install the plant exhibits in each house of the Conservatory.

Roof Fall Protection Program

The objective of this complex-wide program is the design and installation of roof protection systems on all buildings as required to comply with OSHA safety standards. Presently 100 percent design is complete for the U.S. Capitol, Senate Office Buildings, House Office Buildings, Library of Congress Buildings, Botanic Garden Growing Facility and the Capitol Power Plant. Systems for the U.S. Capitol dome and 501 First Street are being designed under separate projects. The U.S. Capitol has modified railings, walkways and flagpole access conditions by reprogrammed funds. Work on flagpole access at the Capitol and the Russell Senate Office Building are in progress. Construction contracts have been awarded for the fabrication and installation of complete fall protection systems for the Longworth Building, U.S. Capitol Police Headquarters and Webster Hall. The balance of the program awaits construction funding .

Dome Rehabilitation

The 135-year-old Capitol Dome is undergoing a rehabilitation to ensure its protection and preservation into the next century. Construction phasing was determined early in 1998; several studies and pilot projects and an interim master plan associated with the first phase were also completed, paving the way for the preparation of construction documents and the issuance of an Invitation for Bid. The phase one construction contract was awarded to The Aulson Company of Methuen, Massachusetts, on January 11, 1999, and the work has proceeded well. It is approximately 65 percent complete with the current phase of work scheduled to end in late April 2000. Temporary repairs to the guttering systems, resealing of exterior joints and painting areas of bare metal will be added to this phase to prepare the Dome for

a hiatus in rehabilitation. This work may extend the contractor's presence on the site through mid-summer 2000, but should not defer removal of the Rotunda protective netting prior to the end of April.

The final review submission of the design documents for phase two has been reviewed by the staff and comments have been issued to the consulting team for their completion by late February 2000. The hiatus in construction will allow for any additional defects discovered in the completion of Phase I to be incorporated into the documents prior to bidding. Funding for phase two will be requested in fiscal year 2002 and is expected to be completed in calendar year 2005.

Library of Congress Book Storage Modules

Work has begun on the first of a series of book storage modules to be built for the Library of Congress on 100 acres of land at Ft. Meade, Maryland, under jurisdiction of the Architect. The contract for construction of LOC Book Storage Module 1 and an adjacent office component, as well as for initial site preparation and development work, was awarded on April 12, 1999. The first storage module (of an anticipated total of 13) is 8,000 square feet, and the office component is 5,000 square feet exclusive of mechanical equipment space. Construction began August 3, 1999 and is expected to be completed in the late fall of 2000. Future modules, not tied to additional office components, may be larger in size.

Underground Storage Tanks

The Architect complied with the December 22, 1998 temporary closure deadline mandated by the Environmental Protection Agency, and the December 22, 1999 deadline for addressing all relative environmental concerns. The work was accomplished utilizing a combination of U.S. Army Corps of Engineers' contractors, and two other private contractors. A replacement gasoline tank and dispensing equipment is still in planning. The design should be completed by March 1, 1999. Installation will occur as soon as all procurement issues are settled.

APPENDIX G.—REPORT ON ARCHITECT OF THE CAPITOL YEAR 2000 READINESS

The Year 2000 Computing Crisis (Y2k) project at the office of the Architect of the Capitol was initiated in response to the growing awareness of the potential computing problems associated with the change from the year 1999 to 2000. In preparing for Y2k risks, the AoC implemented the wide range of guidelines established by the General Accounting Office (GAO).

The project at AoC was initiated with the major focus on Information Technology systems, including: the Unisys mainframe supporting the accounting systems, the network environment supporting office automation and internal mail, the Senate Restaurants financial systems, and other critical systems. As awareness of Y2k's potential impacts grew, so grew the responsibility of the Y2k project to include building infrastructure systems including: power, elevators, climate control, and the reliance on external utility providers. With this expansion of coverage, came the additional responsibility of coordinating the building infrastructure Y2k activities of all legislative organizations. These common activities included: sharing information about AoC compliance activities, sharing information from the external utilities, Day-1 planning, and Day-1 communications. The diligence and determination of the AoC Y2k team ensured the success of AoC's Y2k compliance.

Project Analysis

The Y2k project was initiated in early 1997 when AoC's Office of Information Resources Management (OIRM) established a Y2k planning committee. The committee included representatives from the various disciplines in order to elevate the awareness of the project throughout the agency. The committee performed assessments of all AoC operations and developed a list of core business processes, highlighting those that had one or more components subject to Y2k risks. The original mission critical systems list contained 15 systems. Each system owner was then tasked with analyzing the system to determine the level of risk and the cost and complexity of correcting deficiencies. As the AoC's Y2k awareness expanded, and with guidance from GAO, the number of mission critical systems grew to 42.

As the leader of the AoC Y2k project team, the Director of OIRM was responsible for monitoring, implementing, and reporting on AoC's advancement toward Y2k compliance. The AoC Y2k project team provided system owners with guidance about compliance and worked with vendors and owners to ensure that all remediation activity was fully supported and appropriate to the associated level of risk. Concurrent with system upgrades, the AoC Y2k project team developed contingency plans for such diverse systems as electric power, water supply, building climate control, Botanic Garden climate control, Senate Restaurant operations, and more. These con-

tingency plans along with validation checklists were documented in the AoC's Contingency & Day-1 Plan.

As the year 2000 approached and each legislative organization continued to develop its own Y2k plans, the need for inter-agency communication became obvious because many of the Y2k risks that the AoC was planning for were also being planned for by other legislative agencies. In February 1999, the Director of AoC's OIRM initiated and led the Legislative Branch Y2k Coordination Group (Group) which had participation from all 13 legislative organizations and the Supreme Court Marshal's office. The Group came to consensus on a number of planning assumptions, common planning horizons, and development of an inter-agency critical incident command center (CICC). These were all documented in the Group's Day-1 Guide which was distributed to each organization and to congressional leadership. A November 4 table-top exercise tested the effectiveness of the CICC and prepared the participants for possible decision-making scenarios that Y2k failures could have produced.

No additional funds were expended to develop the AoC control center or the CICC. All hardware and software to support the centers was borrowed from participating organizations and the expertise for developing the communications and system validations were provided by AoC and other Legislative branch agencies.

Project Results

Due to detailed planning, extensive renovations, and good communications, the result of the Y2k project at the AoC was a fully successful rollover from 1999 to 2000. The systems under AoC responsibility were monitored prior to, during, and after the year rollover, and no problems were reported either internally or from external providers.

Communication flowed as it was designed. As information about systems was gathered in the buildings and from the utilities, it was reported to the AoC command center, who in turn shared this with the other jurisdictions, and with the CICC. The CICC provided a great forum for sharing concerns of the legislative organizations, and ensured that in the event of a Y2k disruption, the right people would have been available to make the appropriate decision. Due to the overwhelmingly positive results of the system validations on January 1, 2000, the AoC control center and the CICC were decommissioned in the early morning hours. Other internal AoC system validations continued during the day, but no problems were reported or documented.

The Legislative branch group was a great success in cooperative planning development. All participants were able to express the views of their organization, and consensus reaching was attempted in a cooperative and positive manner. It is a good model for other projects that have Capitol complex-wide implications. The Sergeant at Arms of the U.S. House of Representatives has expressed interest in implementing a similar "CICC-type" group for such events as the State of the Union Address and the Presidential Inauguration.

APPENDIX H.—FINANCIAL MANAGEMENT SYSTEM IMPROVEMENTS

INTRODUCTION

The AoC is pursuing the upgrading and integration of information systems and business practices in order to provide a business environment that provides timely access to reliable information. Currently, AoC's various systems do not share information or common data definitions. The implementation of a new Financial Management System (FMS) and the integration of other systems with FMS will be a major step towards AoC's system integration goal. The FMS implementation will also lead to the AoC's first preparation and audit of financial statements. These goals are fully consistent with the Vision Statement of the Legislative Branch Financial Manager's Council, which the agency has adopted. The AoC is currently in the beginning stages of the FMS implementation.

The AoC requires a new financial system that is compliant with Federal standards, easily integrated with other systems, provides timely and accurate information and contains electronic workflow capabilities. The new core financial system must be tightly integrated with the inventory system, the facilities management system (CAFM), the human resources system, and the project tracking system. The integration of the CAFM system with the core financial system is a critical goal for the AoC in order to perform proper cost accounting and analysis of the facilities management activities (as recommended in a House Inspector General report dated 9/1/98). This goal requires the new financial system to operate on a modern easily integratable technical platform and provide extra user defined data elements for

capturing AoC unique information required for linking the systems (such as work order number).

The new Financial Management System, which will be compliant with all Federal standards, will be implemented in phases. The first phase will be the implementation of the Standard General Ledger, and interfaces with the current accounting system and payroll system. Subsequent phases will include the implementation of other modules of the core system (such as budget execution, purchasing, accounts payable), and the gradual phase out of the current financial system. Also included in subsequent phases is the integration of the facility management system (CAFM), the implementation and integration of a more robust project tracking system, the implementation of a contracting procurement module, and the implementation of inventory and fixed assets modules. The human resources system will also be enhanced to provide the financial system with more detailed labor information for performing cost accounting.

In order to ensure all the proper steps are taken in the procurement and implementation of a new system, and to ensure continued support from top management, the AoC has organized a steering committee made up of executives from various AoC user groups and financial system executives from GAO, the LOC and other Legislative Branch agencies. The purpose of the committee is to provide advice and feedback regarding the implementation of a new financial management system and to provide a forum for addressing high level project issues.

The Legislative Branch Financial Manager's Council (LBFMC) is currently pursuing an initiative to have all Legislative Branch agencies eventually implement the same financial management software. The AoC's phased approach to implementing FMS through a cross-servicing arrangement with another Federal agency is consistent with this LBFMC initiative. In addition, the AoC is prepared to participate in the LBFMC proposed Concept of Operations Study.

Pending approval of fiscal year 2001 funding, a pro forma audit of the fiscal year 2001 financial statements will be performed. A pro forma audit evaluates the sufficiency of the financial statements without issuing a formal audit opinion and without performing an in-depth review of the detailed transactions that make up the balances. The pro forma audit will prepare the AoC for the full audit that is expected to be performed for the fiscal year ending 9/30/02. Since the new financial management system is being implemented in a phased approach, this is the soonest a full audit can be performed.

ACCOMPLISHMENTS TO DATE

Prepared Alternatives Analysis for the Implementation of a Financial Management System

As recommended by the FMS Steering Committee, an alternatives analysis was developed evaluating the various alternatives for implementing a new financial management system. The alternatives analysis compared the advantages and disadvantages of enhancing the current system, cross-servicing a system from another Federal agency, and purchasing a new financial management system. The alternatives analysis was completed on June 18, 1999 and issued to the FMS Steering Committee for review and comment.

The Alternatives Analysis recommended that the AoC cross-service a modern financial management system through another Federal agency rather than purchase its own software package. The cross-servicing of a financial management system allows the AoC to obtain the software quicker and at a discounted price. Cross-servicing also reduces the technical risk of implementing a modern client-server system. The recommended system (American Management System's client-server Momentum product) provides a technical platform and other functionality that allows the AoC to move forward with its system integration and cost accounting goals.

Entered into a Cross-Servicing arrangement for a Financial Management System

The FMS Steering Committee favored the cross-servicing of a client-server financial management system through the Department of the Interior. The American Management System's Momentum software package is being implemented at the AoC through a cross-servicing arrangement with the Department of Interior's National Business Center (franchise fund agency). Two interagency agreements were issued to fund the first phase of the project. An interagency agreement was issued on 9/23/99 using fiscal year 1999 funding and an additional interagency agreement was issued on 10/21/99 using fiscal year 2000 funding.

Prepared FMS Implementation Plan for the Phased implementation of FMS

An implementation plan was issued to the House and Senate Appropriations Committees on 12/14/99. The plan defines the FMS implementation in four phases, ad-

dresses the risks, defines the technical responsibilities and specifies the estimated funding required. For each phase of the project the major tasks that need to be performed are described.

Hired Staff to Perform the FMS Implementation

Two Senior Systems Accountants were hired in October, 1999 to perform the tasks required to implement the new system. Two additional Systems Accountants are in the process of being hired and should be on board in February 2000.

Began the Implementation of Phase 1 of the Financial Management System (FMS)

Phase 1 is the implementation of the Standard General Ledger and interfaces to the current accounting and payroll systems. The current financial system will continue to be used for all current functions. The planned implementation date for beginning production operations of Phase 1 FMS is October, 2000. The following tasks have been accomplished for the implementation of Phase 1 of FMS:

—Developed detailed task plan and schedule for Phase 1 of the FMS Implementation
—Developed requirements for payroll interface with FMS
—Developed requirements for interface with the current financial system with FMS
—Developed SGL chart of accounts and GL posting models
—Defined accounting classification codes and budget structure

UPCOMING FINANCIAL MANAGEMENT INITIATIVES

Complete the Implementation of Phase 1 of the Financial Management System (FMS)

Phase 1 is the implementation of the Standard General Ledger and interfaces to the current accounting and payroll systems. The following tasks will be performed to complete the implementation of Phase 1 of FMS:

—Complete the design, development and testing of the payroll interface with FMS
—Complete the design, development and testing of the interface with the current financial system with FMS
—Configure the software package for Phase 1 FMS
—Perform a pilot test of the configuration of the software
—Develop reports
—Train system users
—Develop user data entry procedures
—Develop reconciliation procedures between the interfaces and the FMS general ledger
—Convert beginning balances and reference tables

Begin Additional Phases of the FMS Implementation

Depending on the receipt of sufficient funding, the FMS phased implementation will proceed as follows:

Phase 2: Implementation of the budget, purchasing, accounts payable and disbursement modules of the core financial system.

The budget, purchasing, accounts payable and disbursement modules of the new system will be implemented. This will require the conversion of detailed level data from the current system to the new system. Other tasks include the testing and configuration of the new modules, the development of an interface with the Project system, the development of reports, the development of user procedures and the training of new users. The current system will continue to be used for procurement and inventory functions while FMS will be the "system of record" and be used for all other financial functions. Phase 2 is expected to begin in October, 2000 and continue through the initiation of production operations in October, 2001. The implementation of Phase 2 is dependent on receiving sufficient fiscal year 2001 funding.

With the implementation of Phase 2, the AOC can undergo a full audit of its financial statements. A full audit is expected to be performed for the financial statements issued for the fiscal year ending 9/30/02.

Phase 3: Implementation of the procurement module of the core financial system.

A separate procurement module will be purchased and implemented to perform the detailed procurement functions being performed by the current financial system. This phase of the implementation will include the testing and configuration of the procurement module, the development of additional interfaces and reports, the conversion of data, the development of user procedures and the training of new users. The current system will continue to be used only for inventory functions. Phase 3

is expected to begin in October, 2001 and continue through the initiation of production operations in October, 2002. The implementation of Phase 3 is dependent on receiving sufficient fiscal year 2002 funding.

Phase 4: Implementation of a Fixed Asset module

This phase will implement the Fixed Assets module. With the implementation of Phase 4 the AOC will have automated records of its fixed assets and will be able to record automated depreciation entries in the general ledger. Proper accounting of fixed assets is required to receive an unqualified audit opinion. Phase 4 is expected to begin in October, 2002 and continue through the initiation of production operations in June, 2003. The implementation of Phase 4 is dependent on receiving sufficient fiscal year 2003 funding.

Subsequent FMS Phases

Subsequent phases of the FMS implementation are expected to include a number of system integration initiatives as follows:

—Integration of the Computer Assisted Facilities Management System (CAFM) with FMS
—Implementation and integration of a Contracting Procurement system with FMS
—Implementation and integration of a new Labor Distribution system (HRS Time and Attendance System) with FMS
—Implementation and integration of a new project tracking/management system with FMS
—Implementation and integration of a new inventory system or a warehouse management/inventory system with FMS.

Inventory Improvements

The AoC is currently in the process of improving its inventory operations to increase controls over the safeguarding of assets and provide consistency across the jurisdictions in the application of inventory procedures. A complete reconciliation of the actual "in-stock" inventory to the inventory accounting records is in process. Procedures are being enhanced to ensure the continued accuracy of the information. A regularly occurring cycle count process has been put in place. These activities will not only enhance control over inventory operations, they will also facilitate the FMS implementation and eventual auditing of financial statements.

APPENDIX I.—STATUS REPORT ON COMPUTER AIDED FACILITIES MANAGEMENT SYSTEM

The Computer Aided Facilities Management system (CAFM) is a five-year initiative to modernize and establish stronger and more pro-active facilities management capabilities using industry standards and software. Within the AOC community, CAFM is phasing in several modules of computer aided facilities management operations. The CAFM initiative establishes standards for demand maintenance/work order processing and preventive maintenance while also providing an automated and systematic vehicle for facilities management.

During the period of fiscal years 1998 through January 2000, the AOC has accomplished the following:

—Procured PC/printer hardware along with SPAN–FM software,
—Established a Standards Committee and developed standards for the deployment of demand work orders, and
—Deployed demand work order processing to the following jurisdictions: Senate, Capitol, House, Supreme Court, and the Library of Congress and Electrical Engineering Division in support of the CAFM initiative.

The CAFM program initiative, during fiscal year 2000 will accomplish the following:

—Complete demand work order deployments to Capitol Grounds and High Voltage Shop,
—Start standardization and pilot requirements for Preventive Maintenance implementation to Custodial, AC and Electrical shops,
—Implement Work Order Linkage to all AOC jurisdictions,
—Upgrade current CAFM software to the new Facility Center software, and
—Develop and implement Executive Information Systems and Reports as it relates to the CAFM initiative.

A cost methodology has been developed and finalized for the measurement of CAFM cost avoidance, benefits and savings. Once this document is approved at the proper levels, it is anticipated funding requested in the fiscal year 2001 budget will be appropriated to complete the following CAFM requirements:

—Complete Preventive Maintenance Standardization process,
—Implement Preventive Maintenance across all AOC jurisdictions,
—Implement Demand Work Order processing to Botanic Gardens and Power Plant.

APPENDIX J.—PROJECT PLANNING AND DELIVERY STUDIES

The project planning and delivery processes and organization of the Architect of the Capitol (AOC) have been under review by independent consulting firms. The purpose has been to streamline the processes and staff organization as appropriate based upon "best practices" culled from the AOC and industry.

The general findings indicated that the organization of the AOC and project operations and output are effective, especially with respect to the quick response functions of the Building Superintendents. A substantial number of "best practice" processes and tools were found within the design and construction arms of the AOC. Capable employees were found at all levels in the AOC—employees who are passionate stewards of the historic buildings in the Capitol Complex and anxious to improve their abilities to do their jobs.

The recommendations related to project identification, planning, scope determination, design, procurement and construction, concluding that there are many actions that can be taken by the AOC top and middle management to enhance and streamline the project delivery processes and tools presently in use. Such actions were deemed imperative in light of the increasing workload required of the AOC staff in preserving and enhancing the facilities and infrastructure of the complex. The principal recommendations and resulting actions to be taken by the AOC follow.

—*Planning Operation*.—The AOC will establish a planning operation that will manage the development and cyclical review of long range (20 year) and short range (5 year) project plans based upon continuous input from clients and AOC line staff and technical experts representing all architectural and engineering disciplines and other interests such as life safety and security. The plans will be generated first by building system and component, then integrated by building, then jurisdiction, and finally AOC-wide. The long range plan will be reviewed annually while the short range plan, comprised of more specific scopes of work, will be reviewed and adjusted quarterly against the performance of all current projects. The AOC will manage the planning process and clients will establish and modify priorities as appropriate in the process of assessing the impact of unanticipated new work and emergency projects on the established long and short range plans. The five-year AOC Capital Budget and annual budget submissions will be products of this planning process.

Steps are being taken leading to the establishment of a framework for the plans and planning teams of AOC staff who are knowledgeable of the infrastructure and systems in each building and the entire complex. A new core planning staff will have to be established with skills appropriate to long range planning and the preparation of project programs and scopes of work. It is anticipated that the planning operation will result in a greater AOC and client understanding of long range needs, the more orderly prioritization of work, and better definition of project scope, budget and schedule, agreed to by clients and the AOC prior to the commencement of the design process.

—*Building Superintendents*.—The Superintendents' strong, front-line relationships with clients is widely understood and appreciated, and will continue to be recognized and used to the advantage of all parties in the project planning, scoping, design and construction processes. The Superintendents and their knowledgeable staff will be given additional responsibility for meeting with any client who has requested assistance, preparing an initial statement of scope, and determining if the client's needs can be satisfied by the issuance of a work order to the Superintendent's work forces or if an AOC-wide team needs to be assigned to address the client needs as a full project requiring further scope definition, design and construction. In either the work order or the project delivery process, the Superintendent will remain fully involved with the work and with client communications. The processes and tools associated with this improved project initiation effort will be finalized early in 2000.

—*Project Management*.—An AOC Project Manager will be assigned for the life of a project, from early scope definition through design, construction and occupancy. For purposes of project progress reporting, the Project Manager will report through a Program Management Group to the Assistant Architect of the Capitol (AAOC). Through the group, project progress will be monitored, resources shifted as necessary, and problems quickly resolved. The group, to-

gether with the appropriate Superintendent, will also serve as the communication link with clients.

The roles, responsibilities and accountability of Project Managers, Program Management Group and other key AOC staff will be defined. Project Managers will be responsible for coordinating the work of consultants, contractors and supporting AOC staff experts, and accountable for meeting project budget and schedule requirements. Project Managers will receive appropriate training to ensure they can fulfill their critical role effectively and efficiently. The AOC top management will initiate an aggressive training program internally, and has also begun to hire talented project managers from the outside on a temporary project-by-project basis to augment staff.

—*AOC Standards and Guidelines*.—AOC requirements related to project delivery will be better defined, published and disseminated in the form of guidelines, manuals, checklists, and electronic tools and systems. These will give earlier and more complete and consistent direction to design consultants and construction contractors as well as AOC staff technical experts, all of whom are supporting the Project Managers who are accountable for meeting all project requirements. Work on these improvements has already begun and is expected to be completed during 2000.

—*Consultant Utilization*.—The AOC will expand its use of external design consultants to maximize the return on the AOC's highly knowledgeable and committed staff who must devote increasing time to project management and the application of an appropriate level of oversight of all project activities to protect the interests of clients and the Capitol Complex facilities entrusted to the care of the AOC. This will include an increase in the use of "indefinite delivery, indefinite quantity" (IDIQ) professional services contracts and possibly other creative architect and engineer selection procedures that are also fair and competitive on the basis of professional qualifications.

—*Construction Contracting Methods*.—The AOC will continue to expand its options for construction delivery to ensure the most balanced and efficient use of AOC staff and the timely completion of work with minimum disturbance to building occupants and visitors. The options will supplement the traditional and dependable quick-response teams and maintenance shops of the Superintendents. At present, the Superintendents have the option of hiring temporary employees and utilizing the construction services of the AOC Construction Branch. The AOC Construction Management Division has the option to use the services of a Job Order Contractor (JOC) who is under a long term contract to complete construction jobs on call at previously agreed to unit prices, and to procure the services of general contractors through Invitations For Bids (IFBs) and Requests For Proposals (RFPs). The AOC also anticipates the establishment of a new construction delivery option, the Solution Order Contractor (SOC). A number of SOCs will be competitively selected on the basis of qualifications and put under contract to bid competitively among themselves for specific AOC construction projects. The final new option, for highly complex projects, is the provision of overall coordinated design and construction management services by an independent Construction Manager, under contract with the AOC.

An implementation plan was prepared at the conclusion of the AOC Project Delivery Best Practice Study. It is structured in four areas of concentration that address all of the above recommendations and actions:

—*Leadership Guidance and Direction*.—The AOC Senior Policy Group and Superintendents will establish goals and objectives, a schedule and milestones, and performance criteria. "All Hands" workshops will be held early in the implementation process during which the leadership commitment to improvement will be communicated clearly to all AOC staff.

—*Planning Operation*.—The various steps leading to the establishment of the planning operation have been set forth. As stated earlier, a core planning staff team will have to be established. This will require the hiring of new staff with appropriate special skills in planning and program and scope definition.

—*Project Management and New Tools*.—This track is aimed at providing the "best practices" and tools for the most effective and efficient management of projects. The "best practices" were identified during the CLA study, and the finalization of these and the new tools has begun. Their effectiveness will be tested by applying them to pilot projects selected from the current workload of the AOC.

—*Training and Pilot Projects*.—An ambitious program of training will be charted for skills in leadership, supervision, communication, and project management. Pilot projects will be identified for the application of "best practices". Implementation is being scheduled at this time and target dates have been established subject to workload. It is anticipated that consultants will continue to be in-

volved in activities designed to sustain momentum toward positive change and "best practices" implementation, and aimed at establishing essential reporting and feedback cycles.

APPENDIX K.—FISCAL YEAR 2001 BUDGET REQUEST SUMMARY

The Architect of the Capitol's fiscal year 2001 budget request is $252,121,000. It consists of an operating request of $183,382,000 and a capital request of $68,739,000. The full-time equivalent (FTE) positions remain the same at 2,012. However, funding is requested to fill 70 unfunded positions. The attached graph "Fiscal Year 2001 Operating and Capital Budget by Categories" breaks out the operating and capital request by significant categories. The graph "Fiscal Year 2001 Operating and Capital Budget" reflects the history of the Architect of the Capitol's budget since fiscal year 1994.

OPERATING BUDGET REQUEST

The operating budget request includes an $18,577,000 or 11.3 percent increase. Thirty-six percent or $6,740,000 of the increase is due to mandated pay and benefits costs. Forty-eight percent or $8,957,000 of the increase is related to work load increases and includes $3,927,000 for 70 unfunded positions, $959,000 for cleaning services, $600,000 for financial management and audit services, and $1,487,000 for information resources management. Price level adjustments account for 9.4 percent or $1,750,000 of the increase and are primarily related to fuel costs. Election year moves accounts for 6.1 percent or $1,130,000 of the requested increase.

Over the past year the AOC has undertaken a review of the agency's operations and is in the process of reengineering. As displayed in the attached graph "Full-time Equivalent Employment Budget" staffing has been reduced by more than 16 percent or almost 400 positions since 1992. During the same period workload has increased, especially in the areas of life safety, security initiatives and project oversight. It is important to recognize that we have reached the saturation point where the amount of work to be done in several areas has taxed our staff capacities to the fullest extent. This budget includes requested increases for staff in several critical areas. Funding is requested for 13 positions in the Life Safety Division, 28 positions for the Senate Office Buildings primarily for cleaning and painting services, 14 positions for the House Office Buildings mainly to supplement the trades staff, 7 positions for the Botanic Garden to support the reopening of the newly renovated Conservatory and the new National Garden, and a total of 8 positions in the Engineering and Architecture Divisions.

An increase of $1,487,000 is requested for the Information Resources Management Division. As the agency becomes more dependent on automated systems in the areas of financial management, and facilities maintenance it is critical that the hardware and software resources needed to support these systems are available.

An increase of $362,000 is requested for life safety operations and maintenance. These resources are required to provide compliant safety and environmental programs and to be proactive in all matters that involve fire and life safety, employee safeguards, environmental monitoring, and discharge of potentially dangerous materials.

An increase of $600,000 is requested to support the operation of the new financial management system including an "audit" of pro forma financial statements. Funding of $759,000 has been requested in the Botanic Garden related to the operation of the newly renovated Conservatory.

Additional funding of $595,000 has been requested in the Senate Office Buildings to supplement cleaning of public areas and restrooms and for contractual cleaning of the Capitol Police Headquarters. An additional $400,000 has been requested in the House Office Buildings to supplement cleaning of public areas and restrooms. The normal requests for election year moves have also been requested. They include $150,000 for the Capitol Building, $380,000 for Senate Office Buildings and $600,000 for House Office Buildings.

Based on projections from the Department of Energy a net increase of $1,615,000 has been requested to cover rising costs of natural gas and fuel oil for the Capitol Power Plant. Other price level increases totaling $135,000 have been requested throughout the agency.

The following table indicates operating budget request by appropriation.

Appropriation	Fiscal year 2000	Fiscal year 2001	Change
Capitol Buildings	$37,610,000	$44,288,000	+$6,678,000

Appropriation	Fiscal year 2000	Fiscal year 2001	Change
Capitol Grounds	5,062,000	5,515,000	+453,000
Senate Office Buildings	39,519,000	44,359,000	+4,840,000
House Office Buildings	31,177,000	34,885,000	+3,708,000
Capitol Power Plant	36,884,000	39,009,000	+2,125,000
Library Buildings & Grounds	11,341,000	10,688,000	−653,000
Botanic Garden	3,212,000	4,638,000	+1,426,000
Total	164,805,000	183,382,000	+18,577,000

CAPITAL BUDGET REQUEST

The capital budget request is $68,739,000. This is an increase of $23,255,000 or 51 percent over fiscal year 2000.

The fiscal year 2001 capital budget request flows from the five-year capital budget initiative undertaken by the agency. It is grounded in a comprehensive and systematic agency-wide planning effort with in-depth involvement by all of the agency's clients. On the House side, we included the Sergeant at Arms, the Chief Administrative Officer and the Clerk of the House. On the Senate side we included the Sergeant at Arms and the Secretary of the Senate. The U.S. Capitol Police provided a detailed outline of their needs, and the Librarian of Congress was also extensively involved. During the development process more than 400 projects were reviewed. Of that number, funding is requested for 68 projects in fiscal year 2001. Funding requests are projected over the next four years for an additional 157 projects.

Construction funding has only been requested in fiscal year 2001 for those projects that have been completely designed. Because of the agency's current workload, only the most critical projects have been requested in fiscal year 2001. The five-year capital budget is projecting requests in the fiscal years 2002 through 2005 as follows:

Fiscal year	*Amount*
2002	$181,082,000
2003	81,058,000
2004	221,570,000
2005	113,537,000

All the projects associated with future requests will be reviewed and reprioritized before being included in a current fiscal year request. However, the magnitude of the future capital project needs is evident from this table.

Attached is a graph "Fiscal Year 2001 Capital Requests by Category" and a table "Fiscal Year 2001 Budget Request by Category" that breaks out the amount, number of projects and the percentage of each by category. Six projects account for more than 65 percent of the request. Those projects are the Renovation of the Dirksen Senate Office Building ($19,241,000), Cannon Garage repairs ($9,000,000), Renovate the Rayburn Cafeteria ($5,261,000), the Library of Congress new Audio Visual Conservation Center at Culpeper, Virginia ($5,000,000), a new Off-Site Delivery/Screening Center for the Capitol Police ($4,500,000), and a new vehicle maintenance facility for the Police ($2,250,000).

In past years, the AOC developed a reinvestment benchmark of 1.7 percent of the current replacement value of the facilities as a guide of the amount of cyclical maintenance funding that should be invested into the Capitol complex. This benchmark excludes capital project funding relating to the construction of additional facilities, security enhancements and technology management improvement that are included in the total capital request. For fiscal year 2001 the benchmark of 1.7 percent would indicate that $63 million should be reinvested in cyclical maintenance and renovation projects. As indicated on the attached graph titled "Cyclical Maintenance and Building Renovations", $52 million is being requested for facility reinvestment projects in fiscal year 2001. Because the benchmark represents an average, the current request is acceptable. However, as indicated on the graph there will be much larger requests in future years.

The following table summarizes the funding levels presented in the five-year capital budget by category.

FIVE YEAR CAPITAL PROJECTIONS

[In thousands of dollars]

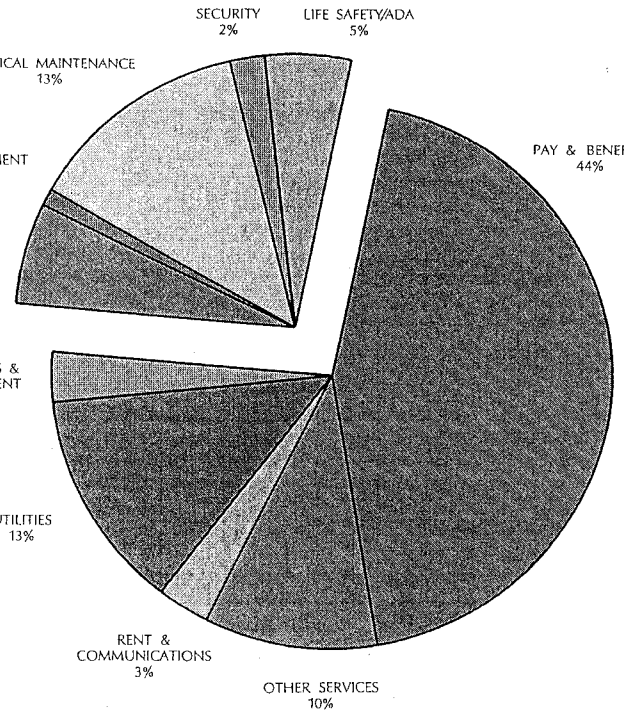
Category	Fiscal year—					Five year total
	2001	2002	2003	2004	2005	
Life Safety	$11,134	$20,854	$9,669	$25,650	$3,850	$71,157
ADA	1,558	4,215	2,880	2,355	1,030	12,038
Security	5,200	17,873	700	14,300	5,000	43,073
Cyclical Maintenance—Improvement	20,141	11,350	2,450	13,850	10,400	58,191
Cyclical Maintenance	11,200	86,598	26,724	107,405	54,957	286,884
Technology/Management Systems	3,160	6,485	3,040	200	200	13,085
Improvement—AOC	1,065	12,152	5,925	8,800	200	28,142
Improvement—Client	15,281	21,555	29,670	49,010	37,900	153,416
Total	68,739	181,082	81,058	221,570	113,537	665,986

The following table summarizes the capital budget request by appropriation.

[Dollars in thousands]

Appropriation—No. of fiscal year 2000 Projects	Fiscal Year 2000 Budget	Fiscal Year 2001 Request	Change	Major Fiscal Year 2001 Project
Capitol Buildings—21 projects	$9,048	$15,750	+$6,702	Off-site Delivery Center—$4,500,000; USPC Vehicle Maintenance Facility—$2,250,000; Financial Management System—$1,475,000; Asbestos Survey—$1,225,000
Capitol Grounds—3 projects	344	605	+261	Wayfinding & ADA Signs—$330,000; CAD Database—$250,000
Senate Office Buildings—8 projects	24,276	22,269	−2,007	DSOB Renovations—$19,241,000; Roof Fall Protection—$1,678,000
House Office Buildings—10 projects	5,960	18,384	+12,424	Garage Floor Repairs, CHOB—$9,000,000; Renovate Rayburn Cafeteria—$5,261,000; Sprinklers & Telecommunications, RHOB—$1,815,000
Capitol Power Plant—11 projects	1,025	1,863	+838	Roof Fall Protection—$323,000; New Oil Tanks—$350,000
Library Buildings & Grounds—13 projects	4,631	9,590	+4,959	Audio Visual Center—$5,000,000; Replace Switchgear JMMB—$1,750,000
Botanic Garden—2 projects	200	278	+78	Way Finding/ADA Signs—$203,000
TOTAL	45,484	68,739	+23,255	

ARCHITECT OF THE CAPITOL
FY 2001 OPERATING & CAPITAL BUDGET BY CATEGORIES

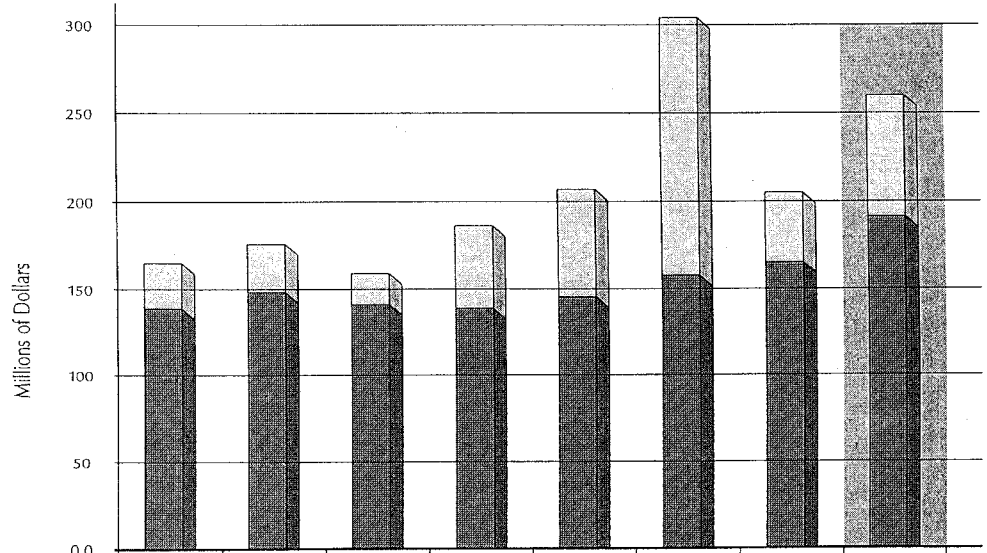


OPERATING
BUDGET
$183,382,000
(73%)

CAPITAL
BUDGET
$68,739,000
(27%) (Including
Dirksen ($19.2M), &
Cannon Garage ($9M))

ARCHITECT OF THE CAPITOL

FY 2001 OPERATING AND CAPITAL BUDGET



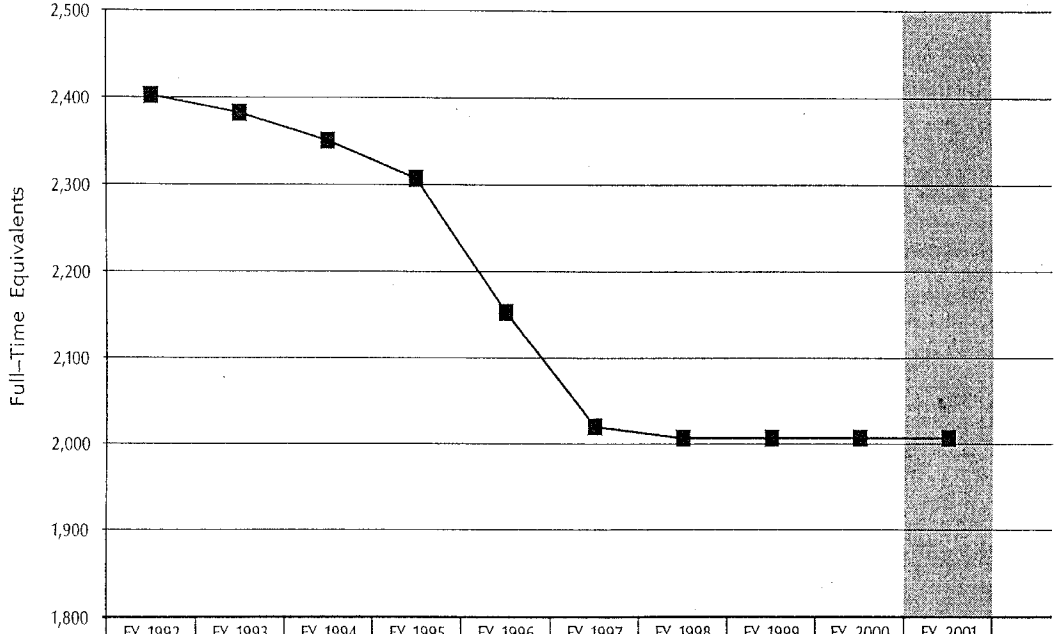
	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
CAPITAL	23.6	27.9	17.3	47.9	61.3	154.3*	45.5	68.7**
OPERATING	141.3	148.3	141.1	139.0	145.4	152.2	164.8	183.4
TOTAL	164.9	176.2	158.4	186.9	206.7	306.5	210.3	252.1

* Includes Capitol Visitors Center – $100M

** Includes Dirksen Renov. – $19.2M, Cannon Garage – $9M, Renovation RHOB Cafeteria – $5.3M, Audio-Visual Center – 5M & Off-Site Delivery Center – $4.5M.

ARCHITECT OF THE CAPITOL

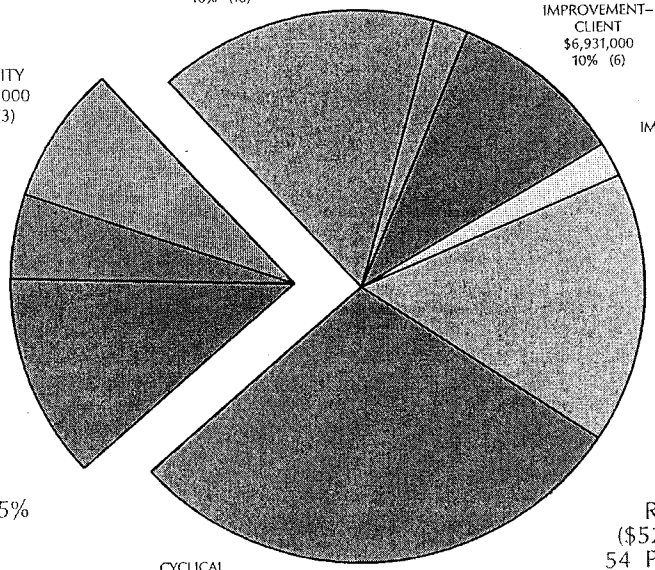
FULL–TIME EQUIVALENT EMPLOYMENT BUDGET



	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
FTE's	2,407	2,383	2,347	2,311	2,151	2,034	2,012	2,012	2,012	2,012

ARCHITECT OF THE CAPITOL

FY 2001 CAPITAL REQUESTS BY CATEGORY



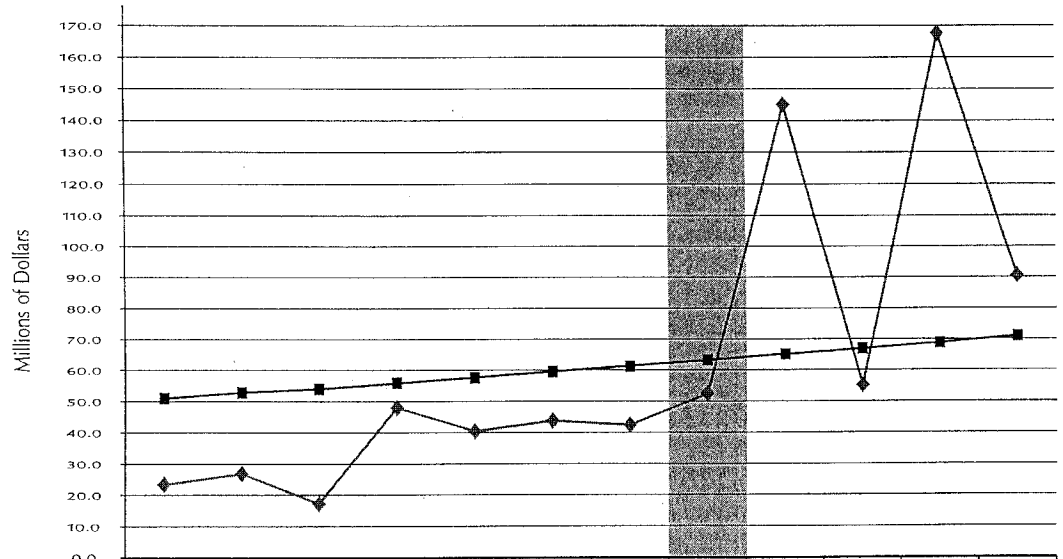
NEW
FACILITIES
($16,710,000 – 25%
14 Projects)

REINVESTMENT
($52,029,000 – 75%
54 Projects – Including
Dirksen ($19.2M) & Cannon
Garage ($9M) & Rayburn
Cafeteria ($5.3M))

ARCHITECT OF THE CAPITOL FISCAL YEAR 2001 BUDGET REQUEST BY CATEGORY

Category	Fiscal year 2001 request	Percent	No. of projects	Percent	Excluding House office buildings			
					Fiscal year 2001 request	Percent	No. of projects	Percent
Life safety	$11,134,000	16.2	18	26.5	$8,871,000	17.6	15	25.8
ADA	1,558,000	2.3	7	10.3	1,188,000	2.4	6	10.3
Security	5,200,000	7.6	3	4.4	5,200,000	10.3	3	5.2
Cyclical maintenance/improvement	20,141,000	29.3	2	2.9	19,241,000	38.2	1	1.7
Cyclical maintenance	11,200,000	16.3	14	20.6	2,080,000	4.1	12	20.7
Technology/management systems	3,160,000	4.6	7	10.3	3,160,000	6.3	7	12.1
Improvement:								
AOC	1,065,000	1.5	7	10.3	1,065,000	2.1	7	12.1
Client	15,281,000	22.2	10	14.7	9,550,000	19.0	7	12.1
Total	68,739,000	100.0	68	100.0	50,355,000	100.0	58	100.0

ARCHITECT OF THE CAPITOL
CYCLICAL MAINTENANCE AND BUILDING RENOVATIONS
(Excludes New Facilities, Security, & Technology/Management Systems)



	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
BENCHMARK	51.1	52.7	54.2	55.9	57.5	59.3	61.0	62.9	64.8	66.7	68.7	70.8
REINVESTMENT	23.6	27.1	17.3	47.9	40.1	49.2	41.6	52.0*	145.1**	55.5	167.6	90.3

* Dirksen Renov. – $19.2 M, Cannon Garage – $9.0 M, & Rayburn Cafeteria – $5.3 M.
** Capitol Dome – $38.0 M & Senate Garage – $10.8 M.

Architect of the Capitol benchmark data

[Fiscal year 2001 funding levels]

Current Facility Replacement Value	$3,700,000,000

	Annual renewal percentage
AOC Benchmark (Based on Universities of Illinois, Michigan, and Stanford and the Army Corps of Engineers)	1.7
Army Corps of Engineers (Budget Objective)	1.75
University Federal Research Cost Recovery (OMB A–21)	2.0
Conservative Commercial Depreciation at 40 Years (IRS will accept a faster depreciation rate)	2.5
National Research Council of the Academy of Sciences:	
Low Range	1.5
High Range	3.0
Fiscal year 2001 Capital Request (Request $68,739,000, Less $16,710,000 Related to Technology/Management Systems, Security, and New Facilities)	1.4

DIRKSEN BUILDING REMODELING

Senator BENNETT. Thank you. Thank you very much.

I should make a comment with respect to the Dirksen remodeling. When I came here, the Dirksen Building was considered the low rent district, and Senators would start their careers in the Dirksen Building and then move out as quickly as they possibly could. I have nostalgia for the Dirksen Building because this is where my father had his office, and I was very content to stay here.

I happen to think it is better laid out, from a practical standpoint, than either of the other two. My own prejudice is that I prefer the architecture of the Hart Building. I know most people say they prefer the Russell, but I love the soaring atrium and the plants and all the rest of it, until I get into the individual offices, and then they strike me as rabbit warrens for the staff. And I prefer the big windows and the large rooms in the Dirksen Building.

Now that it has been renovated—and mine was the first suite to be renovated—I consider that we are in the high rent district, and I will not give up my office to Strom Thurmond.

I want a royalty for the design that I gave you for the removal of the safe, because I understand a number of Senators have asked for exactly the same design.

Mr. HANTMAN. This is true.

Senator BENNETT. I will donate those royalties to the budget of the Architect of the Capitol.

But thank you for the truly well thought out way in which this building is being renovated. And it is now work space that will serve the needs of the Senators for another 50 years. It is roughly 50 years since the Dirksen Building was conceived, and I am sure that we will get our monies worth out of it. And I want to commend you for that.

Now, with that, Senator Mikulski has joined us. Senator, we are delighted to have you, and happy to hear whatever you might want to say now, or any questions you might want to ask of the Architect.

STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Well, thank you very much, Senator Bennett. And of course, welcome, to the Architect of the Capitol.

I am so pleased to hear that the Dirksen has been upgraded, and hopefully when we work on HUD appropriations, you see the wisdom of urban neighborhood revitalization and we can enlist you in other projects. But thank you very much.

Mr. Chairman, I have a statement that I am going to submit for the record, but essentially what I want to focus on is——

Senator BENNETT. Your statement will be included.

Senator MIKULSKI. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF SENATOR BARBARA A. MIKULSKI

I would like to thank the members of this committee for allowing me to attend this hearing.

As many of you know, I have taken a particular interest in the workings of the Architect of the Capitol. The Architect employees contribute to the daily functioning of the Capitol and I am proud to say that so many employees call Maryland their home.

The Architect of the Capitol is responsible for the physical architecture of the Capitol complex. This includes the safety of those who work here, the upkeep of the buildings and grounds, and the smooth operation of services that allow all of us to be able to do our jobs.

This is important work and an important responsibility. However, I think that caring for the social architecture of the Capitol work force is just as important and just as big a responsibility and that is why I am here today at this hearing.

As many of you may know, there have been recent problems with employee morale and treatment. Mr. Hantman, I understand that you have made some progress in addressing the problems in your office. Your management team has taken some steps to try and educate your employees. I have heard from some employees that they feel less intimidated by the management and that there is less abusive language and verbal abuse. I appreciate this progress but more needs to be done.

When you were first confirmed you assured me that the way your predecessor did business would stop. My office still receives 15 calls per week from employees expressing concern about how they are being treated. That says to me that it is still business as usual in the Architect of Capitol's office. That says to me that you have ineffective people and ineffective systems.

Your employees either have a lack of confidence in the system you have in place or are so frightened of retaliatory action that they come to a United States Senator before they will use your system. Because of all these complaints, I am the EEOC by proxy.

I would like to share with you some of the concerns that your employees have expressed:

—Employees are so concerned about retaliatory action that they are afraid to approach management about their grievances.

—There has been no formal sexual harassment training. Employees have only received a booklet.

—Overtime for full-time employees has been cut even though some employees had been working and being paid for overtime for years.

—When job audits are performed by your office they are done to penalize employees and help management.

You have submitted biweekly reports to me about the progress you have made and I acknowledge that you have taken these steps. The fact is, whatever you are doing is not working. I know that it is not working because your employees are still coming to me because they feel that they have no other place to go. My constituents should always feel that they can come to me with their concerns. But, at this point, they come to me because they feel that they cannot come to you. Either they do not know about the grievance procedures or they do not trust them. The end result is the same.

I am understandably frustrated with the lack of real progress. I need to know what additional steps you are going to take so that I am not the EEOC or Office of Compliance by proxy.

SECURITY

Senator MIKULSKI. What I want to focus on is, of course, the—I want to agree with the priorities that you have established in safety, security, cleanliness, human resources, and the need to have not only a concern for the physical architecture, but social architecture.

In terms of the security, I believe that Senator Bennett and his team will probe that more. I would really hope that we would continue to focus on security for the people not only who visit us, but the people who work here; and also the security of our police.

As we know, we had a melancholy event, and we need to—and I believe Senator Wellstone has been raising some of those issues and others. So, the thin blue line is our first line of defense.

We do not want to mope around the Capitol of the United States. But we need to be able to protect the people who do work here. So, that is another area of pursuit.

HUMAN RESOURCES

I would like to just use my time to focus on the human resources and say this: I understand, as you know, that often employees approach me, because, particularly the blue collar level employees, because they live usually in either Maryland or the District of Columbia. So, therefore, I become the Senator for many of the people who live in the District.

The restaurant employees have particularly been concerned. And you and I have been engaged in a conversation, but though some progress has been made in addressing the problems in your office, I continue to receive 15 calls a week from employees expressing concern about the way they are being treated.

And in fact, I have become the EEO office for your office by proxy. I cannot keep this up. And it is not that I want to abdicate my responsibility to my constituents, but 15 calls a week on case work situations take a lot of time from my office.

I have heard from employees that they feel less intimidated by management when we begin our dialog, Mr. Architect. There is a great deal of intimidations and fear of retaliation. But though they feel it has been a lower decibel level of intimidation and abuse, they still feel that more needs to be done, and the pattern continues.

You have kept me up to date on these biweekly reports that I have asked, and I acknowledge your cooperation. But in looking at this, it seems like this is the list, but there is a disconnect between your list and their experience of the situation. What people, essentially, come to me saying is that you have ineffective systems and ineffective or poorly trained people running those systems. Okay.

So, they do not have confidence in the system or the people they talk to. So they have confidence in me, and I have got to come back to you. We have got to break that. So, let me just list four items and then let us just get your solutions——

Mr. HANTMAN. Yes.

EMPLOYEE CONCERNS

Senator MIKULSKI (continuing). Because we are not going into spring hazing and you and I arguing with each other, but employees are—first of all, continue to be concerned about retaliatory action and are often afraid to approach management. So, when they raise an issue, it often ends up in their personnel record. Okay.

There has been no formal sexual harassment training. They get a booklet, but as you know, that is a very complex issue. And so overtime for full employees has been cut, even though some employees have been working and paid for overtime for years.

The other is, job audits are performed by your audit, are often done, they feel, to penalize employees, to do downgrading. Now, I am not going to go into what is right or wrong. I am giving you——

Mr. HANTMAN. Sure.

Senator MIKULSKI (continuing). What is persistently presented to me. But again, it is inconsistency interpretation of sick leave, family and medical leave—what are they entitled to—and these other patterns that we raised.

So I am going to acknowledge one progress made, decibel level, but they do feel that it is lip service, inconsistent and unclear. So, could I have your thoughts, though, what we are doing here, and do you personally supervise your human resources and so on?

Mr. HANTMAN. We have, Senator—the issues that you raise, the level of comfort certainly needs to be improved. There is no doubt about that. The commitment that we have made to improving it is very real, and there are regular meetings established to discuss these issues with each group of supervisors and each group of employees, with Human Resources and EEO in attendance.

There are monthly meetings where each supervisor meets with his or her employees. Discussions are open. A fairly standard list of items that are discussed, customer satisfaction, safety and sanitation, training, posting, job announcements, any issues——

Senator MIKULSKI. I know what you do, but why is it not working?

Mr. HANTMAN. I think one of the basic concerns of a lot of people when change occurs, Senator, is that we have gone from a restaurant staff of some 238 people—we are down to 135 people right now. There are very strong demands to bring our budget into account and not continue to lose money as the restaurants have always done.

So, when change is there, when people have new assignments made, when people—in fact, in the past, if you had worked in the Capitol, you were never assigned to the Senate office buildings and vice versa. People now support one another, especially during times of break, when the Senate is not in session and the Capitol is——

Senator MIKULSKI. But do you understand what I am saying now?

Mr. HANTMAN. Sure.

Senator MIKULSKI. It does not have anything to do with the kind of casework problems that come here.

Mr. HANTMAN. Yes.

Senator MIKULSKI. The failure to understand promotions, the lack of sexual harassment training, verbal abuse and so on, and

there is also continual rumors—and I am not into rumor control——

Mr. HANTMAN. Sure.

SENATE RESTAURANTS SUPERVISION

Senator MIKULSKI (continuing). That the executive office that are assigned to oversee this, has—and I do not want to name names; it is inappropriate in a public hearing like this—but has himself or herself had complaints lodged against them, so that they feel that the person in charge is not necessarily committed to them.

And you have systems, and again that is why I say lip service, disconnected and so on. You might believe that this is working, and I do not doubt that you do, but it is not working. Something is very dysfunctional here. Now, either they do not have enough people—I do not know the stations. I am not a Human Resource person. But there is a tremendous disconnect.

Mr. HANTMAN. Understood.

Senator MIKULSKI. Mr. Chairman, my fault, your time, but——

Mr. HANTMAN. Surely. Several points, Senator. Hector Suarez, who is the head of our Human Resources group is currently at the Kennedy Space Center looking at HR re-engineering issues, to take a look at our own organization and how HR works. This is one of the issues.

Any issue of retaliatory action just does not exist, from everything that I know. And from everything that I am setting the tone for, going down the line, we have a new head of the Senate restaurants, Mike Marinaccio, as you know, who has come in, very professional individual. He is the day-to-day person responsible.

We have an industrial psychologist who has come in, began to meet with our people; an outside person to hear their complaints, to hear where it is coming from, so he can feed back from another perspective on what he is hearing, what the employees are saying, and investigate himself what the management and supervisors are or are not doing better and appropriate.

Some of the supervisors who people have complained about, we are sending them to training for sensitivity. We recognize that some folks have been promoted because they have been here a long time and have skills, but not necessarily good management skills. And they need to treat our employees with more sensitivity. We are working on that, too.

It is nothing though that can be turned around very quickly. We are working on it as quickly as we can. I am sure there is more that we can do, and I look forward to working with you on it.

PERSONAL OVERSIGHT

Senator MIKULSKI. Are you personally overseeing this issue?

Mr. HANTMAN. I have not been personally on site with this issue. I have been personally talking with all the management, but not down with all the employees.

Senator MIKULSKI. Well, tell me your personal involvement in this.

Mr. HANTMAN. My personal involvement is having meetings with management at all levels of the Senate restaurants to talk about what has happened.

Senator MIKULSKI. And then what are your means of feedback, because again—I am mindful of the Chairman's time—but I am going to have to bill you for doing your casework for you——

Mr. HANTMAN. Sure.

Senator MIKULSKI (continuing). And billing it through the appropriations. I mean——

INDUSTRIAL PSYCHOLOGIST

Mr. HANTMAN. One of my means of feedback is going to be this industrial psychologist, taking a third-person, impartial view of what is happening, what he is hearing, what he is seeing, and the feedback he is getting from employees with recommendations on what is to be done. So, that is——

Senator MIKULSKI. Well——

Mr. HANTMAN. That is an impartial type of approach as well.

Senator MIKULSKI. There is no finer, I think, management consultant than the gentleman we have here chairing this committee. The experience that he brings from the private sector is really significant, and I think very helpful.

And, Mr. Chairman, I am going to discuss this with you in more detail, and let us see how we——

Senator BENNETT. All right.

Senator MIKULSKI (continuing). Can have—what—your very wise head pursue this, because we can get into industrial psychology and somebody down in the Space Center. I really do not know if it works. Quite frankly, I do not know the applicability of a Space Center to the Architect of the Capitol.

Second, industrial psychologists are often very gifted and talented. This is a unique organization, and your predecessor and the culture of the Senate was that this had a pre-plantation mentality, and you know that.

Mr. HANTMAN. Absolutely.

Senator MIKULSKI. And I discussed that. Now, we are trying to break through that. This group of employees are people of color, often with language issues as well, and so all of this kind of—what sounds very good in text point, textbook, I am not so sure——

Mr. HANTMAN. Right.

Senator MIKULSKI (continuing). Is working. And I really need recommendations on what is to work, so that we have high morale. The people who work here, and the restaurant employees, are enormously dedicated. We know they have longevity, et cetera.

Mr. HANTMAN. Absolutely.

Senator MIKULSKI. But they have to feel confident that working in the very institution that has created the Civil Rights Act is also working for them.

Mr. HANTMAN. Absolutely. Perhaps a good basis to begin this discussion, and I would welcome that, is to re-do what we did 2 weeks ago. We had a representative from your office, of this committee, of the Rules Administration Committee, we had our HR people, our EEO people come in and talk about all of the programs we are doing, what we are physically doing from a lot of different perspectives.

If we are not doing all the right things, we would certainly welcome feedback on that, but we had a 2-hour meeting with a lot of

interaction for a lot of people, hearing and probing of what we are doing and what meaning it could have.

I would welcome the opportunity to do that with you, Senator, and with you, as well, sir, to talk about what we are doing and have the people who are on the front line dealing with the day-to-day workers, and what they are hearing, what they are seeing. My goals are your goals, Senator.

If there is any legacy I can leave over here after the end of my tenure, it would be a staff that is dedicated to service, that has an opportunity for growth and job satisfaction as well. That is very important.

PROBLEM RESOLUTION

Senator MIKULSKI. Well, Mr. Hantman, this is, for all intents and purposes, is March 1. I have got to really have this resolved by June 1, again because the very people I have assigned—and I am not abdicating my responsibility, but I do feel that I am now providing a service to my constituents which I am delighted to do, but it is because of a failure of a system somewhere else and——

Mr. HANTMAN. But I assure you, Senator, there is more than words right here. There are a lot of good people working on good things that I would love to sit down with you and explain that.

Senator MIKULSKI. Well, maybe we could talk more about it.

Senator BENNETT. I am not sure I agree with your characterization of my skills, but whatever they are, I will be happy to——

Senator MIKULSKI. Well, the Y2K bug——

Senator BENNETT (continuing). Participate in this.

Senator MIKULSKI (continuing). Turned out to be the flu.

Senator BENNETT. Yes. That is true.

Senator MIKULSKI. But you did an outstanding job on that. No, I think, actually—no. I think that you are—no, really you are doing a very good job here.

This is often not viewed as—it is like starting out in Dirksen Legislative. But this is really—no. The American people count on us when they come, not only for our votes, but there is nothing here.

You know, everybody talks about tourism attractions, you know, the Smithsonian is the highest in American. But they really come to see us, American democracy. But it is the invisibility of it, our police, our maintenance, our restaurant, all of the team under you that makes it work, so that when people walk in, their tour guides, everything. And often it is the only interaction that they are going to have with the American government. So, anyway—but let me let you go.

Senator BENNETT. Well, thank you for coming and for raising it in your usual forceful and direct manner. And I will take the compliment as an assignment, and inject myself into this to the degree that I might be helpful.

And we take, also, your deadline. The 1st of June sounds like a logical time for us to have some kind of understanding and resolution, at least toward a solution if not complete solution.

I have always found in the private sector that if people feel things are moving their way, they can be patient. If they are convinced they are moving the wrong way, sometimes they can be very

impatient even if, in fact, the problem is not as bad as they perceive. So, perception of movement is just as contributory many times as some of the other activities.

So, again, thank you, Senator. We appreciate you being here.

FINANCIAL MANAGEMENT SYSTEM

Mr. Hantman, would you update the committee, for the record, on the status of your financial management project? I referred to that in my opening statement, but I think it would be appropriate for you to have a comment of your own on that.

Mr. HANTMAN. I think there is good news in that, Mr. Chairman. As you mentioned, Russ Follin, we are very glad that he is heading up that effort for us. And we are currently in phase one of the financial management system, which is basically to implement the standard general ledger and accounts receivable modules.

We expect that—our planned production date, we should be on line with that by October 1 of this year. We will have some 25 users for that. It is fully funded, and the process is working very well.

What this should allow us to do is to do general ledger accounting. The ability to produce end-of-period financial statements, compliance with Federal SGL requirements, standardization of accounting codes and budget structures are underway right now across all of our jurisdictions.

Detailed level payroll information is now available; data captured at the employee level or at the paint shop or plumbing shop; organization code level will be able to be captured now; the automation of status of funds reports, which your committee basically needs for current year activity for no-year appropriations; capital projects funded for annual appropriations; funding status by object class. All of these as of October 1 should be able to begin to be produced as the information is developed.

We are requesting from this committee in our budget this year two issues: Some $1.47 million for phase two of the work, and another $600,000 that involves paying for the rights to use the software that we are cross servicing with.

We are cross servicing through the Department of the Interior with the AMS, Momentum Software package right now. So we have fees to pay to them. Included in that $600,000 is a request for some $200,000 for us to essentially do a dry run audit.

At the completion of phase two, on October 1, 2001, we would be able to begin to give you auditable statements. We need to be able to develop the information once that base of phase two work is done. But we want to do a dry run this fiscal year, set ourselves up to prepare ourselves for an audit the next fiscal year. So, that is in our budget right now.

So, what we are looking for in the remaining modules of the base systems, budget execution modules, purchasing modules for obligations, accounts payable module, disbursements module. Those are all included in what we have requested for this year. And that would expand our user base from 25 to 100 people, and we are requesting those funds in this fiscal year.

Two subsequent phases will also be requested to implement the procurement module in phase three. And phase four would be to implement the fixed asset module as well.

We are building a foundation here, Mr. Chairman, a strong foundation. We have been working together with the GAO, with the legislative branch Financial Management Council. A lot of good people have input into this.

We feel we are going in the right direction. And by essentially cross servicing, we have not expended a whole lot of dollars in recreating the wheel, especially if we are potentially going toward a shared facility for all agencies up on the Hill. So, I think we have built a very strong base.

If you would like more detail—have I left anything else out, Russ, that we talked about?

Mr. FOLLIN. Covered it all.

Mr. HANTMAN. Covered it all.

EMPLOYEE SAFETY

Senator BENNETT. Okay. Thank you. You have had some problems in the area of worker's safety. The number of lost work days per employee is quite high. Do you want to address that problem as well?

Mr. HANTMAN. Okay.

Senator MIKULSKI. Excuse me, Mr. Chairman. I have to leave. There is a hearing with the Attorney General over in Commerce. So, I want to thank you for your courtesy and look forward to working with you.

Senator BENNETT. Thank you.

Mr. HANTMAN. Thank you.

Senator MIKULSKI. My leaving does not mean I am not interested, but it is Reno's last testimony.

Senator BENNETT. I think you have made it fairly clear you are interested.

Senator MIKULSKI. Thank you.

Mr. HANTMAN. Thank you very much, Senator, for the request. I look forward to meeting with you and building on this.

Senator MIKULSKI. Okay.

Mr. HANTMAN. Thank you.

If we could respond to that for the record, I would appreciate that, sir. We will get you information on that.

Senator BENNETT. All right. Fine.

[The information follows:]

The Office of the Architect initiated a number of efforts to reduce the number of workdays lost due to injuries and illness incurred on the job.

The AOC believes it's a win-win situation when a Federal agency aggressively takes an active role in making the health and safety of its employees a top priority. We are confident that this will result in increased productivity and savings in taxpayer dollars in reduced workers compensation cost. Our Life Safety Program Division and the Human Resources Management Division have assumed this proactive approach in working together to reduce work-related injuries and illnesses on the job, and reduce lost work days incurred.

In August of 1998, we initiated action to improve the entire AOC's Workers' Compensation Program by centralizing the program into one office for over sight administration. Last year, we made major improvements which include the following:

—Redesigned the entire program to include a more aggressive return-to-work program and improvements in the medical management of the disabled worker;

—Secured the services of the Attending Physician's Office as a medical advisor;
—Established a three-year Strategic Plan in 1999 that focuses on prevention and reducing work related injuries and illnesses, controlling workers' compensation costs by reducing days lost due to those injuries or illnesses, and securing accurate information that assists the AOC in making sound decisions based on expert medical advice;
—Developed a new day-one case management system that implements quality case management the first day a claim is initiated by an injured worker;
—Implemented a proactive Early-Return-to-Work Program that encourages the practice of "100 percent availability of limited duty work assignments" for all AOC employees partially disabled on the job (not to exceed 120 days);
—Deployed a new Workers' Compensation Tracking System (WCPS) which provides managers, supervisors, HRMD, Safety, and the Attending Physicians Office immediate access to all new injury and illness claims and injury data;
—Implemented more effective techniques (question and answer handouts, fact sheets and hands on meetings and briefings) for educating AOC employees, supervisors and managers about safety awareness; and
—Staffed our workers' compensation program office with an employee relations specialist with an occupational nurse background to support the AOC's efforts in facilitating the injured workers' prompt return to work.

Accomplishments achieved in the Program:
—Reviewed 396 workers' compensation injury and illness claims;
—Returned 93 employees back to limited duty work assignments;
—Discovered 9 overpayment cases where erroneous compensation and medical payments were made;
—Returned 14 employees to full-duty from our short-term and long-term OWCP periodic rolls;
—Reviewed 101 cases on our long-term periodic rolls;
—Requested OWCP's intervention in 20 periodic cases for either rehabilitation, re-employment or reduction of benefits; and
—Requested 15 workers' compensations be administratively reviewed by OWCP.

In addition, during the next several months we will develop an automatic tracking system for the Early Return-to-Work Program and review our long-term OWCP periodic rolls cases for possible re-employment within or outside the AOC.

We have demonstrated the credibility of this approach on dealing with job related injuries and illnesses. We saw a slight reduction in our fiscal year 1998 lost time rate despite an increase in our total injury rate. Our continuing efforts show our commitment to use all available resources to reduce work-related injuries and illnesses and reduce lost workdays incurred.

CAPITOL COMPLEX FIRE SAFETY

Senator BENNETT. Now, one last item: There has been a lot of publicity about Capitol fire safety. I have taken a tour of some of the areas that have been identified as having safety problems; and frankly, if we were to solve the problem with safety as our only criteria, we would probably have every historian in the country come down on us with great fire, if you will, of a different kind because we would destroy the ambiance of the Capitol.

It was built in the days long before OSHA, and there are spaces in the Capitol that are soaring and majestic, and yes, they could become conduits for heat in case of a fire, but to shut them off with fire doors would, in the attitude of many people, be a desecration.

So, I understand the difficulties that you face dealing with the fire issue, and at the same time, not bricking up architectural areas of the Capitol that have that visual impact and create the sense of awe that clearly was in the minds of the original architects of the Capitol when they created those spaces.

Can you comment on where you are on that, and what impact, if any, the visitor's center might have on questions of safety or——

Mr. HANTMAN. Clearly——

Senator BENNETT (continuing). Crowd control and so on, in case of a fire?

Mr. HANTMAN. May I first report to you, Mr. Chairman, that the Compliance Board just had their annual inspection in the Senate office buildings, and they found no violations.

That does not mean that we do not have work to be done; that means that we are working on them. They understand that we have plans in place and that we are moving in the proper direction.

We have a team leaving tonight to go out to Ohio. Interestingly, just before the State of the Union Address, Senator Voinovich and I were talking about life safety issues. Roll Call had just come out with an article about life safety on Capitol Hill.

And he made the statement that most people do not recognize the difficulties in retrofitting older buildings, landmark buildings. As you are probably aware, he had been Governor of Ohio before he became——

Senator BENNETT. Right.

LANDMARK BUILDINGS

Mr. HANTMAN (continuing). Senator. And he indicated that their State house building, some 400,000 square feet in size, was renovated over a period of years. There were many years of planning.

Then he, as Governor, vacated half of the building for a period of 3 years while they renovated it. And then the senate and the house vacated the other half of the building for another 3 years to renovate the other part of it. And they were very concerned and sensitive to the issues that you raise.

They have monumental stairs; they have domes; they have issues that really give you the sense of government, of presence, of pride, that people would have in a State government as we do have in our Government here at the Capitol.

So, we are going to be learning. We are going out there tomorrow to talk about what they have accomplished; how they solved the problems of monumental stairs without carving them up and putting sheetrock walls in front of them, things of this nature.

This is a moving target, Mr. Chairman. This is the NFPA, National Fire Protection Association Journal of January and February of this year. There is a statement by the president, George Miller, which talks about the meetings they had in November of last year.

And as a result of that meeting, their fall meeting, they adopted NFPA 101 life safety code, making it the first NFPA document to fully incorporate a complete performance based approach.

The keyword here is "performance" as opposed to "prescriptive," because if you look at the codes today, Mr. Chairman, you would be walling up all of the major rotundas, the open monumental stairs, things of that nature.

So, the national codes are recognizing that there have to be solutions, certainly in landmark buildings to code issues that are not destructive of those landmark buildings. That is what we are hoping to learn, not only at Ohio, but looking at codes that Pennsylvania, that Texas, that Washington State also have incorporated for that.

So, we are—on the House side, we have a lot to accomplish; on the Senate side, as well, but we are pretty far along over here. The Dirksen Office Building, once we finished our renovations, the end of next calendar year, December of 2001, virtually all the life safety

and security issues will be incorporated there, aside from a couple of issues that we need to continue to address.

In the Russell Building, we are very much ahead on that basis, also. The first four floors are totally complete, smoke detectors, alarms, sprinklers. We are removing the old pull stations over there now. We still have the attic and the basement to be done. So, it is a balance of what we need to do.

Now we want to treat the Hart Atrium in a sensitive way, as well. When you have tall spaces such as that space, or the Capitol Rotunda, sprinklers do not work from the top. They just dissipate. They do not react in an appropriate way.

CURRENT FIRE SAFETY SYSTEMS

But it is interesting to also relate to—we had a fire over the weekend, on Friday night, in the Cannon Office Building, the sister building to the Russell. Systems worked. Somebody had disposed of smoking materials in a wastepaper basket. The detectors went off. The sprinklers went off.

And we had our redundant system, which is our police officers walking through the halls. They had also detected it, almost simultaneously. It was out and under control in 10 minutes.

So, we have more work to be done. Our base systems need to be upgraded, and we are working on that. We are working on plans. We are going to be calling in the National Institute of Science and Technology to look at how best to have plans basically that will not destroy the architecture, will not destroy the sense of our buildings. And they are very willing to do that, and we are working on that very actively.

We have in our budget now many projects for study, as well as implementation, on the life safety area, both the Senate and the House side, and in the Capitol as well.

One of the issues in the Capitol, of course, is how to upgrade that while it is in full use. The issue of accessibility, as discussed with Senator Voinovich, is really a major one. I am sure that we are not about to vacate the Capitol and go through the process of doing a 3-year renovation.

So we will have to do it in pieces, as leadership makes the space available to us, and that will take us longer. But we are trying to put in intermediate and short term solutions such as rather unsightly battery emergency packs for lighting, for instance, until we design the full system, run the conduit, hook it up to emergency generators, and chase the walls where we need to run the conduit. That will take longer.

So we put in intermediate fixes, which are not ideal and hopefully they will not become long-term fixes because funding will not be available to implement it. But we are trying to balance, strike the balance between giving ourselves the ability to control life safety to the greatest extent possible.

We have been installing, as you know, emergency egress doors in the Capitol that never existed before. The entire west front had no doors that swung in the right direction, had panic hardware, had alarms. We have seven doors that have now been totally reconstructed in an appropriate manner for the United States Capitol. And we are working on that with many other projects.

STATURE OF THE CAPITOL COMPLEX

Senator BENNETT. Well, thank you, and I appreciate your sensitivity to that. I think that our children, in my case grandchildren now, would be very poorly served if they were to lose the sense of stature and destiny that the people who created the Capitol in the first place had.

This is a monumental city. I do not know of any other city where the city planners would create something like The Mall, that much open space just for the sake of open space, to say, "Here we are, a significant people, a significant Capitol"; the Union Station, and the approach of Union Station to the Capitol, created at a time when Union Station was the only way you could get to Washington, and the sense of grandeur that came about with this. It is most appropriate, I think, for a nation as significant as this one.

And if in the name of some statistically possible, but unlikely, emergency, we chop it all up, I think we take something away from our posterity and their sense of what they have inherited in this nation.

So, I applaud you in your effort to see to it that the Capitol is not chopped up in that fashion.

I look at the Library of Congress. I remember the first time I stepped into what is now called the Jefferson Building. The hallways were filled with office barriers and wires taped to the floor, so the telephones would work in the cubicles. And I had no sense at all of what that building really was.

And I walk it in now, and go down those open corridors and see the mosaics on the ceiling and all the rest of it, and I practically expect to see Theodore Roosevelt walk around the corner, because here is a statement of what America was at the turn of the last century, and an exuberant, physical manifestation of how we felt about ourselves and our future. And I think that is a history lesson that everybody ought to be able to receive when they walk into that building.

So, with that, I apologize for rattling on. I just thank you for your sensitivity to the challenge that we have here. I have no further questions.

ADDITIONAL COMMITTEE QUESTIONS

Thank you very much for your testimony. And we will examine the details of your request with great care. And I will be available in working with you to follow-up on Senator Mikulski's concern.

Mr. HANTMAN. I look forward to that, Mr. Chairman. Thank you very much.

Senator BENNETT. Thank you.

[The following questions were not asked at the hearing, but were submitted to the Architect for response subsequent to the hearing:]

QUESTION SUBMITTED BY SENATOR ROBERT F. BENNETT

Question. What was the financial status of the Senate Restaurants in fiscal year 1999? What do you project for profits or losses for fiscal year 2000, and 2001?

Answer. The information follows.

SENATE RESTAURANTS KEY FINANCIAL INDICATORS

[Fiscal Year Operating Statement]

	1998	1999	Variance	2000 Projected	2001 Projected
Revenues	$7,788,589	$8,395,246	$606,657	$8,475,686	$8,010,000
Loss from Sales	−1,263,797	−678,539	585,258	−705,240	−915,000
Employee buy-out	−753,282	−57,731	695,551	.....	.....
Net Operating Inc	−2,017,079	−736,270	1,280,809	−705,240	−915,000
Appropriated funds	1,433,000	750,000	−683,000	750,000	750,000
Net Income	−584,079	13,730	597,809	44,760	−165,000
Year End Balance Sheet:					
Assets	767,011	1,148,856	381,845	1,150,000	950,000
Liabilities	−2,050,418	−1,528,533	521,885	−1,278,000	−1,243,000
Equity	−1,283,407	−379,677	903,730	−128,000	−293,000
Economic Dependency:					
Transfers of Appropriations	1,433,000	750,000	−683,000	750,000	750,000
Net Loan Proceeds	65,000	−540,000	−605,000	−250,000	−200,000
Increase In Appropriated Capital	210,000	890,000	680,000	.....	.....
Total Direct Support	1,708,000	1,100,000	−608,000	500,000	450,000

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

Question. On page 1 of Appendix "D" to the Architect's testimony submitted to the Subcommittee for purposes of this hearing, reference is made to the Office of Compliance's Annual Report to Congress, dated January 2000, which provides statistical information regarding employee complaints during calendar year 1999. It is noted in the report that, of the 330 covered employees of the Legislative Branch who filed requests for counseling with the Office of Compliance last year, 311 were complaints filed by AOC employees.

Without disclosing confidential information with regard to specific AOC employee grievances, could your office provide the Subcommittee with additional information regarding the types of complaints that make up the 311 requests for counseling, and whether your office has identified any pattern of non-compliance by the AOC in certain areas?

What steps have been taken at both the top management and middle management levels to address the overall human resource management problem reflected in the report by the Office of Compliance?

Answer. As noted in Appendix D, an employee who wishes to allege violations of the CAA may request counseling and mediation from the Office of Compliance. Individuals who wish to file such requests need not put in writing, or prove, any allegations during formal counseling, mediation or before entering the formal litigation process. At mediation the AOC must be ready to respond to any employment-related matters, including discrimination, wage and hour and family leave issues, or other workplace issues, without regard to the legal merits of claims. The CAA and the Office of Compliance procedural rules require that all mediation and formal hearing proceedings are strictly confidential and require parties sign agreements to that effect.

Initially, as stated above, the Congressional Accountability Act provides that requests for counseling are strictly confidential. Thus, the AOC has no knowledge of the substance of any of these requests for counseling reported in the Office of Compliance Annual Report. The Office of Compliance does not notify the AOC when a Request for Counseling is filed; the Office of Compliance does not permit the AOC to have or even to see any written submission from the employee. We do not have the information on the substance of any of the Requests for Counseling reported on by the Office of Compliance. With regard to mediation requests, the Office of Compliance regularly counsels employing offices, including the AOC, that they may be subject to sanctions for breaching the strict confidentiality. For these reasons, we suggest that you to contact the Office of Compliance for further information on the cases on file there.

It is important to emphasize that neither the Office of Compliance nor any third party determines whether there is any merit to charges that may come from filings of Requests for Counseling by individuals under the CAA. It is only if and when these matters come before a district court or an Office of Compliance hearing officer that the merits of the allegations are examined. In each case that has reached that stage in the federal district court, the AOC has prevailed. Again, strict confidentiality applies in actions before the Office of Compliance hearing officers.

Accordingly, there is no basis to conclude, as your question indicates, that the mere filing of these actions naming the AOC as the employing office indicates the existence of an "overall human resource problem" that calls for action.

The AOC Human Resources Management Division (HRMD) regularly addresses any human resource problems that come to our attention in our day-to-day operations, including outreach to managers and supervisors in specific problem areas. Our human resources specialists, as well as managers and supervisors in the jurisdictions, have been active in addressing problems that we know to exist, which admittedly are numerous and quite challenging. The HRMD also frequently works individually with employees on individual problems.

Question. On page 3 of Appendix "K" of the Architect's testimony, there appear to very large increases projected in the Capital Budget for the out-years of 2002 and 2004. This time next year, we are looking at triple the amount of money? Why are there such large increases in fiscal year 2002 and fiscal year 2004?

Answer. The AOC's Capital Budget request for fiscal year 2001 is $68.7 million. In the Five-Year Capital projection, projects totaling $181.1 million and $221.6 million have been identified for fiscal years 2002 and 2004 respectively. Some of the more significant projects that account for the increase in fiscal year 2002 include the Rehabilitation of the Capitol Dome $38.8 million, Renovation of the Senate Garage $10.8 million, Construction of an Off-Site Delivery/Screening Center $7.5 million, Optimization of Chilled Water Distribution System $5.6 million, $5 million each for the Installation of Sprinklers in the Capitol, Power Plant Chiller Replacement, and Emergency Operations for HVAC Systems in the Capitol, $4.5 million each for Upgrading the Cable Television System and Repairing Failed Waterproofing Over ST–71, $4 million each for Upgrading Building Systems in the Capitol and Upgrading the Book Conveyor System at the Library, Book Storage Module No. 2 $3.6 million and the installation of a Human Resources Information System $3 million. Some of the more significant projects that account for the increase in fiscal year 2004 include the Construction of a Garage on Square 724 $26 million, Replacement of Windows in the Capitol, Russell and Cannon Buildings $48.3 million, Construction of a Capitol Police Command Center $14.1 million, Upgrading Building Systems in the Capitol $10 million, Repairs to the House East and West Underground Garages, Construction of a Copyright Deposit Facility for the Library, Repairs to the Domestic Water System in the Cannon Building $8.8 million, Replacing Heating Piping in the Longworth Building $8.3 million, Replace the Russell-Capitol Subway $6 million, and $5 million each for the Installation of Refuge Areas in the House Office Buildings, Upgrading the HVAC in the Rayburn and the construction of a Thermal Storage Facility.

The above listing of projects reflects identified work that will need to be funded. Projects have been reflected in the above fiscal years based on current information as to the need of the work and projected completion of design. As the design progresses and more information is available, each project will be reevaluated in terms of priority of the project, its cost and the amount of work that can be realistically funded and implemented by this office in any given year.

Question. On page 4 of Appendix "K" in the category of Cyclical Maintenance, there again seem to be extremes in these projections. One might think that "cyclical" maintenance would remain somewhat consistent from year to year. But, the figures you show for these out-years are up and down. Is that efficient, to have huge amounts one year for cyclical maintenance; then have it drop dramatically the following year; then jump back up the next year?

Answer. It is best to keep the agency's workload relatively constant. However, there is not a direct correlation between funds requested and workload during that fiscal year. For work performed by contract, the total funding has to be available to make the award. For the larger projects, such as the Renovation of the Capitol Dome, it will take more than one year to complete the work. Because of the time required to advertise, award and mobilize the contractor the majority of the work may actually be accomplished during the following years. As indicated in the proceeding question, all future projects will be reviewed and where possible the requests will be spread out to avoid significant fluctuations in funding requirements and to stabilize our workload.

Question. The AOC's budget request is projecting some of the custodial services to be contracted to an outside company in the coming year. I understand that some of the custodial tasks in some areas of the complex are already being contracted out. Now, the AOC is recommending that more of these custodial jobs be contracted out. If we currently have in-house staff performing these tasks, why is the AOC shifting to a contractor to perform work? Is it more efficient to do that?

What will happen to the employees who have been performing these custodial tasks; will they be reassigned?

Answer. The Architect of the Capitol presently cleans the following facilities via contract: Ford House Office Building, Postal Square, Webster Hall Page Dormitory and School, and Senate Employees Child Care Center (new facility).

It is being proposed that the custodial maintenance of Capitol Police Headquarters be cleaned by an outside contractor beginning in fiscal year 2001. This building has been cleaned by in-house custodial workers since 1988 when the building was renovated as the central headquarters for the U.S. Capitol Police.

A review of our cleaning program indicates that the Day Cleaning Branch of the Day Labor Division is presently short of personnel and has no relief crew, which is a need recognized by management. A relief crew is comprised of custodial workers who "fill in" for absent custodial workers. When employees are absent for training, when they are sick and when they are on vacation, their assignment must be accomplished by relief workers. It is estimated that the average in-house employee is absent in excess of 20 percent of the time for such entitlements.

In this case, if the cleaning of Capitol Police Headquarters is accomplished by a contractor, it will enable the transfer of approximately five custodial workers, thereby enabling the creation of a relief crew for the cleaning crew assigned to the Hart, Dirksen and Russell Buildings. This will provide additional cleaning capability in the buildings and it will allow greater cleaning consistency.

Given the need for additional cleaning personnel in the Day Cleaning Branch, it becomes apparent that additional cleaning personnel would have to be hired straight out as full time government employees, as one solution. Alternatively, as illustrated in this case, the hiring of a contractor to clean the Capitol Police Headquarters frees up veteran cleaners to augment our existing cleaning force.

The choice to clean Capitol Police Headquarters using a contractor is based on several factors. It is not a legislative building, providing an opportunity to minimize the potential cleaning costs by adjusting cleaning schedules. The competition of this requirement should also minimize the cost to the government. Moreover, success has been experienced in the contracts cited above in consideration of cleaning quality and cost.

Research has revealed that the building management industry as well as government agencies such as the General Services Administration have come to rely upon contract cleaning as the primary vehicle for building cleaning, nationwide. The nature of this industry has revealed that it is a competitive business that can best be managed by supervisors and managers associated more with the cleaning industry than the building management industry.

Employees assigned to clean Capitol Police Headquarters will be reassigned, as previously described, when this facility is cleaned via contact.

Question. The Conference Report on H.R. 1905, the Fiscal Year 2000 Legislative Branch Appropriations Act, directed the Architect of the Capitol to provide the Librarian of Congress with a reasonable, effective and efficient plan of action to correct identified hazards and deficiencies with respect to fire safety. Has the Architect's office had any feedback from the Librarian as to whether the Library of Congress is satisfied with the AOC' fire safety plan?

Answer. To date the Library of Congress has indicated in their opinion the plan is incomplete without definite start and finish dates. Several of the projects contained in the plan are currently unfunded which causes the project time lines to show start and stop durations rather than actual start and stop dates. Additional concerns expressed by the Library, are available resources and deployment of those resources, which again will be determined by the funding process. They have accepted the list of identified items but have not worked with the Architect to develop priorities. In summary they acknowledge the need to complete the plan but they do not agree with the proposed implementation process.

Question. Last year, there were a number of problems that delayed the AOC's completion of the Senate Employees Child Care Center. There were environmental concerns with mold, which had to be remediated, creating significant delays. Additionally, there were other circumstances that slowed down the construction project even more, such as leaking windows, electrical wiring problems, and vendor delays in delivery of products. The Center's Board and staff were assured by the Office of the Architect on a number of occasions that completion was only a matter of weeks,

or days away, only to be told at the last minute that the deadline would, again, not be met.

Due to the numerous delays in completion of the project, the Child Care Center had to absorb a number of expenses which it could not subsequently recoup through its normal income from student enrollment. These unfortunate circumstances placed the Center at great financial risk during the last few months of 1999. I understand that the Center has now been reimbursed for most of those expenses; but that does not diminish the fact that the Center was forced to bear an unnecessary financial burden for a number of months.

Subsequent to completion of the SECCC project, has the AOC reviewed the project deficiencies with the contractor who performed the work on the Child Care Center? And, has the AOC reviewed this project with its in-house staff to see what might be done differently with future construction projects?

Answer. During the final phases of construction, various members of the AOC staff and the Architect discussed the lack of performance with the principles of the construction company joint venture. In addition there have been several letters from the AOC discussing the poor performance of the contractor.

As was discussed in greater detain in Appendix J of the Architect's opening statement submitted for the record, the AOC has initiated a complete review of the project delivery process and has conducted a "peer review" of the construction management system. The in-house staff has participated fully in these best practices studies that were conducted by two outside consultants. Based up on the consultants findings, the AOC is now implementing recommended changes to strengthen all phases of the project delivery process. The new process will provide for improved planning, stronger design control, increased coordination with customers, development of AOC project standards and guidelines, improved use of design consultants, expanded construction contracting methods, better reporting tools and improved construction management processes. Finally the AOC is conducting a formal lessons learned review under the direction of the Assistant Architect and the AOC Inspector General to review the specifics of the SECCC. The AOC Inspector General is also performing a complete review of the entire project from start to finish.

GENERAL ACCOUNTING OFFICE

STATEMENT OF DAVID WALKER, COMPTROLLER GENERAL

ACCOMPANIED BY:

GENE DODARO, CHIEF OPERATING OFFICER
RICHARD BROWN, CONTROLLER
SALLYANNE HARPER, CHIEF MISSION SUPPORT OFFICER

PRAISE FOR Y2K WORK

Senator BENNETT. Our next witness is Mr. David Walker, the Comptroller General. He is joined by Gene Dodaro, who is the Chief Operating Officer; and Richard Brown, the Controller; and Sallyanne Harper.

I do not have your title, Ms. Harper.

Ms. HARPER. Mr. Chairman, I am the Chief Mission Support Officer.

Senator BENNETT. We are delighted to have you all here. The fact that the crowd all left indicates, I think, that you do not have as controversial a budget request as the one that preceded you, and that is probably a good thing.

We want to thank you, Mr. Walker, both as this committee and personally in my role as Chairman of the Senate Special Committee on the Year 2000 Problem, which chairmanship expires at midnight tonight, so I have just a little while longer.

But I want to thank you for the GAO employees that you detailed to our committee. They were absolutely outstanding. They have professional qualities that would make them outstanding employees of any organization anywhere. And the GAO employees who were not detailed, but who responded to requests for GAO audits, were equally professional. We, as a nation, would not have achieved the non-event of Y2K if we had not had the GAO.

Over and over again, when we would get initial reports from Government agencies, the GAO would go in, conduct the audit, and we could then say authoritatively to the agency, "You are still not where you say you are. You are not there. You need to do it in this area, that area."

And the GAO reports were always on time. They were always insightful. They were always very accurate. And we get no thanks for this. If anything, the reaction of part of the press has been, "Well, you wasted all our time and money. Look, nothing happened."

As I said on the floor yesterday, it is a little like Bob Hope, who, when he went out to entertain the troops at Christmas time complained, he said, "The Army uses me like a pincushion and fills me full of shots. And it is completely ridiculous, because I have never gotten sick at all on any one of these trips."

But whether we get the kind of press thanks that we might want or not is immaterial. The fact is that the country went through what could have been a disastrous experience without much of a

ripple, and your agency is very much responsible for that. And I want to publicly acknowledge that.

Now, you have requested $402,918,000, a $24,132,000 increase, which is 6.4 percent. We will be happy to hear your explanation of that budget, and appreciate your being here.

SUMMARY OF GAO Y2K WORK

Mr. WALKER. Thank you, Mr. Chairman. I appreciate it very much.

First, let me acknowledge at the outset that I consider myself fortunate to be head of the GAO. We have a number of outstanding individuals, not only the ones that were detailed to you, but the approximately 3,000 that provided support one way or another.

Let me also say that I think we always have Monday morning quarterbacks who speculate about what would have happened had we not taken certain actions. I personally think that the Y2K area is an example of a very positive effort by Government, in both leadership and management.

It shows what Government can do when it focuses on a major challenge, and the impact that can be had. Not only the executive branch, but the legislative branch took it very seriously as well.

We started first with the Federal Government. We then went to State and local governments. We then went to the entire economy. Ultimately we had an impact on the entire world. And you and I know, Mr. Chairman, that Lord knows what would have happened had we not taken it as seriously as we did.

In addition, we both know that while considerable time and effort was spent on it, and substantial resources, both financial and human capital, there are benefits that we will be reaping for years to come from the enhanced hardware and software applications at all levels of our economy.

And I think that this is clearly an example of our Government doing something right. And frankly, we need more of these successes to try to help improve the public's confidence in and respect for their Government.

GAO ACCOMPLISHMENTS IN FISCAL YEAR 1999

If I can, Mr. Chairman, very briefly I want to touch on a couple of accomplishments in 1999, a few initiatives and then our request.

I am pleased to say that in 1999, we had, I think, a very good year. The bottom line is we achieved $20.1 billion in financial benefits for the American taxpayer. That is a return on investment of $57 for every dollar invested in GAO. We also were able to make a contribution in a number of areas, Y2K being an important one.

GAO STRATEGIC PLAN

With regard to fiscal 2000, we have a major strategic planning effort that we have been coordinating with the Congress. We expect to finalize that effort within the next month. We have published some proposed Congressional protocols about how we determine our priorities, how we allocate our resources, and what our obligations are to Congress, our client, to make sure that we are deliv-

ering quality services on time, consistent with our core values, applicable professional standards, and our statutory mission.

We announced a restructuring of our field offices on February 3, in order to try to improve our economy, efficiency, and effectiveness within existing resource levels. We are in the process of realigning our headquarters organization to support the strategic plan, and to maximize our economy, efficiency and effectiveness.

GAO ACCOUNTABILITY REPORT

We are in the process of publishing our first accountability report, which I expect will be a model for others to follow. We believe it is important, Mr. Chairman, that since we are the leading Federal accountability organization in the United States, to recognize that we have a responsibility to lead by example. We should be as good or better than anybody that we review in every area, and we are committed to doing that.

We have a number of major initiatives underway in the area of human capital; an area that, quite frankly, we are at risk. And I will come back to that in a minute.

HIGHLIGHTS OF HUMAN CAPITAL REQUEST

In our fiscal 2001 budget request, we are not requesting an FTE increase. Last year I committed to you, and to the House, that we would not request any additional personnel until we have taken all the actions that we think are prudently appropriate within our existing resource allocations to be able to get the job done.

We have a number of actions underway and contemplate others, and so therefore, we are not asking for any additional FTEs. We are asking, basically, for inflation, to maintain purchasing power and several limited and targeted investments in two areas.

First, human capital: People are our most important asset. People are what we need in order to deliver service to the Congress and to the nation. Frankly, we are 39 percent smaller today in head count than we were in 1992. And it is not just the fact that we are smaller; it is how we got to where we are.

The agency took some steps in the 1990's that, quite frankly, will enable us to get our job done today, but that put us at risk of not being able to get our job done tomorrow. We need to take a number of critical actions today, such as enhancing training, and providing additional recognition rewards to put us on a level playing field with the executive branch and that are based upon results. We need to modernize our performance appraisal systems so they are focused on supporting our strategic plan, and generating results for the Congress and the American people.

So, we have requested some targeted, modest investments in the human capital area, for training, performance appraisals, and performance awards.

INFORMATION TECHNOLOGY REQUEST

In the IT area, we have designed our disaster recovery plan. Now we need to implement it.

Second, we need to upgrade to more modern versions of some of the basic software like Office 2000, in order to operate efficiently

and maintain support from the vendors. We have some applications that, quite frankly, are either no longer being supported or will not be supported very much longer, and it is important that we be prepared for that.

PREPARED STATEMENT

So, Mr. Chairman, I appreciate your consideration of our request, and I am more than happy to answer any questions that you might have.

[The statement follows:]

PREPARED STATEMENT OF DAVID M. WALKER

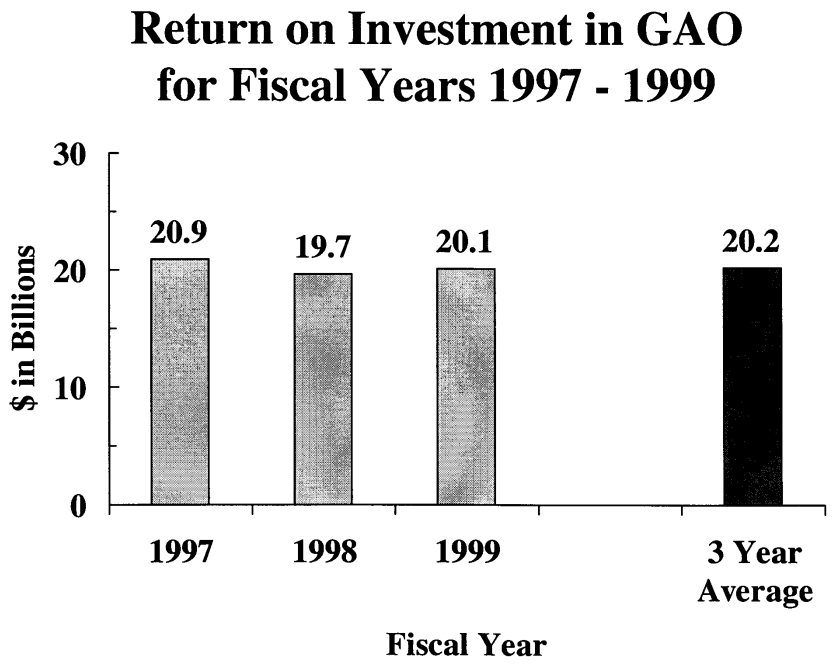
Mr. Chairman and Members of the Subcommittee: I am pleased to appear before you today—about 16 months after becoming the seventh Comptroller General of the United States—to present the U.S. General Accounting Office's (GAO) fiscal year 2001 budget request. GAO is a great agency. We had an excellent year in fiscal year 1999 and are on a similar path for fiscal year 2000. GAO has never been more important than today, given the increasing complexity, the increasing interdependency, and the multidimensional nature of the challenges that face the Congress and the nation. There is no other organization better prepared to help the Congress address the full range of important national issues than GAO.

Maintaining and enhancing GAO's preparedness to serve the Congress in today's complex and rapidly changing global environment, however, presents its own challenges. As a result of a tremendous amount of due diligence over the past year, we identified a number of issues that, if not addressed, could place GAO at risk of being unable to continue serving the Congress effectively. We are 40 percent smaller today than in 1992, and congressional demands for our services have increased, a trend we anticipate will continue. At the same time, given the continued interest in fiscal restraint, we cannot expect to receive significant increases in financial resources beyond inflation or in the level of full-time equivalent (FTE) staff currently authorized.

Recognizing the strong likelihood of constrained resources and increasing client demands, we must begin doing things differently in order to continue to effectively serve the Congress, both today and in the future. We must take steps to maximize our effectiveness; manage risks; and optimize staff productivity, efficiency, and effectiveness. During the past year, we initiated a number of efforts to begin addressing these challenges. Our fiscal year 2001 budget request continues down this path toward strengthening GAO, so that we can continue to effectively meet the demands and expectations of the Congress and remain an important asset to Members as they address the current and future needs of the American people.

FISCAL YEAR 1999 ACCOMPLISHMENTS

Before I begin presenting the challenges confronting GAO and what we are doing, and need to do, to address them, I want to briefly summarize some of our achievements during the past year. GAO continues to provide the Congress and the American people a tremendous return on their investment. In fiscal year 1999, for every $1 invested in GAO, we helped the Congress and the agencies produce about $57 in financial benefits, or about $20.1 billion in total. These financial benefits were achieved through actions taken by the Congress and federal departments and agencies that led to budget reductions, avoided costs, deferred appropriations, or additional revenue collections. As illustrated in the following graphic, the return on the nation's investment in GAO for the past 3 years has averaged $20.2 billion.



GAO's work and recommendations resulted in greater returns on the sale of federal assets, increases in net tax revenue, savings from a more efficient government, and decreased federal spending from reductions in current and future budget authority. For example, in 1995, GAO testified that the U.S. Treasury would receive a greater return if the government sold, rather than continued to operate, the U.S. Naval Petroleum Reserve in Elk Hills, California. Based on subsequent assistance that we provided the Congress and efforts to ensure that the government received a maximum return on the sale, the reserve sold for about $1.5 billion above the minimum asking price.

Also, based on options we presented, the Congress changed the earned income tax credit law in 1996 by adding wealth, capital gains, and income tests to the program's eligibility criteria. This led to the federal government avoiding payment of about $1.3 billion in earned income tax credit benefits. In addition, about $609 million was saved in the Department of Defense's fiscal year 1999 military personnel budget as a result of several opportunities that GAO identified in which the military personnel budget could be reduced without compromising our overall readiness.

In addition to the financial benefits resulting from our work, we were instrumental in bringing about over 600 needed improvements in the effectiveness and efficiency of government operations and services. Our recommendations led to increased readiness in the public and private sectors for the year 2000 computing challenge, better public safety and consumer protection, more efficient and effective government operations and services, better assessments of program results, and enhanced computer security.

For example, we contributed greatly to reducing the federal government's vulnerability to the year 2000 computing challenge. We worked closely on this issue with you, Mr. Chairman, and the Senate Special Committee on the Year 2000 Technology Problem that you chaired; the House Committee on Government Reform, Subcommittee on Government Management, Information, and Technology; the House Committee on Science, Subcommittee on Technology; and the President's Council on Year 2000 Conversion. As a result of our research and development efforts to identify and help the Congress address emerging issues, we identified the year 2000 computing issue as a high risk area for the federal government in February 1997. Our series of guides prepared to help organizations address Y2K challenges, assistance provided to the Congress and federal agencies, and over 150 reports and testimonies helped ensure that the federal government was better prepared to transition

into the 21st century and avoid serious disruption in services to the American public.

We also made important contributions in the information security area. This work included (1) identifying the extent of the problem and inherent risks faced by key government agencies, (2) identifying "best practices" and developing guidance that can be adopted by government entities to better protect their information assets, and (3) supporting congressional initiatives to develop effective legislation.

Other areas of improvements stemming from GAO's work include the Social Security Administration (SSA) commencing several initiatives to reduce overpayments in the Supplemental Security Income program as a result of the numerous reports we issued on the program. One such initiative is SSA expanding its use of online data to better verify recipient financial information and prevent program overpayments.

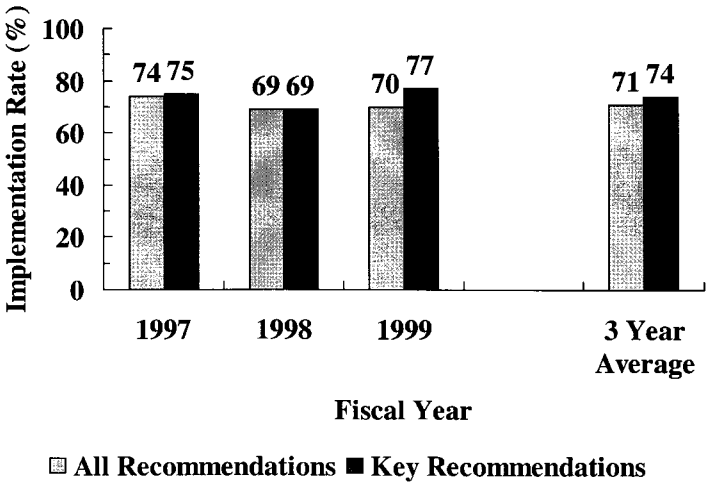
Our work also has contributed to improving public safety. Our series of Medicaid-related reports, highlighting the disturbing frequent extent of poor quality care that results in harm to nursing home residents, led to enhanced oversight of nursing homes by the Health Care Financing Administration (HCFA) and some states. For example, in response to our recommendations, HCFA announced a set of nursing home initiatives, including establishing a requirement that states investigate serious complaints alleging harm to residents within 10 days.

In the consumer protection area, we reported on the prevalence and costs of identity fraud. Identity fraud involves the illegal use of another person's identifying information, such as their name, social security number and date of birth, to commit financial crimes ranging from the unauthorized use of a credit card to a comprehensive takeover of financial accounts. Relying on the results of our study, the Congress enacted the Identity Theft and Assumption Deterrence Act, which specifically criminalized the theft and misuse of personal identifying information and provided legal recognition of the victims of identity theft.

Additional examples of the financial benefits and improved government operations and services achieved through GAO's work are included in our budget submission.

Our audit and evaluation products included over 900 recommendations to improve the management and efficiency of government operations and programs. Seventy-seven percent of our key recommendations over the last 4 years were implemented by the end of fiscal year 1999. The average implementation rate for the past 3 years has been 74 percent, as illustrated in the following graphic.

Recommendations Implementation Rate for Fiscal Years 1997 - 1999*



*Implementation rate for recommendations made during previous 4 years

CHALLENGES FACING GAO

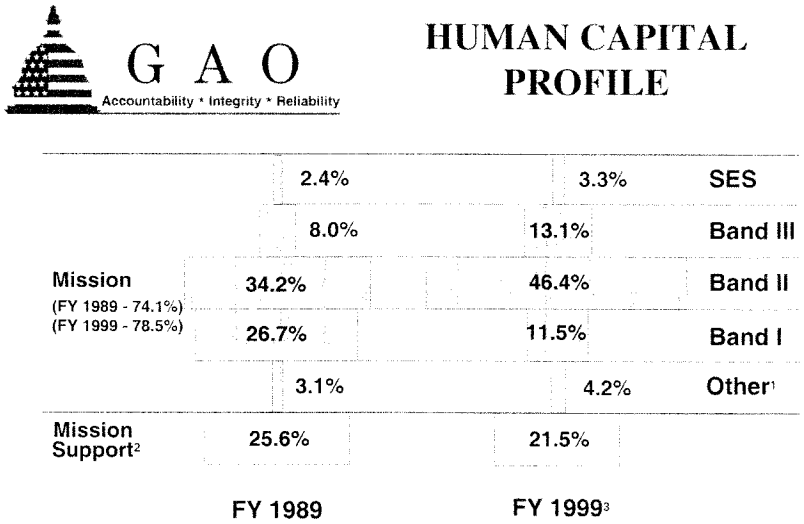
As I mentioned in my opening remarks, we invested in a tremendous amount of due diligence in fiscal year 1999 to identify ways to enhance our effectiveness, efficiency, and services to the Congress. Before and after my confirmation in November 1998, I personally met with key congressional leaders and many other members and staff, as well as GAO staff, to obtain their views and perspectives about GAO and to identify areas in which we could strengthen our operations and services to the Congress. I will continue to do this throughout my tenure. In addition, we examined our human capital profile to identify opportunities to strategically rebalance and strengthen our human capital assets in order to maintain the readiness, flexibility, and productivity envisioned in the statutory mission of GAO. More recently, a survey of GAO employees was completed, the results of which will be used to identify additional opportunities to strengthen GAO's economy, efficiency, and effectiveness.

We identified a number of challenges that must be addressed in order to increase the effectiveness and efficiency of our services to the Congress in the 21st century. The most important and most urgent of these challenges is making necessary changes to our human capital management practices.

Human Capital Imbalances

Our current human capital profile has succession planning, structural, and skill imbalance issues that we need to address. Succession planning is a major human capital issue that we must address. Nearly 34 percent of our evaluator and related staff will be eligible to retire by the end of fiscal year 2004. In addition, about 55 percent of our senior executives and 48 percent of our management evaluators will become eligible to retire by that time. Other critical positions, such as attorneys, criminal investigators, and mission support, are also vulnerable.

Another human capital issue is more structural in terms of staffing. As illustrated in the following graphic, we are sparse at the entry-level—a result of the 5-year hiring freeze we began in 1992 to downsize and later continued to achieve mandated funding reductions.



[1]Attorneys and criminal investigators
[2]FY 1989 includes 20 SES, or .39 percent of all staff; FY 1999 includes 17 SES, or .52 percent of all staff.
[3]Data as of August 1999

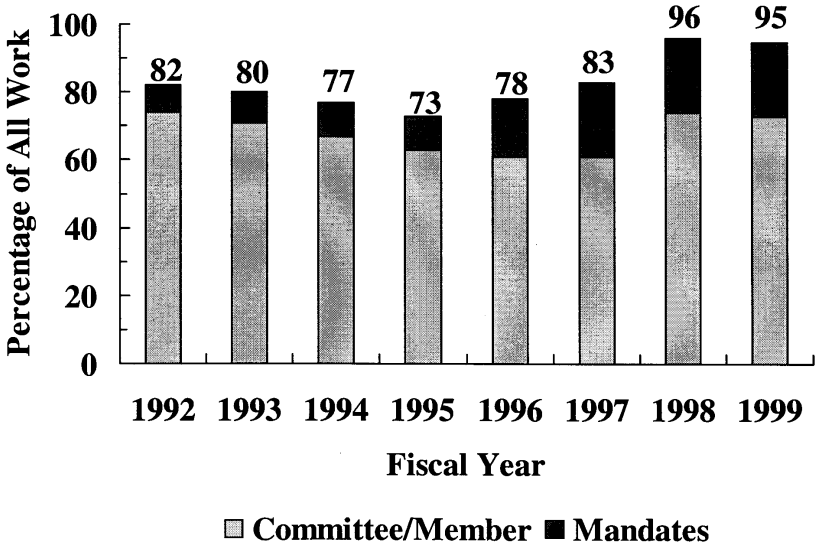
Note: Total SES staff, mission and mission support, represented 2.8 percent and 3.9 percent of all employees in FY 1989 and FY 1999, respectively.

Maintaining proper skills is another issue that needs to be addressed. The development and training of our senior executives in key competencies, such as leadership, communications, project supervision and conflict resolution, have remained at a drastically reduced level since fiscal year 1993. In addition, new technical skills unavailable in needed quantities within the agency, especially actuarial and information technology skills, will be needed to effectively assist the Congress in meeting its oversight responsibilities.

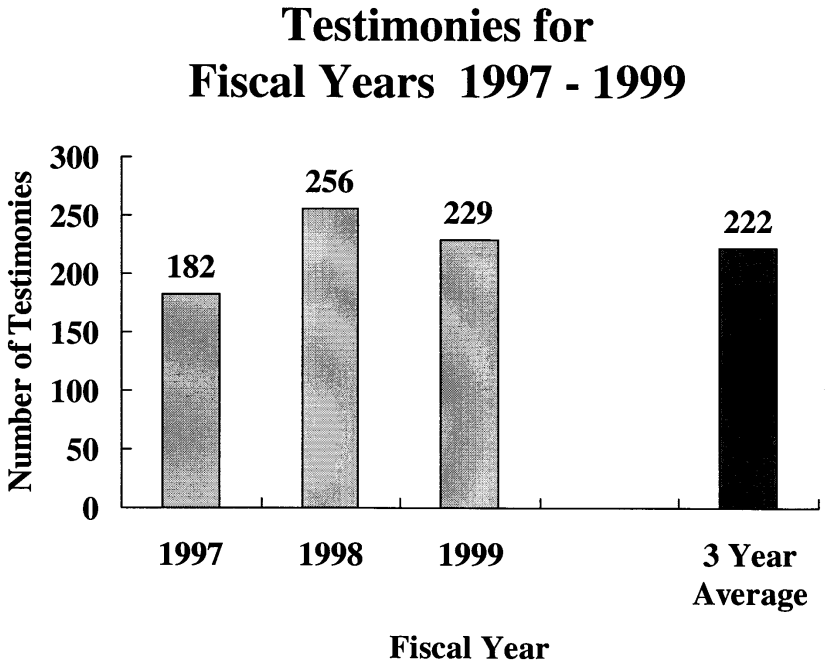
Increasing Congressional Demands

At the same time we are facing several human capital challenges, congressional demand for our services remains at record levels. The Congress continues to turn to GAO for assistance on significant issues facing the nation. As illustrated in the following graphic, congressional requests and mandates for GAO services have increased in recent years.

Work Conducted at the Request of the Congress in Fiscal Years 1992 - 1999



During fiscal year 1999, we were called upon to testify 229 times before 93 congressional committees or subcommittees. Additionally, we were requested to provide 22 statements for the record. Examples of the issues and topics covered in our testimonies that have assisted the Congress in its decision-making and oversight responsibilities include our performance accountability and high risk series that depict major management challenges and program risks facing the government's major departments and agencies, Social Security reform proposals, financial and operational aspects of the International Monetary Fund, DOD's anthrax vaccination program, and Medicare reform. As illustrated in the following graphic, the number of testimonies we provide fluctuates annually, depending upon congressional activity. Over the past 3 years, we have averaged about 222 testimonies a year.



INITIATIVES UNDERWAY TO STRENGTHEN GAO

We began a number of initiatives this past year to address the challenges facing GAO and to further enhance our organization and services to the Congress. One of our first initiatives was to establish GAO's core values—accountability, integrity, and reliability. These core values describe what we do, how we do it, and how we want our work to be received. Other key efforts started this past year have been focused on client relations; developing a strategic plan; and strengthening our communications, human capital, information technology, job processes, and organizational alignment. Let me briefly summarize some of these key efforts for you.

Client Relations

We have initiated a client outreach program to assist GAO and the Congress in understanding how best to meet congressional needs and use our resources and services. During each Congress, we plan to meet with the Senate and House leadership, all Committee Chairs and Ranking Minority Members, and members of our appropriations and oversight committees to obtain feedback on our performance and to help develop future work plans.

Through consultation with key congressional leaders, members, and staff, we also have developed a set of clearly defined, well documented and transparent protocols, intended to be consistently applied in setting priorities, allocating resources, and serving our client—the Congress. These protocols will be used to help determine resource allocations, guide interactions with the Congress, and ensure our accountability to the Congress. We began implementing these protocols in January of this year and will test them throughout the Congress until August 2000. We will finalize them by October 2000. We also are exploring efficient ways to obtain systematic client feedback from appropriate members and key staff.

Draft Strategic Plan

We are working with the Congress to craft the first strategic plan for the 21st century, covering fiscal years 2000 through 2005. This draft plan sets forth the issues around which we need to focus and develop our resources to effectively serve the Congress over the next 6 years. The plan, developed after extensive consultation with congressional members and staff, as well as GAO staff, is rooted in the reality that the vast majority of our resources are devoted to responding to requests from

committees and statutory mandates. It also contemplates investing limited resources in important discretionary research and development work to identify and help the Congress address emerging issues facing the nation and its citizens before the issues reach crisis proportions. We plan to issue our strategic plan in the spring of this year.

As illustrated in the attachment to my statement, our plan is designed around four strategic goals:

—Help the Congress and the federal government address current and emerging challenges to the well-being and financial security of the American people;
—Help the Congress and the federal government respond to changing threats to national security and the challenges of global interdependence;
—Support the transition to a more results-oriented and accountable federal government; and
—Maximize the value of GAO by providing timely, quality service to the Congress while being a model organization for the federal government.

Communications

We also have taken numerous steps to strengthen communications within the agency. Since taking office, I have visited all of our field offices, conducted numerous internal staff meetings, and held quarterly agency-wide videocasts to keep people apprised of key initiatives underway and planned within the organization, as well as to respond to their questions. To date, the topics covered in the videocasts have included our draft strategic plan and congressional protocols; client service initiatives; employee survey results; initiatives to enhance our human capital programs, work processes, organizational alignment, and information technology; field office review initiative; and other areas of interest to GAO staff.

We established a Comptroller General Employee Advisory Council with which I will meet every quarter to discuss current and emerging issues of mutual interest and concern. In addition, a new employee suggestion program has already led to several recommendations that have enhanced GAO's operations. World-class organizations like GAO need to tap regularly into the ideas and ingenuity of their staff to continuously improve their economy, efficiency, and effectiveness. We will continue to strive to do so.

Human Capital

We need to invest more heavily in our people—our greatest asset. Targeted investments need to be made in our training, performance rewards and incentives, and performance appraisal systems. In addition to examining our human capital profile, we have begun efforts to strengthen and redesign our performance appraisal system to better assess employee strengths and weaknesses, identify training needs, and reward and recognize exceptional performance, and to improve performance at all levels. This effort began in fiscal year 1999 and will continue over the next 2 years. We have revised our fiscal year 2000 performance standards to incorporate our core values and strategic goals; updated descriptions of performance to better reflect the current nature of our work; and other key concepts, such as leadership-by-example, client service, measurable results, matrix management, open and constructive communication, and balancing people and product considerations. We also are in the process of identifying best practices with respect to performance appraisal systems in both the private and public sectors, with a goal of implementing a new performance appraisal system for our evaluators beginning in fiscal year 2001, but no later than fiscal year 2002.

Efforts also are underway to develop a skills inventory system that will be used to identify skill gaps, training, and succession planning needs, both at an institutional and individual level, and to staff assignments more effectively. We will continue to correct skill gaps and maximize staff productivity and effectiveness through training. To maximize this investment, we are reviewing and updating our training curriculum to address organizational, behavioral, and technical needs of our staff. Other efforts to enhance our human capital profile include re-energizing and modernizing our recruitment and college relations programs, enhancing our performance rewards program to help ensure our ability to attract and retain high quality staff with specialized skills, and reshaping our succession planning program.

Information Technology

During fiscal year 1999, we replaced obsolete hardware and software agency-wide to help ensure the efficiency and effectiveness in our operations and enhance our productivity. In addition, we took steps to stabilize and improve the responsiveness of our network. Also, to help ensure continuity of our business operations and services to the Congress, we focused resources on ensuring that our mission critical sys-

tems were Y2K compliant and crafting necessary business continuity and contingency and "Day-One" plans.

Now that the Y2K challenge has been successfully met, we must begin addressing other technological issues—not just ensuring that we have a stable and responsive system. We need to put enabling technology in the hands of our staff so that we can be more efficient, effective, and timely in responding to the needs of the Congress. We are planning to conduct a comprehensive review of our information technology in fiscal year 2000 to identify additional opportunities to increase our efficiency, effectiveness, and productivity. In addition, for fiscal year 2001, we plan to upgrade our network software and information technology systems that support our assignment tracking process and disaster recovery capability.

Job Processes

Several changes already have been made to our job processes that have expanded the use of risk-based approaches to managing our jobs and products, while reducing administrative burdens and ensuring involvement of all subject and technical experts. For example, two new forums were established for management to review all new requests and the progress of ongoing jobs. A weekly Engagement Acceptance Meeting involving top management was created to review all new congressional requests, mandates, and division proposals for research and development assignments to determine if the work should be done, which skills are needed to do the work, and, based on risk, the appropriate level of involvement by the Office of the Comptroller General. We believe that this approach will reduce the levels of review and streamline the job process to improve the timeliness of our engagements and related products. Subsequent to the Engagement Acceptance Meeting, biweekly Engagement Review Meetings are held to discuss progress on high/medium risk assignments and upcoming reports for each operating division. Another initiative that has contributed to enhancing our job processes includes our strategic planning effort, which has led to the identification of four strategic goals and 21 related strategic objectives to help us better support the Congress as it serves the needs of the American people. Other efforts are underway to further review our job processes with the goal of expanding the use of matrix and risk management principles in order to increase our institutional timeliness, efficiency, capacity, flexibility, and impact.

Organizational Changes

During this past year, we merged our Offices of Policy and the Assistant Comptroller General for Planning and Reporting into an Office of Quality and Risk Management. This new office was established to ensure that our work effectively and efficiently supports the Congress, and meets professional standards and our core values. It also will focus additional attention on quality assurance and risk management involving our products, and to improve our job processes. In addition, the management responsibilities of our field operations was moved from the Office of the Assistant Comptroller General for Operations to a new Assistant Comptroller General for Field Operations. This new position was created to ensure that our field offices and their employees are effectively represented at the executive level and to strengthen field office representation, communication, and participation within the organization.

Other initiatives are underway to realign our headquarters and field office organizational structures in order to support our strategic plan and improve GAO's efficiency, effectiveness, and flexibility. We recently announced decisions related to our field office structure and are in the process of deciding upon a headquarters realignment and other related decisions that will be implemented within a reasonable timeframe. We will implement these realignments within our existing resource levels. However, as outlined below, we will be seeking your support and assistance in getting legislation enacted that will better enable us to efficiently and effectively manage our human capital within existing FTE allocations and constrained financial resource levels.

LEGISLATION NEEDED TO HELP INCREASE GAO'S EFFICIENCY AND EFFECTIVENESS

As noted above, we plan to address many of the human capital imbalances identified above through management improvement initiatives rather than by requesting additional FTEs. However, to facilitate implementing our human capital initiatives and effectuate the needed realignment of the agency, we will be seeking legislative authority that will provide additional flexibility in managing our human capital. This additional flexibility is critical in order to ensure that GAO is in a position to effectively serve the Congress in the future and minimize the need to request additional financial resources or FTE's.

The legislation we are seeking would authorize us to offer early-outs to selected individuals. This authority contrasts with Office of Personnel Management rules in which early-out offers can be made only to groups of similarly situated employees in a downsizing or major reorganization. The legislation also would provide relief from applying certain reduction-in-force provisions that could result in an even more unbalanced workforce than exists today and a consequent, detrimental impact on our ability to serve the Congress. I want to stress that our proposal would maintain the statutory preference for veterans and that we have no intention of de-emphasizing our attempts to attain and maintain a high quality and diverse workforce. Also, to provide us greater ability to attract and retain technical talent, we will be seeking authority comparable to that of the executive branch to compensate selected scientific and technical staff at senior executive pay levels. We would use such authority, if granted, sparingly to address specific targeted needs, such as information technology specialists and actuaries. We will shortly be sending you and other appropriate congressional committees a letter requesting the legislative authority discussed above.

FISCAL YEAR 2001 BUDGET REQUEST

For fiscal year 2001, we are requesting $402,918,000 in budget authority to permit us to maintain current operations while we continue to realign the organization to better serve the Congress. We are not seeking additional full-time equivalent staff.

Our funding level increase will provide for the following:

—$16,264,000 to cover mandatory pay and benefits costs resulting primarily from federal cost-of-living and locality pay adjustments (based on Office of Management and Budget guidance), increased participation in the FERS retirement system, and an increase in the estimated number of retirees; and

—$1,082,000 to cover uncontrollable price-level increases in transportation, lodging, printing, supplies, contracts, and other essential mission support services, based on OMB's 2-percent inflation index.

We also plan to continue the initiatives we began in fiscal year 2000 to restructure the agency to support our goals of improving service to the Congress. These initiatives include realigning organizations to increase our flexibility and support broader and more diverse issues and objectives, reengineering work processes, and making further technological advances to maximize our responsiveness to congressional needs. The requested increase for these changes includes:

—$776,000 to increase funding for our performance rewards and recognition program to pre-downsizing per capita level, and to achieve more comparability between GAO and the executive branch compensation systems to help ensure our ability to retain, attract and reward high quality staff based on their skills and performance;

—$1,500,000 for organizational, behavioral, and technological training, to increase our staff productivity and effectiveness; to support the draft strategic plan; and to address skills gaps identified in the planned skills inventory;

—$250,000 to reengineer our non-evaluator performance appraisal system to incorporate best practices. Performance appraisal systems are a key component in assessing employee strengths and weaknesses, training needs, and rewards and recognition; and

—$2,485,000 to upgrade network software used to carry out our work processes to the support the Congress and to revamp information technology systems that support the engagement tracking process and disaster recovery facility. The network currently operates Windows 95 and MS Office 97 as the primary operating and applications software. In order to maintain vendor support and upgrades, we need to upgrade to the current versions, Windows 2000 and Office 2000. Our assignment tracking system was developed in-house over 2 decades ago and is obsolete and incapable of interfacing with its network environment. Also, as the next stage in the disaster recovery planning process, we need to implement a solution that ensures our network data can be archived and retrieved at alternate sites to ensure timely accessibility in the event of disaster.

As in prior years, we are requesting authority to use anticipated revenue from audit work at the Federal Deposit Insurance Corporation and rental income from our future building tenant, the Army Corps of Engineers, to continue asbestos removal and offset building renovations and maintenance costs. Also, due to diminished value over the last 10 years, we are seeking a nominal increase in the amount authorized for representation expenses of the Comptroller General to adjust for inflation and accommodate a higher volume of strategic planning and engagement execution meetings with heads of audit agencies from other countries.

CONCLUSIONS

GAO is a professional services organization and the leading accountability organization in the United States and, possibly, the world. As the nation's leading accountability organization, we should lead by example and be world class at everything we do.

However, to effectively fulfill the responsibilities this leadership position demands, both now and in the future, we need to address the challenges that I discussed today. We will implement many of our initiatives to address these challenges without requesting additional FTEs or financial resources beyond inflation. However, we need the assistance and support of this Committee in getting legislation enacted that will provide us the flexibility we need to better manage our human capital. Otherwise, we will be at risk of not being able to effectively serve the Congress in future years.

This concludes my statement. I would be please to answer any questions the Members of the Subcommittee may have.

RECOGNITION OF COMMITTEE STAFF

Senator BENNETT. Thank you very much. I note that two members of the Y2K staff, who become yours as of midnight tonight, go back to you, have entered.

And maybe, Tanya and John, you could stand up just so that——

Mr. WALKER. You were trying to be discreet.

Senator BENNETT. They——

Mr. STEPHENSON. My daughter——

Senator BENNETT. Yes.

Mr. WALKER. It did not work though.

Senator BENNETT. John has acted as the deputy staff director, and Tanya is our general counsel. I called the Attorney General seeking a lawyer, and she said she could not find a lawyer anywhere in the Justice Department who could be spared. And I am delighted that she could not, because we got Tanya instead and she has been terrific.

So, you were not here when I made the appropriate comments about GAO, but you can read them in the record.

CAPITOL VISITORS CENTER

I assure you both, they were very nice.

The Architect of the Capitol testified before you, and we talked about issues relating to how the Capitol is kept open for tourists as a part of their historic experience and teaching experience when they come to Washington.

We are clearly moving in the direction of the Capitol visitors center for a whole series of reasons, security being part of it. Now, the GAO has got a lot of experience with new building projects, and I think can be very helpful to the Architect of the Capitol, and the Congress if this moves forward.

Could you explain, for the record, GAO's role in the visitors center project and what you see down the road with respect to that?

GAO WORK ON PLANNED CENTER

Mr. WALKER. We are doing work, as you know, Mr. Chairman, with regard to the design and engineering phase of the Capitol center. I would like to turn it over to Gene Dodaro to give you a little bit more detail, because he has been intimately involved in this.

Mr. DODARO. Mr. Chairman, we have put together a multi-disciplinary team and have engaged the assistance of the Army Corps

of Engineers to look at the design phase of the project. We are going to be looking at the estimated costs, both of constructing the center and operating it as well as estimated revenue from sales.

We are going to be following the project management of the Architect of the Capitol to bring in a construction management firm. We also are going to be auditing the expenditures against the appropriate budget amounts that are allocated for the visitors center.

We consider this to be an important role. We are geared up to follow the visitors center project for the next 5 years until it comes to fruition. To date, we have been looking at the design aspects of it, and we will follow it through the individual phases.

Currently, we have asked the Army Corps of Engineers to prepare an independent Government estimate for the next phase of the project, and they are in the process of completing that estimate now so that the Architect can have it, and the Congress and the various committees, can benchmark it against the estimated cost submitted by RTKL.

We are going to be meeting soon with staff from all the requestors from the Capitol Preservation Commission to outline our project plan for monitoring the visitors center project as it proceeds through the subsequent phases. Please be assured that we know this is important, and we are going to be focusing on it very closely.

REQUEST FOR EARLY-OUT AUTHORITY

Senator BENNETT. You have requested early-out and buy-out authority. How would you implement this authority, how many positions would be affected, and who would be replaced and so on? You just touch on that area.

Mr. WALKER. Mr. Chairman, we expect to transmit legislation to the Hill within the next week. We are in the process of trying to finalize it now.

As you know, it is very important that we coordinate with our authorizing and oversight committees in conjunction with this matter.

As noted in my testimony, the consequences of how we went about achieving the downsizing have not only left us smaller, which obviously would be the case, but also out of shape. What we need to do is make sure that we have got the right skills in house and the right organizational shape, so that we not only can get our job done today, but get it done in the future.

I expect that we will use this early-out and potential buy-out authority, if we are granted it, in order to target voluntary early-outs and voluntary buy-out options to better align the skills of the organization with what we need for the future, rather than the skills that we may have needed in the past, and to try to help us get a little bit more leverage. By that, I mean more people that are doing the work versus people that are leading and managing and supervising the work.

I think it is very important, frankly, not only for us but Government as a whole, that if we want to maximize our performance and assure our accountability, and if we want to minimize the resources that we are going to come to you and other appropriators and ask for, we have got to have a reasonable degree of flexibility in order

to be able to make human capital decisions based upon institutional needs.

This would build on our strategic plan, which we coordinated closely with the Congress in developing, to put in place the proper balance of individual skills and performance while maintaining veterans preference, having zero tolerance for discrimination, and trying to achieve a diverse workforce. But right now, we do not have as much flexibility as we need.

I think that this legislation will enable us to help to get where we need to be without asking for more money, and without asking for additional FTEs.

ADDITIONAL COMMITTEE QUESTIONS

Senator BENNETT. Thank you very much. I have no further questions. Again, thank you for all you do, and we appreciate your testimony.

Mr. WALKER. Thank you, Mr. Chairman. My pleasure.

[The following questions were not asked at the hearing, but were submitted to the Office for response subsequent to the hearing:]

QUESTION SUBMITTED BY SENATOR ROBERT F. BENNETT

Question. GAO is seeking authority to use $1.9 million in receipts from rental income from the Army Corps of Engineers. Please update the Committee on the status of the renovation project and the Corp's plans to move to the GAO building.

Answer. Floors one, two, four, five, seven, and 50 percent of the sixth floor have been renovated. The third floor will be renovated and available for occupancy by the Army Corps of Engineers this summer. Infrastructure improvements and the remaining half of the sixth floor will be renovated in future years using rental income.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

Question. The General Accounting Office is requesting that Congress provide additional legislative language giving GAO more flexibility with respect to how it manages its human capital. Is there such a shortage of highly trained or specialized people in the workforce that you feel it has become necessary to include incentives other than what GAO currently offers its employees in order to attract and keep the best employees?

Answer. The narrowly-tailored requested authority would enable the Comptroller General to better prepare GAO to meet the increasingly complex and multi-dimensional needs of the Congress in the most efficient, effective and economical manner. This authority would provide the Comptroller General the flexibility to realign GAO based on the agency's mission needs and draft strategic plan, in such areas as staff skills, performance, and knowledge. This additional flexibility is critical to help ensure that GAO is in a position to effectively serve the Congress in the future and minimize the need to request additional financial resources or FTEs.

The proposal includes the authority to offer early-outs or buy-outs to selected individuals, concurrent with relief from certain reduction-in-force (RIF) provisions. The statutory preference for military veterans would remain unchanged. Current RIF provisions could result in an even more unbalanced workforce than currently exists at GAO and impair our ability to retain highly trained, experienced, or specialized staff. The proposed legislation to create a new technical supergrade position within existing overall supergrade slots would help enhance GAO's ability to attract and retain technical specialists, such as experts in information technology, telecommunications, statistics, and actuarial sciences, who are in high demand in the commercial sector. The proposal would provide GAO the ability to compensate a few selected scientific and technical staff at pay levels commensurate with the executive branch. In addition, the proposal would provide GAO more discretion in determining merit pay increases based upon performance.

Question. The Comptroller General is limited to 15 years service in his position at the General Accounting Office, and would become eligible for federal retirement at the completion of those 15 years, regardless of any previous service elsewhere in

the Federal Government. Is there a similar situation for the Deputy Comptroller General?

Answer. A Comptroller General may elect to participate in a retirement system established for the Comptroller General under 31 USC, chapter 7, or the Federal Employee Retirement System (FERS) or the Civil Service Retirement System (CSRS), depending upon prior federal service. No similar situation exists for the Deputy Comptroller General who has the same options as other federal employees covered by 5 USC.

Question. In early February, the Comptroller General notified Members of Congress that GAO was planning to close several field offices later this year, as part of its overall realignment of the organization. In that regard, can you provide for the record a breakdown of how many people would be affected in each of those regional offices slated to be closed?

Answer. GAO's realignment includes actions targeted at both its Washington headquarters and field office structure. Eight of GAO's existing 16 field offices are affected by the realignment. The Kansas City, Portland, Raleigh, Sacramento and St. Louis offices will be closed effective November 4, 2000. The Dayton, Huntsville, and Norfolk offices will be retained, but "rationalized" both as to size and facilities over time. The field office restructuring affects about 8 percent of GAO's total workforce. The related staff resources within these offices will be reallocated to better support GAO's draft strategic plan; increase critical mass in selected locations; and enhance GAO's organizational flexibility. GAO is in the process of deciding upon a headquarters realignment and other related decisions that will be implemented within a reasonable timeframe.

The following table lists the field location and the number of staff affected in each location.

Field Location	*Number of Affected Staff*
Rationalize:	
Dayton	40
Huntsville	26
Norfolk	71
Subtotal	137
Close:	
Kansas City	61
Portland	16
Sacramento	14
St. Louis	15
Raleigh	8
Subtotal	114
Grand Total	251

Question. What plans has GAO made to assist these displaced workers in finding suitable placement elsewhere within GAO, such as, transferring to either headquarters in Washington, or to other field offices not slated for closing?

Answer. Closure of the five field offices will not occur until November 4, 2000. The intervening 9-month period between the announcement and the closure should allow staff in these offices sufficient time to make the best decisions for themselves and their families. About 50 percent of the staff in these offices will be eligible for full or early retirement by November 4, 2000. All staff in the closing offices are being provided an opportunity to apply for a transfer to Washington or selected field offices (i.e. Atlanta, Boston, Chicago, Dallas, Denver, Los Angeles, San Francisco, and Seattle). Selections will be based on our institutional needs along with each individual is respective skills, knowledge and performance. Individuals selected for transfer will receive the standard relocation expense reimbursement. Outplacement assistance is available to individuals who do not retire or transfer. All individuals in the affected offices will be able to remain with GAO until the office closes.

We would like the ability to keep a few evaluators with needed skills at appropriate site locations in one or more of the local markets in which our offices will be closing. However, our current legal authority does not enable us to do so in a manner that will match institutional needs with individual skills, performance and knowledge. As a result, we are seeking legislative authority to provide some additional flexibility.

Question. What are the possibilities for these displaced workers being able to transfer to a job in the field office of another agency under either the Executive Branch or Judicial Branch of the Federal Government? If, for example, an employee, who is being displaced by the closure of GAO's field office in Sacramento, applies for a vacancy in the field office of another federal agency in the Sacramento area, or some other location in the State of California, would any special consideration be given by the other agency to that particular applicant's situation? Are there currently any HR regulations that would either allow or disallow such special consideration for displaced federal workers, regardless of which branch of government employs them?

Answer. GAO staff have no entitlement to priority consideration or placement in other federal agencies. However, staff who have competitive status (i.e., one year of continuous service under a non-temporary appointment and were appointed on or after October 1, 1980, or were employed by GAO prior to that date when GAO was in the competitive service) can be hired by other federal agencies without competing with members of the general public.

OFFICE OF COMPLIANCE

STATEMENT OF RICKY SILBERMAN, EXECUTIVE DIRECTOR

ACCOMPANIED BY:

GARY GREEN, GENERAL COUNSEL

PAMELA TALKIN, DEPUTY EXECUTIVE DIRECTOR FOR THE SENATE

JAMES STEPHENS, DEPUTY EXECUTIVE DIRECTOR FOR THE HOUSE

BETH HUGHES-BROWN, ADMINISTRATIVE OFFICER

BUDGET REQUEST

Senator BENNETT. All right. Our last witness is Mrs. Ricky Silberman, the Director of the Office of Compliance.

The Office of Compliance has requested $2,095,000, a $95,000 increase, or 4.8 percent; and requested a reduction of 2 FTEs from their authorized level of 17. That is not a pattern that we usually see here, and we commend you for continuing to look for ways to reduce your budget and hold on to your efficiency.

We would be happy to have you introduce this gentleman. I apologize for not knowing in advance your name, but we are delighted to have you both here.

Mrs. SILBERMAN. Thank you, Mr. Chairman, for the opportunity to present the Office of Compliance budget request for fiscal year 2001.

With me, as in past years, are the statutory appointees, the full-time leadership of the Office. This is Gary Green, the General Counsel of the Office who runs the legal affairs of the Office as well as the health and safety program, which has been so much a part of what we have done in the past year.

Senator BENNETT. We welcome you, Mr. Green.

Mr. GREEN. Thank you.

Mrs. SILBERMAN. Also with us is Pam Talkin, the Deputy Director for the Senate, and Jim Stephens, Deputy Director for the House, and Beth Hughes-Brown who is our Administrative Officer and who works very closely with the committee.

And in line with your remarks previously, Mr. Chairman, I think Beth deserves special recognition for her role, particularly in the area of Y2K legislative branch readiness. And we are very grateful for your leadership in that area as well.

On behalf of all of us, I want to thank the Chairman and the staff of the committee, in particular Christine Ciccone, without whose support and assistance the record of accomplishment of this office would not have been possible.

This is the fifth year, that as Chief Operating Officer of the Office of Compliance, it has been my privilege to present this testimony.

And as you noted, it is the first year that we have had to ask for an increase. In our 1997 budget request, which was our first full year of operation, nobody had any idea what it was going to cost to run this office, and we just had guesstimates, which everybody helped with.

And it was very interesting that we were pretty much on the mark. But in the years since, on the basis of actual experience, we have been able to consolidate duties and reduce the expenditures for funding full-time staff positions, which I think is the key to our efficiency and effectiveness.

Thus, in each successive year, the budget request of the Office of Compliance has decreased. We have always asked for less money than the year before, and our appropriation has decreased. That is, until this year. And this year, for the 2001 budget request of $2,095,000, we, as you noted, have asked for a very small increase of $95,000 from our fiscal year 2000 appropriation.

And I just want to take a couple of minutes to explain why we need this increase. I am sure these reasons are all very familiar. Everybody says they need it. And I was interested to hear the Comptroller General talking about human capital, because our increase is almost totally in the area of contractor costs and mandatory costs that we have little or no control over.

And that increase is also in addition to the fact that we have asked for a decrease of two FTEs, which will realize a savings of some $113,000 in salaries and benefits. We have done that by combining the duties of the office's Director of Education and Information with those of the office's second counselor. And we have also eliminated an administrative staff position with associated duties absorbed by other staff members.

That savings, however, is totally offset by an increase in overall personnel costs. With respect to salaries, we are projecting a 3.7 percent cost of living increase, which is commensurate with the increase proposed for other Federal Government employees.

I think perhaps the most interesting increase is in the area of the Board of Directors over which we have absolutely no control. We have not had a full complement of five Board members in the past year. There have been two vacancies. And by May of the year 2000, the terms of all five original Board members will have expired, and we will have a full complement of five Board members. They have already all been appointed. Three have already come on board, and two will come on board in May.

Only two of the original five Board members lived outside Washington, D.C. We have now four of five living outside Washington, D.C., and we have to get them here. There are travel expenses that have to do with Board meetings and that kind of thing.

And then the other area which is, I believe, also absolutely mandatory is in the area of alternative dispute resolution. We need to continue the success that we have achieved in the area of alternative dispute resolution, which is the way that we resolve the majority of the disputes arising under the majority of the laws that the Congressional Accountability Act enforces.

Since January 23, 1996, when the office officially opened for business, the vast majority of disputes have been satisfactorily resolved through this system of counseling, mediation and adjudicative

hearings. And from the beginning, we have outsourced those mediations.

We have been fortunate to retain some of the nation's most respected mediators to perform this function, and they have done an absolutely splendid job; so, too, the hearing officers, which as statutorily mandated, are generally retired Federal judges or senior status judges.

In both of these categories, we, for the first time in 5 years, have had to ask for an hourly increase in their rates. They have been working under their usual rates for 5 years, and this budget reflects an increase which totals $38,300, which is $17,000 for hearing officers, $20,000 plus for mediators, and $900 for court reporters. This will bring them in line with what other Government agencies have been paying them.

And let me make just one final note with respect to contractor costs. Since it is difficult to accurately predict the requirements, both in terms of time and expertise, of the office's safety and health program, we will continue to contract for the services of expert consultants on an as-needed basis. The fiscal year 2001 budget is predicated on fiscal year 1999 actual levels for these consultants. It is what we have actually paid for them.

As this committee is aware, this past year has been one of intense activity in the health and safety area, particularly with respect to fire safety, necessitating a projected increase in the fiscal year 2001 budget of $33,000.

These are very small amounts of money, but they are amounts of money that we absolutely have to have in order to continue the program in the way that we are doing it.

OSHA DETAILEE

I should note here that the office continues to benefit from the full-time services of an industrial hygienist on a non-reimbursable basis from OSHA. And we have been very fortunate to be able to have this extra FTE. His work is essential to the effectiveness of the health and safety program, and if the arrangement with OSHA were to be terminated, a full-time salaried slot would have to be dedicated to this function.

Finally, an increase of $6,000 for printing is based on fiscal year 1999 actual expenditures for the publication of mandated health and safety reports to the Congress.

We have attached the 301(H) report, which is the report that compiles statistics on the use of the office by covered employees, and we would ask that it be put in the record. It reports the calendar year of 1999.

PREPARED STATEMENT

And I want to again thank you for all of your help and support, and we would be delighted to answer any questions that you have.

[The statement follows:]

PREPARED STATEMENT OF RICKY SILBERMAN

Thank you for the opportunity to present the Office of Compliance budget request for fiscal year 2001. With us, as in past years, are the statutory appointees—the full-time leadership of the Office: Pam Talkin, the deputy executive director for the

Senate, James Stephens, the deputy for the House, and our General Counsel Gary Green. Beth Hughes-Brown, our administrative officer, has once again worked closely with this committee and deserves special recognition for her leadership role. On behalf of all of us, I want to thank the Chairman and the staff of this committee, particularly Christine Ciccone, without whose support and assistance the record of accomplishment of this Office would not have been possible.

This is the fifth year that, as chief operating officer, it has been my privilege to testify before this committee. In 1997, our first full year of operation, our budget request could only be based on a "guesstimate," since no one could accurately predict how much it would cost to administer and enforce the CAA. But in the years since, on the basis of actual experience, we have been able to consolidate duties and reduce the expenditures for funding full-time staff positions. Thus, in each successive year the budget request of the Office of Compliance decreased, as did our appropriation.

That is, until this year. Our fiscal year 2001 budget request of $2,095,000 is an increase of $95,000 from the fiscal year 2000 appropriation of $2,000,000. I want to take a couple of minutes to explain why this increase is necessary even though we are again planning to reduce full-time staff. In keeping with the Office's goal of efficient, effective administration, the duties of the Director of Education and Information are being combined with that of the Office's second counselor. An administrative staff position is also being eliminated, with associated duties absorbed by other staff members. This consolidation and the resulting reduction of two FTE's from 17 to 15 will realize a savings of $90,000 in salaries and $23,000 in benefits.

That savings, however, is offset by an increase in overall personnel costs. With respect to salaries, we are projecting a 3.7 percent cost of living increase which is commensurate with the increases proposed for other federal government employees. We also project increases in travel expenses for new members of the Board of Directors. By May of 2000, the terms of all five original members of the Board will have expired and five new members will have been appointed. While only two of the original five Board members resided outside the Washington, DC area, four of the five new members do, and will thus incur travel expense to attend Board meetings. The salary, benefits, and travel expenses are therefore expected to increase for Board members, by $29,000, $2,000, and $6,000, respectively.

One other area of increase is necessary to continue the successful administration of the eleven labor and employment laws applied by the CAA. To resolve disputes arising under the majority of these laws, the Act mandates an administrative and judicial alternative dispute resolution (ADR) procedure which has proved both cost-effective and efficient. Since January 23, 1996 when the Office officially opened for business, the vast majority of disputes have been satisfactorily resolved through this system of counseling, mediation, and adjudicative hearings. From the beginning, we determined that the credibility of this core ADR function would best be established and maintained if the mediators had the same independence which the Act mandates for hearing officers. We were fortunate to secure the services on an as-needed basis of some of the nation's most respected mediators as well as retired or senior status judges. This budget request includes an increase, the first in five years, in the per hour compensation of hearing officers, mediators and court reporters. These increases which total $38,300 ($17,000 for hearing officers, $20,300 for mediators, and $900 for court reporters) are based on our current use of their services, and bring their per hour rate in line with what other government agencies are paying for these same services.

One final note with respect to personnel costs. Since it is difficult to accurately predict the requirements both in terms of time and expertise of the Office's safety and health program, we will continue to contract for the services of expert consultants on an as-needed basis. The fiscal year 2001 budget is predicated on fiscal year 1999 actual levels for these consultants. As this committee is aware, this past year has been one of intense activity in the health and safety area, particularly with respect to fire safety, necessitating a projected increase in the fiscal year 2001 request of $33,000. I should note here that the Office continues to benefit from the full-time services of an industrial hygienist, on a non-reimbursable detail from OSHA. His work is essential to the effectiveness of the health and safety program and if the arrangement with OSHA were to be terminated, a full-time salaried slot would have to be dedicated to this function. Finally, an increase of $6,000 for printing is based on fiscal year 1999 actual expenditures for the publication of mandated health and safety reports to the Congress.

Each year, the Office, is required to compile statistics on the use of the Office by covered employees. We have provided the Committee with copies of this newly published 301(h) report on calendar year 1999 and would ask that it be included in the record. We would be delighted to try to answer any questions you may have.

OFFICE OF COMPLIANCE SECTION 301(h) REPORT TO CONGRESS—JANUARY 1, 1999-DECEMBER 31, 1999

INTRODUCTION

The Congressional Accountability Act (CAA) generally applies provisions of eleven federal labor and employment laws to over 20,000 covered congressional employees and employing offices. The Office of Compliance (Office), an independent agency in the legislative branch, was established by the CAA to administer and enforce the Act and provide a process for the timely and confidential resolution of workplace disputes. Section 301(h) of the CAA requires that the Office of Compliance:

> * * * compile and publish statistics on the use of the Office by covered employees, including the number and type of contacts made with the Office, on the reason for such contacts, on the number of covered employees who initiated proceedings with the Office under this Act and results of such proceedings, and on the number of covered employees who file a complaint, the basis for the complaint, and the action taken on the complaint.

This fourth annual report, which provides information for the period from January 1, 1999 through December 31, 1999, begins with a summary of the authority and responsibilities of the Office of Compliance.

OFFICE OF COMPLIANCE AUTHORITY AND RESPONSIBILITIES

The CAA establishes the Office of Compliance with a Board of five members, who serve on a part-time basis, and four statutory appointees: the Executive Director, Deputy Executive Director for the Senate, Deputy Executive Director for the House, and the General Counsel. The Office is charged with providing alternative dispute resolution procedures, and adjudicative hearings and appeals for covered legislative branch employees and education and information on the CAA to members of Congress, other employing offices, and employees of the legislative branch. The Office of the General Counsel enforces the provisions of sections 210 and 215, relating to health and safety and public access requirements, including investigation and prosecution of claims under these sections, and periodic inspections to ensure compliance. Additionally, the General Counsel investigates and prosecutes unfair labor practices under section 220 of the CAA.

The CAA applies the rights and protections of provisions of the following eleven labor and employment statutes to covered employees within the legislative branch: title VII of the Civil Rights Act of 1964; the Age Discrimination in Employment Act of 1967; title I of the Americans with Disabilities Act of 1990; the Rehabilitation Act of 1973; the Family and Medical Leave Act of 1993; the Fair Labor Standards Act of 1938; the Employee Polygraph Protection Act of 1988; the Worker Adjustment and Retraining Notification Act; chapter 43 of title 38 of the U.S. Code (relating to veterans' employment and reemployment); the Americans with Disabilities Act of 1990 relating to public services and accommodations; the Occupational Safety and Health Act of 1970; and chapter 71 of title 5 of the U.S. Code (relating to federal service labor-management relations).

FOURTH ANNUAL REPORT JANUARY 1, 1999-DECEMBER 31, 1999

Number of Contacts Received by the Office of Compliance: 482

Employees and employing offices may, at any time, seek informal advice and information on the procedures of the Office and the rights, protections, and responsibilities afforded under the CAA. The office responds to all inquiries on a confidential basis.

482 requests for information from covered employees, employing offices, the public, unions, and the press were made by phone and in person from January 1, 1999 to December 31, 1999. Contacts were as follows:

Employees	296
Employing offices	102
Public	64
Unions	12
Press	8
Total	482

623 calls were made to the Office of Compliance Recorded Information line. In addition, the Office of Compliance website proved to be a frequent and efficient means for covered employees, covered employing offices and the general public to access information on the CAA.

REASONS FOR EMPLOYEE CONTACTS

296 covered employees contacted the Office asking questions under the following sections: (note: Aggregate numbers will not necessarily match category totals as a single contact may involve more than one section or subsection of the CAA, and/or more than one issue or alleged violation.)

Section	Description	Contacts
201	Rights and protections under title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Rehabilitation Act of 1973, and title I of the Americans with Disabilities Act of 1990	168
202	Rights and protections under the Family and Medical Leave Act of 1993	33
203	Rights and protections under the Fair Labor Standards Act of 1938	68
204	Rights and protections under the Employee Polygraph Protection Act of 1988	.....
205	Rights and protections under the Worker Adjustment and Retraining Notification Act	2
206	Rights and protections relating to veterans' employment and reemployment	4
207	Prohibition of intimidation or reprisal	29
210	Rights and protections under the Americans with Disabilities Act of 1990 relating to public services and accommodations; procedures for remedy of violations	.....
215	Rights and protections under the Occupational Safety and Health Act of 1970; procedures for remedy of violations	6
220	Application of chapter 71 of title 5, United States Code, Relating to Federal service labor-management relations	12
N/A	Questions regarding the general application of the CAA	110
N/A	Questions on matters which were not cognizable under the CAA	45

The 296 employee contacts were for information regarding:

Assignments	12
Compensatory time off	4
Compensation	16
Demotion	1
Discipline	1
Equal pay	1
Evaluation	3
Exemptions under the Fair Labor Standards Act	3
General questions regarding statutory requirements	85
Harassment	12
Hiring	16
Hours of work	6
Injury	1
Leave	18
Leave eligibility	1
Overtime pay	19
Promotion	4
Reasonable accommodations	8
Recordkeeping	1
Termination	68
Terms and conditions of employment	32
Requests for written materials	11

Number of Proceedings Initiated by Covered Employees: 330

Pursuant to title IV of the CAA, the Office of Compliance provides dispute resolution in the form of counseling and mediation. A proceeding under the CAA is initiated by an individual employee's request for counseling alleging a violation of the CAA.[1]

330 employees from the following employing offices filed formal requests for counseling:

The Architect of the Capitol	311
Capitol Guide Service	.....
Capitol Police	3
Congressional Budget Office	1

[1] It should be noted that the alleged unlawful application of a single policy of an employing office may involve multiple individual claims.

House of Representatives (not member or committee offices)	3
House of Representatives (member offices)	6
House of Representatives (committee office)	1
Senate (not Senator or committee offices)	
Senator	4
Senate (committee offices)	
Library of Congress	1
Total	330

These 330 requests for counseling alleged violations under the following sections of the Congressional Accountability Act: (Please see note above regarding aggregate numbers.)

Section	Description	Cases
201	Rights and protections under title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Rehabilitation Act of 1973, and title I of the Americans with Disabilities Act of 1990	334
202	Rights and protections under the Family and Medical Leave Act of 1993	1
203	Rights and protections under the Fair Labor Standards Act of 1938	2
207	Prohibition of intimidation or reprisal	18

Workplace issues raised by employees requesting counseling under the CAA fell into the following categories: (Please see note above regarding aggregate numbers.)

Assignments	1
Compensation	13
Discipline	12
Equal pay	287
Harassment	11
Hiring	2
Leave	1
Overtime Pay	2
Promotion	3
Reasonable accommodations	3
Retirement	1
Termination	24
Terms and conditions of employment	5

RESULTS OF THE PROCEEDINGS

Counseling

Of the 330 counseling requests received between January 1, 1999 and December 31, 1999, and the 2 pending on January 1, 1999:

—7 cases closed during or after counseling, but before mediation
  —0 settled
  —7 sought no further action;
—7 cases were pending at the end of 1999;
—318 requests for mediation were filed.

Mediation

318 mediation requests were received between January 1, 1999 and December 31, 1999. In addition, on January 1, 1999 there were 13 cases pending in mediation, and 10 cases which had completed mediation and were in the open period for filing a complaint. Of those 341 cases:

—41 cases closed during or after mediation
  —16 cases were settled
  —in 20 cases, no further action was taken by the covered employee after mediation ended
  —5 civil actions were filed in District Court;
—9 cases were pending in mediation on December 31, 1999;
—282 cases had completed mediation and were in the time period when a complaint could be filed;
—9 complaints were filed after mediation ended.

Complaints

If the dispute remains unresolved after counseling and mediation, an employee may elect to file a civil action in the district courts of the United States or to file

a complaint with the Office. If a complaint is filed with the Office, a Hearing Officer is appointed to hear the case and issue a decision.

Nine complaints were filed with the Office between January 1, 1999 and December 31, 1999 and five complaints were pending on January 1, 1999.

BASIS OF COMPLAINTS

The complaints filed during 1999 involved the following issues:

—alleged termination based on national origin
—alleged harassment based on gender
—alleged discrimination in assignments and other terms and conditions of employment based on national origin and in retaliation for opposing practices made unlawful by the CAA
—alleged termination in retaliation for opposing practices made unlawful by the CAA (2 cases)
—alleged discrimination in terms and conditions of employment based on gender and in retaliation for having used family and medical leave
—alleged discriminatory treatment in retaliation for initiating proceedings under the CAA
—alleged termination based on gender and in retaliation for opposing practices made unlawful by the CAA
—alleged suspension and failure to properly pay an employee in retaliation for opposing practices made unlawful by the CAA.

In addition, one complaint alleging a breach of the CAA's confidentiality requirements was heard and decided by a hearing officer. That decision was not appealed.

ACTION TAKEN ON COMPLAINTS

Any party aggrieved by a Hearing Officer's decision may file a petition for review of the decision by the Board of Directors of the Office.

During January 1, 1999-December 31, 1999:

Hearings.—9 hearing officer decisions were issued; 4 cases were settled or otherwise resolved before the hearings concluded; and 1 complaint was pending, awaiting a decision by the Hearing Officer.

Appeals.—2 petitions for review of Hearing Officer decisions were filed with the Board; and 7 Hearing Officer decisions were not appealed and became the final decisions of the Office.

Board action.—2 Board decisions were issued in 1999; and no petitions for review of Hearing Officer decisions were pending on December 31, 1999.

Judicial review.—1 Petition for review was filed; one court decision was issued on a petition for review filed in 1998. The U.S. Court of Appeals for the Federal Circuit upheld the Board's decision.

LABOR-MANAGEMENT RELATIONS

The Office carries out the Board's investigative authorities under section 220 of the CAA, involving issues concerning the appropriateness of bargaining units for labor organization representation, the duty to bargain, and exceptions to arbitrators' awards.

During January 1, 1999-December 31, 1999:

—11 representation petitions were filed;
—4 election agreements were entered into by the parties and approved by the Executive Director on behalf of the Board;
—5 elections were conducted. As a result of the elections, five labor organization were certified as bargaining representatives of employees;
—6 petitions were pending on December 31,1999: four representation petitions filed by four labor organizations seeking to represent four separate units, totaling approximately 90 employees of an employing office; a representation petition filed by a labor organization seeking to represent a unit of approximately 16 employees, and a unit clarification petition seeking to resolve the unit status of certain employees in a bargaining unit certified in 1997.

THE OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel is responsible for matters arising under three sections of the CAA: section 210—Public Services and Accommodations under the Americans with Disabilities Act of 1990; section 215—Occupational Safety and Health Act of 1970; and section 220—unfair labor practices under chapter 71, of title 5, United States Code.

76 requests for Information and Technical Assistance were made from January 1999 through December 1999 under the following sections:

Section 210: Public Services and Accommodations under the Americans with Disabilities Act of 1990	13
Section 215: Occupational Safety and Health Act of 1970	57
Section 220: Unfair Labor Practices under chapter 71, of title 5, United States Code	6

From January 1999 through December 1999, the following actions occurred:

Section 210:	
Charges filed	1
Cases closed	1
Cases pending as of December 31, 1999	.....
Section 215:	
Requests for inspections filed	19
Cases closed	8
Cases pending as of December 31, 1999	11
Section 220:	
Unfair Labor Practice charges filed	12
Complaints issued	1
Cases closed	6
Cases pending as of December 31, 1998	6

Disposition of Complaint(s):

Hearing Officer issued an opinion granting the General Counsel's motion for summary judgment; the opinion was not appealed and became a final decision of the Board on December 22, 1999.

SAFETY AND THE HISTORIC CAPITOL

Senator BENNETT. Thank you. You were present during our discussion about the Capitol. And you are charged with the other side of it.

Do you have any comment at all on this controversy of how we are going to deal with the Capitol, preserve its historic side and, at the same time, deal with the challenges you have to deal with?

Mrs. SILBERMAN. I would like to turn that question to Gary Green who is our resident expert in all this, and who actually has the authority over that part of the Act.

Senator BENNETT. Okay.

Mr. GREEN. Mr. Chairman, I came in during the course of Mr. Hantman's testimony, and do not pretend to understand his position fully. But based on what I heard, his view is that there are important fire safety objectives which have yet to be accomplished, and he is on the road toward it and he is committed to it. And that, of course, totally squares with my experience as the person who is charged with enforcing those laws against him.

He has been responsive to the citations that we have issued in the past. And I take it from his testimony and from the behavior of his people in the field, that he will be equally responsive in the future.

There is a lot of catching up that needs to be done. Congress has had a long exemption from fire safety laws, and a lot of good fortune in avoiding fatalities, injuries and damage. And I think there is a growing recognition that this is the time to do more.

We just completed, as you probably know, an extensive report on the state of fire safety across the entire Capitol Hill complex, and found many violations of existing standards, including some violations which are very serious and deserve immediate prompt atten-

tion. And my office may be obliged to use the citation process to prompt more expeditious treatment of those risks.

I was very interested, Senator Bennett, in hearing your remarks to Mr. Hantman a few minutes ago about the importance of the history lesson that people get when they visit this campus, and I could tell that there was some real passion in that view, which I would be presumptuous enough to say that I share with you.

And I think a lot of laymen, myself included, come to this subject of fire safety with the sense that it is incompatible with the historic and architectural integrity that we want to preserve. And one of the things that I am beginning to learn as I try to manage my job, is that the experts have a lot to teach us here. And that it is not incompatible.

For instance, in the Jefferson Building, which I also admire very much, my staff received a tour from one of the Architect of the Capitol's employees, who took them and showed them a magnificent fresco on the ceiling and asked them to find the sprinklers. They could not find them, but they were there.

We have also visited some of the historic buildings under the jurisdiction of the executive branch right here in the city to see how the blessings of history have been preserved alongside the safety features of the new technology. And there are fire doors, for example, in the Hoover Building, of the Department of Commerce, in the Ariel Rios Building up on Pennsylvania Avenue, which are invisible to people from 5 feet away. But when they are needed, they automatically deploy. And the price tag is not a deterrent here.

So, I would say that based on the fire safety report that we have issued, and the citations that are likely to follow it, we will be giving the Architect a detailed prescription for how and when to raise the level of safety to where the employees and the visitors and the Congressman themselves will have the necessary level of safety without sacrificing those values that you and I both care about.

Senator BENNETT. Thank you. I appreciate that response and the sensitivity that it represents, because this is a ticklish problem and it needs that kind of attitude and view.

I have no further questions, and we appreciate what you do, and we will carefully consider your request.

Mrs. SILBERMAN. Thank you, as always.

Senator BENNETT. I wish every increase was in the $95,000 area, rather than the millions.

Mrs. SILBERMAN. That is why we like to talk about it, not as a percentage, because our budget is so small to begin with.

Senator BENNETT. That is right.

Mrs. SILBERMAN. It is only $95,000.

ADDITIONAL COMMITTEE QUESTIONS

Senator BENNETT. Only $95,000. Thank you again.

Mrs. SILBERMAN. Thank you.

[The following questions were not asked at the hearing, but were submitted to the office for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

Question. With reference to the Office of Compliance's Annual Report to Congress, dated January 2000, it is noted on page 4 that 330 of the covered employees of the

Legislative Branch filed formal requests for counseling during calendar year 1999. Of the total 330 requests for counseling, 311 of those requests were from employees of the Architect of the Capitol. When compared with other congressional offices, Capitol Police, and Library of Congress, this figure simply is rather alarming!

Without disclosing confidential information with regard to specific AOC employee grievances, could your office provide the Subcommittee with additional information regarding the types of complaints that make up the 311 requests for counseling, and whether your office has identified any pattern of non-compliance by the AOC in certain areas?

Answer. Of the 311 requests for counseling from employees of the Architect of the Capitol in calendar year 1999, 287 relate to one employment issue. These are individual claims arising from the application of a single personnel policy that is being disputed by employees who are all similarly situated and affected by that policy.

	Claims
The remaining cases pertain to claims arising under the section of the CAA referenced below [1]:	
Section 201 (Title VII of the Civil Rights Act, Age Discrimination in Employment, Rehabilitation Act, Americans with Disabilities Act)	25
Section 202 (Family & Medical Leave Act)	1
Section 203 (Fair Labor Standards Act)	1
Section 207 (Prohibition of Intimidation or Reprisal)	12
The bases for the 25 Section 201 claims are as follows [1]:	
Discrimination based on race	14
Discrimination based on disability	3
Discrimination based on national origin	3
Discrimination based on gender	2
Discrimination based on color	1
The issues cited in these remaining cases are as follows [1]:	
Termination	5
Discipline	4
Overtime pay	1
Leave	1
Promotion	1
Assignment	1
Terms and conditions	1
Compensation	9
Hiring	1
Reasonable accommodation	3
Harassment	3

[1] Aggregate numbers may not total as expected as a single case may involve more than one section or subsection of the CAA and/or more than one issue or alleged violation. Similarly, employees sometimes do not state with specificity the basis for a claimed violation.

Based on a review of the above-mentioned cases, and taking into account the fact that the Architect of the Capitol is the largest employing office covered by the Congressional Accountability Act, we do not discern a pattern of non-compliance with the CAA. Indeed, the AoC has been very cooperative with the Office and has worked toward resolving employee disputes.

SUBCOMMITTEE RECESS

Senator BENNETT. The hearing is recessed.

[Whereupon, at 10:55 a.m., Tuesday, February 29, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2001

TUESDAY, MARCH 21, 2000

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:07 a.m., in room SD–116, Dirksen Senate Office Building, Hon. Robert F. Bennett (chairman) presiding.

Present: Senator Bennett.

U.S. SENATE

OFFICE OF THE SECRETARY OF THE SENATE

STATEMENT OF HON. GARY SISCO, SECRETARY OF THE SENATE

ACCOMPANIED BY:

SHARON ZELASKA, ASSISTANT SECRETARY OF THE SENATE
TIMOTHY S. WINEMAN, FINANCIAL CLERK OF THE SENATE

OPENING STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. The hearing will come to order, and this is the last hearing on the fiscal 2001 budget request for the legislative branch. We appreciate the witnesses that are scheduled today.

Before we go to their testimony, I need to note for the record that this is going to be a difficult year for this subcommittee. We will have to make our budget recommendations in the next few months, and we were such heroes last year because we came in with a slight reduction from the year before. As we look over the requests, we are not going to be able to complete our work this year without disappointing a whole lot of people.

The budget request is 11 percent higher than last year's level. Maybe we should have gone to a 5 percent increase last year and then a 5 percent increase this year and people would not be as upset.

But we have worked hard to make sure that we did not neglect maintenance around the campus here, or delay projects that would end up costing taxpayers more money in later years. My own business background tells me that one of the most foolish things you can do is cut your maintenance budget and look good in the short run and then end up with major problems in the long run.

So I am very sympathetic to those that have requests this year that look like they would be good investments, but we are going to have to make some difficult decisions as we are challenged by this.

Before we proceed, Senator Feinstein could not be here today, and she asked that her statement by placed in the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DIANNE FEINSTEIN

I join with Chairman Bennett in extending our appreciation to both the Secretary of the Senate, Gary Sisco, and the Senate Sergeant at Arms and Doorkeeper, Jim Ziglar.

Mr. Sisco and Mr. Ziglar represent two of the most important segments of the Senate, and they shoulder tremendous responsibilities in their charge to keep things running efficiently and effectively. Over the last few years, we in government have been challenged to keep pace with the technological advances in the private sector. It has taken the tremendous courage and forward thinking of individuals, such as Gary Sisco and Jim Ziglar, for us in the Legislative Branch to envision where we want to be in the next five to ten years, and then to set that vision into action as quickly and as economically as possible.

They and their staffs work tirelessly behind the scenes every day, and sometimes late into the evenings, to handle a myriad of activities that are essential for the successful operation of the Senate. Their staffs are very dedicated and hard-working, and I wanted to take this opportunity to pass along my personal gratitude for all that they do to assist me, my staff, and the Senate as an institution.

I join Chairman Bennett in saying how much we appreciate your good work.

Senator BENNETT. So with that somewhat grim opening, we welcome our first witness, the Secretary of the Senate, the Honorable Gary Sisco, accompanied by Sharon Zelaska, the Assistant Secretary of the Senate, and Tim Wineman, the Financial Clerk. We note the Secretary's budget request for fiscal 2001 is $16,815,000, which is a 7 percent increase over last year's level.

Mr. Sisco, I have to note for the record that this is the first time in 4 years that you have requested an increase above COLA. So we commend you for your management in the past. I guess it was inevitable that sooner or later an increase would come along. But we are grateful to you for your frugality and look forward to hearing your testimony.

Now, we have received testimony of Mr. Wineman, the Financial Clerk, and it will be added to the record. So Mr. Sisco, we are happy to hear from you.

STATEMENT OF GARY SISCO

Mr. SISCO. Thank you, Mr. Chairman. I do not know whether I should go back and revise my budget before I make the presentation, after your opening remarks.

Senator BENNETT. Any contributions will be gratefully received.

Mr. SISCO. But I do thank you for your kind remarks and for setting the stage for this testimony this year. As you mentioned, Sharon Zelaska, the Assistant Secretary of the Senate, and Tim Wineman, the Financial Clerk, are both with me. They are familiar faces around the Capitol. They represent more than 200 capable and dedicated staff with the Office of the Secretary.

Sharon and the legislative staff have been implementing the Legislative Information System, or LIS, one of the two major technology systems that this committee has mandated and funded in the past. Tim and the disbursing office staff are implementing the other major system, the Financial Management Information System, or FMIS. As you noted, Tim in his capacity as Financial Clerk has separately provided the information on the budget for the entire Senate.

So my statement this morning will present the request of the Office of the Secretary. I am going to try to reduce a few hundred pages of submission down to 8 to 10 minutes if I can, and then respond to any questions that you may have.

Senator BENNETT. The entire submission will be included in the record.

Mr. SISCO. Thank you.

I want to limit my remarks here to three items. First will be the formal request for the budget for fiscal year 2001. Then, a discussion of the mandated systems—the financial system and the legislative system—and go into some detail about the request for this increase, which is the first one in 4 years above COLA's. Then, I want to close with some comments on the most recent progress on the Capitol visitor center, which this committee and you as a member of the Capitol Preservation Commission have a great interest in.

But before I get into specifics this morning, I want to take a minute to thank the members of the committee and the committee staff. Also, I saw here earlier the staff of the Rules Committee. And in particular I want to thank Jim Ziglar, the Sergeant at Arms, and his staff, and all of the people with both the committees and the Sergeant at Arms who have done such great work with us and cooperated with us on these two systems, and also on every item day to day where we try to provide the best services possible to the individual Senators, their staffs, the committees, and the whole Senate as an institution.

FISCAL YEAR 2001 BUDGET REQUEST

Now to the budget. As I stated and as you mentioned, this is the first time since fiscal year 1997 that I have asked for additional money in the expense category—in addition to the COLA request. So the total budget request is $16,815,000; $14,738,000 of that would be for salaries and $2,077,000 of that would cover the expenses.

We have increased our budget request for salaries over last year by 3.77 percent, or $536,000. We are not adding or requesting any more FTE's. We have been giving merit increases over the past 4 years and those have been accommodated within this funding request.

The budget for expenses does include an increase of $566,000. That will be for further development of the FMIS, which will benefit the Senate, I think, considerably and we feel it would be justified. But other than that, all of the departments are at level funding.

FINANCIAL MANAGEMENT INFORMATION SYSTEM

On FMIS, the work began on that, obviously, prior to my arrival, and we had $7 million of no-year money—money that was made available through fiscal year 2000—to develop that. But we found with the rapid advances in technology that it was very difficult to estimate what the cost would be of fully replacing the non-Y2K-compliant conglomeration of a dozen or so financial systems scattered throughout the Senate. Yet to date we have accomplished much working together—all of us that I mentioned earlier.

We now have a commercial off-the-shelf financial management system for both the general ledger and for purchasing. That has been implemented. Tim and his able staff have converted the general ledger from a cash basis accounting to obligation and accrual-based accounting. We are now using OMB object classification codes for use in expenditures, so that for the first time our budget authority and our expenditures can be reported on a basis consistent with the rest of the Government.

We have also developed a web-based front end budgeting and accounts payable system for use by the individual Senators, their staffs, the committees, and the leadership and support offices. This was rolled out in October of last year, 1999. We are calling this component of FMIS the Web FMIS, and the requested increase is to enhance the capabilities of this front end system.

We want to do that based on feedback that we have received from the Member offices and the committee clerks and others who are working on the system and helping us design it and improve it over time.

In addition, as you well know from all your great work with Y2K, both the FMIS system and the LIS system—and all of our systems—are Y2K-compliant, thanks again to the emphasis put on that and the work of the Sergeant at Arms staff and the cooperative work of all the people who work here in the Senate.

But we still have some work to do. This includes achieving two of our primary goals with FMIS that we have not completed. First, we need to advance the Senate into a paperless or a reduced paper environment, where the accounting items that we deal with from here, and that are generated from the State offices throughout the country, all come in, are stored, transmitted, retrieved, approved, and of course paid electronically as well as reported electronically.

Second, we need the capacity to produce an annual consolidated auditable financial statement for the entire Senate, which has not ever been done. So those are the two goals—a paperless system or near-paperless system and then to produce a consolidated statement for the Senate.

But working with the Sergeant at Arms and his staff and with the disbursing office taking the leadership, we have developed a strategic plan—which was issued to this committee and to the Rules Committee this past month—with a road map to accomplish these goals and to complete these two items of the FMIS. It calls for further development, as I mentioned, of the Web FMIS, which allows each of the Senate employing offices—each of the Senators—to organize their own staffs, here and at the State level, in whatever manner they want to do that, and to run their offices the way they want to run them, but to use their own individual system to research and retrieve their office financial information from the system, and to originate the financial documents they use on their desktop computers.

Access is controlled by standard system security measures, including individual passwords for the individual employing offices. Web FMIS is interfaced with the main systems at the disbursing office and this will allow us to provide each office individually with expanded and more timely financial information day to day or week

to week, in addition to the monthly financial statements that we already provide those offices.

Further Web FMIS enhancements will permit the Senate offices—as really the front end of the system—to input their own financial information directly into the disbursing office systems, the back end of the system, for processing.

So we think that using Web FMIS will be a key component of achieving our first goal of a paperless or reduced paper environment in the Senate.

With regard to producing the consolidated statements, the plan calls for a thorough survey and evaluation and ultimately the preparation of an audit program and an audit plan for the Senate. This additional $556,000 funding request will, as I said, help us achieve these two goals and help complete the FMIS project.

LEGISLATIVE INFORMATION SYSTEM

Now to the LIS. The Legislative Information System, or LIS, is the other mandated system. It is a means for Senators and staff, everyone involved in the process, to get the text of Senate or House legislative documents from the desktop computers in their offices, in a choice of formats. It provides real-time access to the legislative amendments—real-time being 15 minutes or less from the time they are introduced on the floor until they are available at the desktops of people who are working in the legislative arena.

It also provides the current status of new legislation—within 24 hours or the next day for bills introduced. No matter how much volume of text is contained in a bill, it is available the next day on the LIS.

Since December of last year, all of the legislative departments have been using the LIS document management system which was installed, taking advantage of the latest technology to input all the data for the Members and the staff to retrieve it almost simultaneously. Again, this was completed in partnership with the Sergeant at Arms and in cooperation also in this case with the House of Representatives—who we obviously have to coordinate with—the Library of Congress, the Government Printing Office, and other offices that have input into the system.

Since the LIS serves the Senate staff at all levels, we developed a training program, under the joint training office that the Sergeant at Arms and I have set up, for all the staff in learning how to use the system that we have been developing.

For the future, the focus will be on continued enhancements. For example, the Senate Recording Studio data will be made available within the LIS system at some point. This data includes the audio and video feeds from the Senate floor and committee activity, as well as the closed captioning feeds and transcriptions of those feeds into the recording studio. Those will be made available on the LIS.

In the legislative area, too, with the Clerk of the House we are continuing to move forward on developing standard generalized markup language, or as it is affectionately known, SGML, to create the bills, the amendments, and any other legislative documents between the two bodies. SGML uses electronic codes to embed content and format information within the individual records or text of an electronic document, and it is standardized for use on the Senate

side and the House side so that the same words mean the same things to both as we move forward.

Parts of one document, such as a bill, can be extracted and used in another document, like a committee report, for consistency, and that can be done without manual reformatting, which costs time and also allows for mistakes. It can be electronically shipped to GPO ready for printing with standardized language and codes. The documents then can be exchanged or searched, retrieved, indexed, archived, printed and reused in a variety of ways without having to make any manual changes. So it saves time and it will improve accuracy.

CAPITOL VISITOR CENTER

Last, the Capitol visitor center. As you know, the 105th Congress authorized the visitor center for the first time and appropriated $100 million to the Architect of the Capitol to plan it, engineer it, design it, and then to construct it. The bill at that point provided for that money to be supplemented by private fundraising.

This Congress—the 106th—assigned directive authority to the bicameral, bipartisan Capitol Preservation Commission. Nine Members of the Senate and nine Members of the House constitute the Preservation Commission. That commission has approval for project milestones. But, of course, the law also requires for this committee and the House Appropriations Committee to take a second look at the commission's work and approve the funds for the project before they are released.

We have a design concept approved. This was updated by the Architect and approved late last year. We will have the center constructed with a target of 2005, with the goal of it being constructed and available for the Inauguration in 2005. It will be constructed beneath the East Plaza of the Capitol and preserve the historic appearance and the landscaping of the Capitol.

It has security features. The Capitol Police Board, the two Sergeants at Arms, and the Chief of Police—obviously, we are tracking with them and getting all of their input for security enhancements. The education component for the visitors coming here from around the country will be a great addition to what they are able to see in the Capitol now when they come—from around the country and around the world.

As I said, the $100 million appropriation can be supplemented by private funds, and recently the commission approved the recommendation by myself and the Clerk of the House to enter into an agreement with a 501(c)(3)—a nonprofit—to be established by the Pew Trusts in Philadelphia to raise private funds—fundraising efforts where eventually we would end up with an approximate 50–50 public-private partnership. That work will be ongoing.

All the funds raised for the visitor center will be under guidelines approved by the commission, and of course the commission and the Appropriations Committees will retain control over the planning, design, engineering, and construction of it and the release of the funds for that.

It is a project that I was asked to coordinate when I first came here. The Secretary has always had a role in that project since it was conceived back in the late eighties, and I continue to be com-

mitted to trying to make it a reality. The entire Office of the Secretary, to the extent that we have pertinent input, have been involved in that and are supporting that effort, as well as all the others.

In closing, I would say that I focus on the budget request and FMIS and LIS and the visitor center as the major projects and major milestones. Our major goal continues to be providing services every day to the Senators and to the staff and the people who work here, to make the service the best possible service to the Senate as it works its will.

PREPARED STATEMENTS

So I thank you for your indulgence on the statement and we will respond to any questions.

[The statements follow:]

PREPARED STATEMENT OF GARY SISCO

Mr. Chairman, thank you for your invitation to present testimony in support of the budget request of the Office of the Secretary of the Senate for fiscal year 2001.

Detailed information about the work of the 24 departments of the Office of the Secretary is provided in the annual reports, which are attached. I am pleased to provide this statement to highlight the achievements of the Office and to supplement the departmental reports in certain areas:

1. Presenting the fiscal year 2001 Budget Request.
2. Implementing Mandated Systems: Financial Management Information System (FMIS); Legislative Information System (LIS); and Y2K Compliance.
3. Meeting Personnel Challenges for the Future.
4. Realizing the Vision for the Capitol Visitor Center.
5. Maintaining and Improving Current and Historic Legislative, Financial, and Administrative Services: Journal; Parliamentarian; Lobbying Disclosure Act; Joint Office of Education and Training; Printing and Document Services; Internet and Intranet Services; 106th Congress Home Page; Emergency Preparedness; Senate Art; Senate Library; and The Impeachment.

PRESENTING THE FISCAL YEAR 2001 BUDGET REQUEST

Mr. Chairman, the budget of the Office of the Secretary for fiscal year 2001 is the fourth budget I have presented during my service as Secretary, and the fourth to maintain level funding for salaries aside from COLAs. Level budgets have been maintained even though the Office has assumed, at the direction of the Senate, responsibilities that possibly are greater than at any time in its history. The budget is based on a maximum of 252 positions in fiscal year 2001, which is the same maximum number of FTEs authorized for fiscal year 2000. The Office of the Secretary continues to strive to maintain and improve the day-to-day legislative, financial, and administrative services to the offices of 100 Senators and to the leadership, committee, and support offices without adding new positions, relying instead on focused and dedicated management, consolidation of some positions, and much hard work on the part of dedicated staff.

For the first time during my tenure, I am requesting an increase for administrative expenses. A non-recurring increase of $566,000 is requested to help fund continued development of the Financial Management Information System (FMIS) during fiscal year 2001.

I therefore propose an operational budget for the Office of the Secretary for fiscal year 2001 of $16,815,000, consisting of $14,738,000 for salaries and $2,077,000 for expenses. The requested budget is an increase of $1,102,000, or 7.0 percent, over the fiscal year 2000 appropriation of $15,713,000.

The increase to the salaries side of the budget is $536,000 over the fiscal year 2000 appropriation of $14,202,000, and is accounted for entirely by a projected cost of living adjustment (COLA), as follows:

—$138,000 for the last quarter of calendar year 2000 (the budgeted percentage of the calendar year 2000 COLA was 3.9 percent; one-quarter of that, or 0.975 percent, applies to October through December 2000).

—$398,000 for the first three quarters of calendar year 2001 (the calendar year 2001 COLA estimate is 3.7 percent; three-quarters of that, or 2.775 percent, applies to January through September 2001).

The increase for expenses, as noted above, is $566,000 over the appropriation of $1,511,000 that was maintained for fiscal year 1997, 1998, 1999, and 2000. The increase is attributable entirely to development costs of FMIS. The primary development will be enhancements to Web FMIS, the browser-based data entry and reporting system that has been deployed in member, committee, leadership and support offices.

IMPLEMENTING MANDATED SYSTEMS

Financial Management Information System (FMIS)

FMIS, first mandated with the 1995 Legislative Branch Appropriations Act, began with the need to replace and consolidate several financial systems within the Senate that were not Y2K compliant, that depended heavily on manual data entry, that could not account for funds on the obligation- and accrual-basis that is standard throughout the federal government and industry, and that had no capability to produce an auditable financial condition. Today, the old systems have been replaced, and the full system development and implementation is continuing ahead of schedule.

On February 9, 2000, the Office of the Secretary issued its FMIS Strategic Plan Update. The purpose of the update is to document the initiatives completed so far, and to set the direction for FMIS initiatives and enhancements over the remainder of fiscal year 2000 and into 2001.

The Strategic Plan divides the FMIS project into four functional phases: (1) Replacement—the replacement of the Senate core financial systems with a single, Y2K-compliant commercial-off-the-shelf (COTS) system; (2) Rollout—the distribution, following the initial replacement of the core financial systems, of these solutions to member, committee, leadership, and support offices; (3) Reporting—the use of the new system to compile, develop and distribute financial information that was unavailable in the past; and (4) Re-engineering—the ongoing and further development of the Senate FMIS technology.

The Replacement phase is complete. As the Rollout, Reporting, and Re-engineering phases are functional, rather than sequential, and key elements of all are being implemented concurrently, the Strategic Plan also serves to measure the progress of FMIS by dividing the project into time phases. Implementation Period I, November 1997-September 1998, focused on the Replacement phase. Within this time frame, the Office of the Secretary installed COTS systems (FAMIS for the general ledger and ADPICS for purchasing), implemented the standard general ledger used by the federal government, converted from cash-basis to obligation- and accrual-based accounting, and adopted the OMB standard object classification codes. Implementation Period II, October 1998-December 1999, focused on Rollout and Reporting, using FMIS to provide Senate offices with a simple method to enter data and to research and retrieve their relevant financial information. The Senate elected to develop and deploy Web FMIS, which is a browser-based data entry and reporting system. Implementation Period III, January 2000-approximately October 2000, will continue to emphasize Reporting and Re-engineering activities. The Strategic Plan calls for extensive programs of (1) operational support, and (2) development initiatives.

Operational support refers to those tasks required in order to sustain FMIS in the Senate. The FMIS performance task force, comprised of staff of the Offices of the Secretary and the Sergeant at Arms and of KPMG Consulting, the outside contractor, tracks performance issues and takes corrective action. Operational support will also include the transition to the Senate of many tasks that are currently performed by the contractor.

Development initiatives refer to the new and enhanced functional capabilities intended for FMIS. Several key initiatives are projected by the Strategic Plan. Interfaces will be designed to automate processes that now must be done manually. Enhanced financial reports will be developed for member, committee, leadership, and support offices. One of the initial FMIS objectives was to advance the Senate into a paperless or reduced-paper environment, in which accounting items and supporting documentation are stored, transmitted, retrieved, approved, and paid electronically. The Strategic Plan lays out steps toward that goal, while maintaining authentication and security. Another of the earliest objectives of FMIS has been to develop the capability to produce annual financial statements for Senate offices and an auditable financial condition of the Senate. The Strategic Plan contains a roadmap toward those goals.

In sum, the Strategic Plan for FMIS guides Senate financial management into the twenty-first century, with the oversight and support of this Committee and the Committee on Rules and Administration and in partnership with the Sergeant at Arms.

Legislative Information System (LIS)

LIS, mandated by 2 U.S.C. 123e, is designed to provide a comprehensive Senate Legislative Information System to capture, store, manage, and distribute Senate documents.

The Office of the Secretary successfully completed the major development and deployment of a Y2K compliant LIS Document Management System (LIS/DMS) in December 1999. This milestone was completed in partnership with the Sergeant at Arms, and in coordination with the Senate Policy Committees, Library of Congress (LOC), Government Printing Office (GPO), and the House of Representatives. LIS/DMS is a central repository for all Senate legislative information, and allows Senators and staff to access the content and status of legislative information from their desktop computers in a variety of formats.

For the remainder of calendar year 2000, the strategic focus of LIS development will be on enhancements to the LIS/DMS, initiation of the LIS Senate Recording Studio, Transcription, and Closed Captioning Project, which will make Senate Recording Studio data available within the LIS system, and, most importantly, the completion and implementation of the Standard Generalized Markup Language/eXtensible Markup Language (SGML/XML) Feasibility Study.

At the mandate of the Senate Rules and Administration Committee and the Committee on House Administration, the Secretary and the Clerk are developing a standard document/data exchange between the Senate, House of Representatives, LOC, and GPO using SGML. SGML is a proven technology, first developed in the 1980s and in widespread use in government and industry since the early 1990s. By use of a series of electronic codes, SGML takes raw text—such as the text of a bill or a committee report—and electronically formats that text for further use, whether amending, publishing, distributing, or archiving. SGML will transmit legislative documents to GPO in an electronic form ready for printing, with little need for manual processing. Almost all manual functions are eliminated, and by replacing tasks that GPO must now perform manually, SGML will produce significant cost savings in congressional printing.

LIS is intended to serve varied groups of users, many with unique requirements. LIS training is designed to prepare Senate staff to test, use, manage, and maintain the LIS system. With the new release of the LIS/DMS, the Office of the Secretary developed customized training for user groups with distinct needs, including Senate clerks, system administrators, and end users in member and committee offices.

Y2K Compliance

Y2K compliance in the Senate was the responsibility of the Sergeant at Arms, who was extraordinarily successful in that responsibility. All Office of the Secretary staff worked with the Sergeant at Arms in the testing, replacement, and certification of our systems. Both FMIS and LIS were tested extensively during 1999, and there were no Y2K problems.

MEETING PERSONNEL CHALLENGES FOR THE FUTURE

As I have discussed in each report during my service as Secretary, there are positions in the Office of the Secretary—particularly but not exclusively within the legislative departments—that are essential to the constitutional responsibilities of the Senate, and that require institutional knowledge and extended on-the-job experience to master. These positions, however, often have little comparability to executive branch or private sector occupations, and thus the Senate is always faced with a major challenge in maintaining sufficient institutional knowledge and experience. Within the legislative departments alone, the past year saw the death of the Legislative Clerk and the retirements of the Journal Clerk, Executive Clerk, Daily Digest Editor, and the Chief Reporter of Debates.

Partly in response, the following legislative departments have been reorganized: Legislative Clerk, Journal Clerk, Bill Clerk, Executive Clerk, Enrolling Clerk, Daily Digest, Official Reporters of Debates, and Captioning Services. Previously, these departments had functioned with no common supervisors other than the Secretary and Assistant Secretary. With the reorganization, the eight departments, consisting of all legislative staff except the Parliamentarian, now report to the Legislative Clerk. The duties of the various departments have not changed, but the Legislative Clerk provides a single line of communication to the Assistant Secretary and Secretary,

and is responsible for overall coordination, supervision, scheduling, and cross-training.

At present, the Legislative Clerk is in the process of cross-training two additional clerks from within the legislative departments to perform the floor duties of the Legislative Clerk at the rostrum in the Senate Chamber. When that is complete, the Senate will have four clerks (the Legislative Clerk, the Assistant Legislative Clerk, and two cross-trained from other departments) capable of performing the essential responsibilities of the Legislative Clerk on the Senate floor.

All department head positions have been filled with highly capable individuals, and there are now no vacancies in any department head position nor in any deputy position. This depth is attributable to the steps taken over the past years to identify incumbent employees and prospective new hires who are highly qualified, appropriately experienced, committed to the Senate for the long term, and committed to becoming qualified to assume greater responsibilities. In a concrete example of how this succession planning has worked, the Keeper of the Stationery retired at the end of 1999 and the Assistant was fully qualified to move into that position immediately, with no loss of service to the Senate.

With the implementation of FMIS, the organization and staffing of the Disbursing Office is undergoing a review by the General Accounting Office (GAO). The purpose is to evaluate the resource requirements of the Disbursing Office, design an optimum organizational structure, and prepare corresponding position descriptions that will enhance recruitment, motivation, and retention of highly qualified personnel. GAO is reviewing all missions and operations of the Disbursing Office, and conducting in-depth interviews with staff to evaluate work flow processes and assess ability to meet or to exceed customer requirements. Results are anticipated in May 2000.

The Office of the Secretary is partnering with the Office of the Sergeant at Arms to implement the newly acquired Lawson Insight Software program, which provides better and more accurate information for managing personnel resources. Lawson Insight software serves as the central repository for essential information on employees within each of the two offices. It automates several key functions, saving time, effort, and paperwork; and manages a wealth of information, from job history, education, and emergency contacts, to transportation subsidy participation. Its time accrual feature will handle routine tasks, such as tracking sick leave, annual leave, and family and medical leave. Its on-line and on-demand capabilities will permit us to proactively manage time and attendance and other personnel expenses for our two offices.

REALIZING THE VISION FOR THE CAPITOL VISITOR CENTER

The 105th Congress authorized the Capitol Visitor Center, an essential project to enhance security at the Capitol and the educational experience of visitors, and appropriated $100,000,000 to the Architect of the Capitol for planning, engineering, design, and construction.

The Capitol Preservation Commission, which is co-chaired by the Speaker and President pro tempore and includes the leadership and members appointed by the leadership of both houses, approves project milestones. As you know, the permanent law governing the Commission requires the approval of the Senate and House Appropriations Committees to expend funds for improvements to the Capitol, and that remains unchanged.

The Commission met in October 1999, and approved the design concept for the visitor center, as updated by the Architect. The center is to be constructed beneath the East Plaza, preserving the historic appearance and landscaping of the Capitol Building. The design provides for three levels with approximately 580,000 square feet of finished, unfinished (for future needs), and mechanical space. The visitor center design includes security features, reception areas, meeting rooms, auditoriums, exhibit space, restaurants, and shops.

The $100,000,000 appropriation for the Capitol Visitor Center is to be supplemented by private funds, and the October meeting of the Capitol Preservation Commission also directed the Secretary and the Clerk to develop a fund-raising plan. The Commission has approved the plan of the Secretary and Clerk, dated February 9, 2000, accepting the unsolicited offer and agreement of the Pew Charitable Trusts to establish a nonprofit 501(c)(3) foundation to solicit and receive private funds for the sole purpose of donating such funds for the visitor center project. The 501(c)(3) will be an independent, nongovernment entity, and a written agreement establishes a clear working relationship between the 501(c)(3) entity and the Commission. Funds will be raised in accordance with guidelines approved by the Commission,

and the Commission will retain control over the planning, design, engineering, and construction of the Capitol Visitor Center.

As additional support for the visitor center, Congress last year authorized a commemorative coin issue for 2001. The design will be emblematic of the first meeting of Congress in the Capitol, and thus will commemorate the events of 1800–1801, when the permanent seat of government was established here, and the Capitol was the site of the first peaceful transition of power from one political party to another following a free election. To be issued in gold or platinum, silver, and clad versions, the coin can serve as a means for visitors and others to make small contributions to the visitor center project while taking home a significant commemorative of their Capitol visit. Discussions with the Mint on the design and marketing plan have begun.

MAINTAINING AND IMPROVING CURRENT AND HISTORIC LEGISLATIVE, FINANCIAL, AND ADMINISTRATIVE SERVICES

Journal

The Constitution requires the Senate to "keep a Journal of its Proceedings, and from time to time publish the same[.]" Art. I, Sec. 5, Cl. 3. The Journal is the legal record of the proceedings of the Senate, and has been published continuously since the First Session of the 1st Congress in 1789. The Legislative Journal for the First Session of the 106th Congress is written and in the process of being edited, and, beginning with this edition, the Journal will be placed on-line and will be accessible electronically.

For all sessions of the Senate, the Journal Clerk prepares the Legislative Journal and the Executive Clerk the Executive Journal. For 1999, there will also be the Impeachment Journal, for which the Journal Clerk is responsible. All three will be printed and made accessible electronically during 2000.

Parliamentarian

In another example of an application of technology, the Parliamentarian is undertaking a project to store the Senate precedents electronically. There are, at present, only two copies of the Senate precedents as originally prepared by Charles Watkins and his successors in the Office of the Parliamentarian. The documents are on either legal-sized paper or standard letterhead, and include many excerpts from the Congressional Record together with handwritten editorial notes.

The Parliamentarian is now scanning each of these precedents for storage on the hard drive of the office computer, and for copying onto CD–ROM. A CD–ROM version will be kept in a secure area outside the Capitol, protecting access to these precedents in the event the paper copies were lost or became unavailable for any reason.

Lobbying Disclosure Act

As of September 30, 1999, there were 4,813 lobbying firms and organizations registered under the Lobbying Disclosure Act (LDA). These registrants represented 13,793 clients, and employed 21,279 lobbyists.

With the volume of filings steadily increasing, the Office of the Secretary has introduced an updated and enhanced web site for lobbying information. The site is accessible to the public, and includes the statute, forms, instructions, and guidance issued jointly by the Secretary and the Clerk of the House. All of these materials may be downloaded and printed locally. The site also provides the preliminary version of a searchable database. Search capabilities now available allow the public to determine the lobbying firms and organizations that are registered under the LDA, and the identities of their clients.

In December 1999, the Senate awarded a contract to develop, test, and implement an Internet web-based electronic system for lobbying registration and reports. This will provide software for lobbying firms and organizations to complete their filings electronically, with helpful features such as drop-down screens and pick lists for common answers and prompts for incomplete entries. Though it will still be necessary for registrants to file hard copies with the Senate Office of Public Records and the House Legislative Resource Center, a pilot program will also permit filers, at their option, to submit their forms to the Senate electronically. The test program will permit the Office of Public Records to assess the feasibility of transferring data into existing databases without using staff time to key in information manually.

The pilot program has been coordinated with the Clerk of the House, and will be reviewed and assessed for possible joint implementation. It is intended to carry out the mandate in the LDA to develop electronic filing so as to minimize the burden of filing, and, longer-term, maximize public access to materials filed under the LDA.

It is a major step toward fulfilling the long-standing public commitment of the Office of the Secretary.

Joint Office of Education and Training

The Office of Education and Training, a joint office of the Secretary and the Sergeant at Arms, provides employee training and development opportunities for all 7,000 Senate staff, both in Washington, D.C., and in the states. There are three branches within the office. The technical training branch is responsible for providing technical training support for approved software packages used in either Washington or the state offices. The computer training staff provide instructor-led classes; one-on-one coaching sessions; specialized vendor provided training; computer-based training; and informal training and support services. The professional training branch provides courses for all Senate staff in areas including: management and leadership development, human resource issues and staff benefits, legislative and staff information, new staff and intern information. Topics include: Managing Change; Ethics; Legalities of Casework; Letter and Report Writing; Public Speaking; Motivation; Delegation Skills; Stress Management; Myers-Briggs Type Indicator; Developing a High Performing Team; Conflict Management and Performance Management. The health promotion branch provides seminars, classes and screenings on health related and wellness issues.

The Joint Office of Education and Training offered 417 classes for Senate employees in 1999. Total enrollment was 7,012.

Since most of the classes that are offered are only practical for D.C. based staff, the Office of Education and Training has worked with the Office Manager's Council and selected State Directors to develop a curriculum for Senate staff from state offices. This training, entitled "State Fair", is scheduled to begin March 28, 2000. The focus for the initial program will be on management and leadership development skills for state staff with management responsibility. The courses will be conducted over three days with the final day of the program being dedicated to computer training.

The program will be repeated in late June to allow for maximum attendance. Next year, the "State Fair" curriculum will change and the topics will be focused on the learning needs of staff from the state offices. The state offices will be responsible for the cost of travel, food, and lodging for those attending this program.

Printing and Document Services

This department is a demonstration of the advantages of greater use of technology. Technology serves the Senate through faster response times, reduction in costs, control of waste, and the ability to accomplish more with fewer employees.

To illustrate, because the newly-implemented LIS/DMS system makes Senate and House documents available electronically, and the DocuTech machine reproduces paper copies locally on demand, the Office of Printing and Document Services has significantly reduced the quantities of printed documents routinely ordered from GPO. A major cut in document printing was instituted last October and another is scheduled for this April.

The office also acquired the new Rotomat carousel filing system as part of the larger effort to reduce document waste and the costs of storage and inventory control. This new filing system gives the department a compact storage system that provides easy retrieval of documents (particularly documents from previous Congresses) that can then be reproduced by DocuTech in the numbers needed—and only in the numbers needed.

In another illustration of the expanded use of technology, the department has posted an electronic form to order documents over the Senate Intranet. Members and staff may use the Intranet to order documents electronically, 24 hours a day. The printed documents are delivered to Senate offices the same day or, in the case of evening orders, the next business day. The site became available December 1, 1999, and its use is increasing rapidly.

In a step now in planning, the department will use the Intranet to post an electronic list of document numbers, showing their arrival from GPO and in-stock status. The office is also researching the feasibility of an e-mail response to staff indicating that a document has arrived. An e-mail response would be especially useful for appropriations bills, when Senate staff most need immediate access to the printed copies of the legislation. With mass e-mail capability, the office will be able to let all members and staff know immediately when a requested document has arrived, saving countless phone calls.

In yet another step, now under study, document numbers on the electronic list could be directly linked to the full electronic document files on GPO Access. By

using the links, members and staff could download and print the documents from their desktop computers without going to another web site.

Internet and Intranet Services

The Office of the Secretary has expanded use of the Intranet to bring more information and services to Senate staff. The web page for the Document Room was redesigned and, as noted above, an order form was posted for on-line requesting of documents. A web page for the Disbursing Office was created to make benefit forms and instructions available to Senate staff in PDF format for downloading. A web site was developed for the Office of Public Records, making the disclosures and reports that are required to be completed by Senate staff available for downloading in PDF format. The Office of Education and Training added a form for on-line enrollment.

Internet services also saw expansion. The Senate web site was redesigned for the 106th Congress, and averaged more than 24,000 visitors a day in 1999, or nearly 9,000,000 for the year. Among the design improvements was the addition of a user-friendly means for visitors to find the e-mail addresses of the offices of their Senators.

The Senate web site was hacked on May 27, 1999, and vandalized again on June 11, 1999. The Sergeant at Arms secured the data and enhanced security measures, and the Office of the Secretary worked closely with the Sergeant at Arms to ensure that the data on the site was not compromised.

106th Congress Home Page

The 106th Congress Home Page was expanded during 1999 to contain the most recent updates to the Biographical Directory of the United States Congress: 1774 to Present. Since 1989, when the last revision of the print edition appeared, the Senate Historical Office has added dozens of new biographical sketches and revised more than half of the 1,852 Senate entries in the database. A current version is available online at http://bioguide.congress.gov. The Historical Office is currently preparing to add portraits, photographs, and other illustrations of all past and present Senators to the electronic database. Work is also continuing on the next print edition, planned for publication in 2001.

Emergency Preparedness

Emergency preparedness planning is continuing in order to ensure that the Senate is able to carry out its constitutional obligations under any emergency circumstances. As reported last year, two sets of the critical records and resources have been assembled and are now pre-positioned in separate, secure locations outside the Capitol Building.

During the past year, emergency preparedness efforts focused on communications issues. The Office of the Secretary worked with the Sergeant at Arms to identify and procure an automated communications system that will permit the Senate leadership to maintain contact with all Senators in the event of emergency. In addition, staff of the Secretary and the Sergeant at Arms continued discussions with executive branch officials to ensure that the emergency preparedness plans are, to the greatest extent practicable, complementary.

Work continued on the comprehensive disaster preparedness, response, and recovery plan for the historic collections of the Senate. Staff of Congress, the Library of Congress, and the Supreme Court continued discussions of a mutual aid agreement and memorandum of understanding.

Senate Art

Majority Leader Trent Lott, who chairs the Senate Commission on Art, led the Commission in several initiatives during 1999. The Senate adopted S. Res. 241, directing the Commission to recommend to the Senate two outstanding Senators whose paintings will be placed in two of the remaining, unfilled spaces in the Senate Reception Room. The resolution provides that the individuals selected by the Commission must be deceased, and must not have not served in the Senate within the preceding 21 years. Following Senate approval of the two selections, the Commission will identify appropriate artists.

The Commission on Art also approved the commissioning of several significant portraits for the Senate Collection. Portraits of Senators Margaret Chase Smith (1897–1995) and Blanche Kelso Bruce (1841–1898) have been authorized as part of an effort to enhance the collection of portraits of women and minorities who served the Senate with distinction. Margaret Chase Smith, who served in the House of Representatives 1940–49 and the Senate 1949–73, was the first woman to win election to both houses of Congress and the first woman elected to a leadership post in the Senate. Blanche Kelso Bruce, who served in the Senate 1875–81, was the first

African-American to serve a full term and the first African-American to preside over the Senate, on February 14, 1879.

The Senate Leadership Portrait Collection was established to honor past leaders of the Senate. Although the Senate has honored the Vice Presidents of the United States for their service as President of the Senate through the collection of marble busts begun in 1886, it has not previously considered a comprehensive art collection of past Presidents pro tempore and Majority and Minority Leaders. The first painting to be acquired for the Senate Leadership Portrait Collection is that of Howard H. Baker, Jr., recommended by Senator Lott. The Commission on Art awaits the recommendation of Senator Daschle for another subject for this Collection.

Senator Baker was a member of the Senate 1967–85; he served as Majority Leader 1981–85 and Minority Leader 1977–81. The portrait, by artist Herbert Abrams, currently hangs in the Capitol on loan from the Dirksen Congressional Center in Pekin, Illinois. The Dirksen Center has advised that it will be honored to present the painting as a gift to the Senate, and the Commission has approved acceptance of this donation.

A painting of Senator James Eastland (1904–1986) is also planned as part of the Senate Leadership Portrait Collection. James Eastland, who served in the Senate 1943–78, was President pro tempore 1972–78. He was chairman of the Judiciary Committee for over 22 years, the longest continuous service of any Senate committee chair.

For all portraits to be commissioned, the Office of Senate Curator has developed a list of prospective artists, and an advisory panel of professionals in the field is scheduled to review the candidates and provide recommendations. The Commission on Art will then select the final artists to execute the portraits.

The Office of Senate Curator continued with the Senate Chamber desk restoration program, begun in 1997, and 10 additional desks received conservation treatment. To date, 20 desks have been professionally restored. These include the Jefferson Davis and Daniel Webster desks, and final reports detailing treatment were submitted to Senators Thad Cochran and Bob Smith, who currently use these designated desks.

Following an extensive furniture survey conducted in 1997, a comprehensive restoration program continues for the historic furnishings in the Old Supreme Court Chamber. Among the items restored were 10 desks used by Supreme Court Justices. The historic Willard Clock was also restored. Further research is being conducted on the various historic furnishings in the room to ensure a more accurate and authentic recreation of the Chamber.

Conservation concerns continue to be a high priority. Restoration projects in 2000 will include the Senate Chamber desks (with an additional 15 desks to be restored), various original lawyers' tables and roll top desks from the Old Supreme Court Chamber, the plaster sculpture of Justice, several historic mirrors, two paintings with frames, the three Lee Lawrie plaster reliefs, and the Senate snuff boxes. Paint analysis of various locations in the Capitol will also begin in an effort to more accurately represent the original historic colors of the building. A new exhibition highlighting 200 years of presidential inaugurations at the Capitol will be installed in the first floor connecting corridor of the Senate wing in November. Additionally, the new display area in the vacant stairwells of the Brumidi Corridors will be completed.

Also, additional signage will be developed for various locations in the Senate. These signs utilize the design elements of the Secretary's educational publications and provide visitors with a brief history of various rooms and works of art.

The long-awaited publication, United States Senate Fine Art Collection, has progressed considerably and is in its final stages. It is anticipated that the volume will be available in the fall of 2000. Along with the writing and editing of this catalogue, the Curator completed related projects including professional photographs of the Collection and a number of room views, and development of a comprehensive bibliography.

The "Senate Art" link on the Senate web site is slated for several major improvements in 2000. New exhibits highlighting various conservation programs, specifically the Senate Chamber desks and Brumidi Corridors. Visitors will learn the history of these historic desks and corridors, the proposed conservation treatment, and the science of conservation in general, and will be updated on the progress of current efforts.

Two final notes are of special importance. The Curator will assist the Commission on Art in developing a comprehensive Preservation Policy for the Senate. Although the historic art and architecture of the Senate is universally recognized as uniquely significant, no preservation plan has ever been designed to protect its integrity or to prevent its gradual or inadvertent degradation. Increasingly, the heavy use of the

Senate Wing of the Capitol presents special challenges in adapting the aged building to new needs and in restoring and retaining its historic character and authenticity. The principles defined in the Preservation Policy will serve as a general guide for the restoration and preservation of the Senate wing, and promote preservation-sensitive planning.

Further, this year marks the 200th anniversary of the first meeting of Congress in the Capitol. To celebrate this significant occasion, efforts have begun to restore the historic Senate Vestibule to its original nineteenth-century appearance. In 1800, only a part of north (or Senate) wing had been completed, and the east door served as the principal entrance to the Capitol, leading to what has come to be called the Senate Vestibule. While modifications were made to this space over the years, and the addition of the east front of the Capitol in 1962 turned the Senate Vestibule into an internal doorway, many of the features of the original vestibule remain visible today. Visitors pass through the Senate Vestibule just as members of Congress crossed its threshold two centuries ago. This historic space remains a dignified entrance to the oldest portion of the Capitol.

The Senate Vestibule Restoration Project will include paint analysis of the walls and ceiling to determine original colors, research on period lighting, a review of the flooring that once existed, and the publication of a brochure highlighting this historic space. The restoration will be completed this fall.

Senate Library

The Senate Library opened its new Russell Building facility on February 22, 1999. The new location offers Senate staff access to an excellent collection of materials and services: congressional materials dating to the Continental Congress; a wide-array of news and legal online systems; over 140 periodicals and newspapers; 24,000 books on the Senate, American history, and political biography; a Micrographics Center with over 1,000,000 microforms; patron access terminals; and a reading room with study carrel, and the Library staff whose experience and expertise has served and will continue to serve Senate information needs.

The relocation of the Library to the Russell Building offered the opportunity to incorporate new design elements in the basement corridor, which is a major thoroughfare for Senators, staff, and visitors. The most noticeable change was the removal of the lead-based paint from the corridor walls, which exposed the stunning circa 1905 brick work. The corridor is further complimented by eight exhibit cases designed by Library staff with the assistance of the Office of Conservation and Preservation. The cases display important portions of the Library collection, photographs from the Senate Historical office, and historical objects maintained by the Curator. The exhibit topics have included the great triumvirate of Webster, Clay, and Calhoun; the history of the Minton tiles, along with rare 1850s tiles; the American Guide Series, which are renowned state histories produced during the Depression; the Senate Page program; the early history of the Press Gallery; and a look at Capitol Hill in the American Novel. A new display will be presented every three months that will provide an educational snapshot of Senate history.

As a tribute to the rich history of the Senate and the Capitol, the Library has identified and acquired 70 rare books from antiquarian book dealers, duplicating volumes that were contained in the original collection of the Library of Congress, prior to the fire of 1814.

The Impeachment

The Senate Historical Office, as part of its Oral History Program, has over the past year conducted interviews with about 20 key individuals who were involved in the planning and management of the impeachment trial. As is the case with all oral history programs, these interviews are conducted for their permanent historical value and, for that reason, the transcripts and materials are opened to researchers and the public only after an appropriate interval has passed (they are not opened during the lifetime of an interviewee unless that individual so agrees).

The Historical Office is also continuing its preparation of the publication Documentary History of Senate Impeachment Trials. This publication will present a documentary case-study look at each of the seventeen impeachment trials conducted by the Senate, focusing on the development of impeachment procedures. Working drafts have been prepared for each case, with selection of key documents still to be done. Completion is expected in 2001.

By a unanimous-consent agreement of February 12, 1999, the final day of the impeachment trial of President William Jefferson Clinton, the Senate directed the Secretary to assemble the complete record of the Senate proceedings in the impeachment and publish the record as a Senate document. That record, designated as Senate Document 106–4, is nearing publication. The publication collects the historical

record in a single document, including the Senate floor proceedings, the filings by the parties, the supplemental materials that the Senate received into evidence, the statements of Senators explaining their votes on the two articles of impeachment, and other materials of historic interest. This document will preserve the formal record of the only presidential impeachment trial of the twentieth century for the future use of the Senate, historians, and the public.

Office of the Secretary of the Senate Fiscal Year 2001 Budget Summary, Apportionment Schedule, and Departmental Annual Reports

BUDGET SUMMARY

	Amount	Percent
Fiscal Year 2000 Budget:		
Payroll Budget	$14,202,000	90.4
Operating Expense Budget	1,511,000	9.6
Total	15,713,000	100.0
Suggested Fiscal Year 2001 Budget Request:		
Payroll Budget	14,738,000	87.6
Operating Expense Budget	2,077,000	12.4
Total	16,815,000	100.0

APPORTIONMENT SCHEDULE

Item	Amount available fiscal year 2000 (Public Law 106–57)	Budget estimate fiscal year 2001	Difference
Executive Office	$718,100	$397,800	($320,300)
Administrative Services	463,800	1,422,900	959,100
Legislative and Legal Services	329,100	256,300	(72,800)
Total	1,511,000	2,077,000	566,000

LEGISLATIVE DEPARTMENTS

BILL CLERK

The Bill Clerk collects and records data on the legislative activity of the Senate, which becomes the historical record of official Senate business. The Bill Clerk keeps this information in handwritten files and ledgers and enters it so that it is available to all House and Senate offices via the Legislative Information System (LIS). The Bill Clerk records actions of the Senate with regard to bills, reports, amendments, cosponsors, public law numbers, and recorded votes. The Bill Clerk is responsible for preparing for print all measures introduced, received, submitted, and reported in the Senate. The Bill Clerk also assigns numbers to all Senate bills and resolutions. All the information received in this office comes directly from the Senate floor in written form within moments of the action involved.

Legislative Activity

The legislative materials processed by the Bill Clerk during the first session of the 106th Congress, increased since the close of the first session of the 105th Congress. Below is a comparative summary of the first sessions of the two Congresses:

	106th Congress 1st Session	105th Congress 1st Session
Senate Bills	1,997	1,568

	106th Congress 1st Session	105th Congress 1st Session
Senate Joint Resolutions	37	39
Senate Concurrent Resolutions	77	70
Senate Resolutions	241	163
Amendments Submitted	2,806	1,639
House Bills	285	224
House Joint Resolutions	20	19
House Concurrent Resolutions	77	44
Measures Reported	347	248
Roll Call Votes	374	298

Relations with GPO

The Government Printing Office has responded in a timely manner to the request of the Bill Clerk for the printing of bills and reports, including the printing of priority matters for the Senate chamber. The record on specific GPO printings for the first session is summarized below:

—Star Prints: 20 pieces of legislation

—"Bates List": 20 pieces of legislation

—Star Prints (legislation re-prints) were high for two reasons: First, more Star Prints were ordered on the Senate floor, reflecting an increase in committee-initiated reprints. Secondly, the Bill Clerk authorized more reprints due to an increase in clerical (GPO and Bill Clerk) errors. The number of Star Prints due to clerical error is expected to decrease in the second session of this Congress.

The number of measures placed on the "Bates List" (a request sheet for priority printing) was high due increased requests from floor staff to have legislation available for possible activity by the Majority Leader. Most appropriations bills were placed on this list.

Legislative Information System (LIS)

The Bill Clerk worked with the KPMG, the Senate Computer Center, and the office of the LIS Special Assistant to facilitate the LEGIS phase-out and the December 1999 conversion to the LIS system. The Bill Clerk initiated corrections and change requests to the system while reviewing the LIS system performance and functionality with respect to data entry as well as report retrieval and printing.

Personnel and Office Procedures

In April 1999, the Bill Clerk and an Assistant Bill Clerk assumed different positions on the legislative staff, and a new Bill Clerk was named. In addition, two new employees were promoted, one from the Executive Clerks and one from Morning Business, to become Assistant Bill Clerks. In addition to the staff changes, the Bill Clerk absorbed many of the daily functions of the Morning Business Office in an effort to streamline work functions and to minimize duplicate data entry by multiple offices. The extra workload initially demanded more fastidious attention; however, the Bill Clerks minimized any negative impact on performance and functionality during the infancy of the merger of the two offices. The Bill Clerk expects to streamline workflow and integrate procedures due to the merger successfully by the close of this Congress.

DAILY DIGEST

The Daily Digest section of the Congressional Record provides a concise accounting of all official actions taken by the Senate on a particular day. All Senate hearings and business meetings (including joint meetings and conferences) are scheduled through the Daily Digest, reported on daily, and are published in the Congressional Record.

Chamber Activity

The Senate was in session a total of 162 days, for a total of 1,183 hours and 57 minutes. There were 7 quorum calls and 374 record votes.

Committee Activity

Senate committees held 844 hearings and 180 business meetings (total 1,024), contrasted with 824 hearings and 247 business meetings (total 1,071) during the First Session of the 105th Congress.

All hearings and business meetings (including joint meetings and conferences) are scheduled through the Office of the Senate Daily Digest and are published in the

Congressional Record and are now entered in the new Senate Committee Scheduling web-based applications system (effective January 1, 1999). Meeting outcomes are also published by the Daily Digest in the Congressional Record each day.

Government Printing Office

The Daily Digest continues to send the complete publication at the end of each day to the Government Printing Office electronically. The Digest also continues the practice of sending a disk along with a duplicate hard copy to GPO, even though GPO receives the Digest copy by electronic transfer long before hand delivery is completed adding to the timeliness of publishing the Congressional Record. The Digest continues to discuss with GPO problems encountered with the printing of the Daily Digest section. Corrections or transcript errors have become very infrequent due to the ability of electronic transfer.

ENROLLING CLERK

The Enrolling Clerk prepares, proofreads, corrects, and prints all Senate passed legislation prior to its transmittal to the House of Representatives, the National Archives, the Secretary of State, the United States Claims Court, and the White House.

During 1999, 50 enrolled bills (transmitted to the President) and 6 concurrent resolutions (transmitted to Archives) were prepared, printed, proofread, corrected, and printed on parchment.

A total of 563 additional pieces of legislation in one form or another, was passed or agreed to by the Senate, requiring processing from this office.

The House and the Senate in conjunction with the Library of Congress and the Government Printing Office are in the process of changing how the data for bill text is produced. Currently the Senate Enrolling Clerk, the House Enrolling Clerk, the Senate Legislative Counsel, the House Legislative Counsel, and the Government Printing Office produce the bill text with a software editor called Xywrite. This is not compatible with other software editors which makes it difficult to share data. Meetings and workshops have been held throughout the year concerning the conversion to another editor using Standard Generalized Markup Language (SGML) which can be used with many different editors. The testing of editors is ongoing.

EXECUTIVE CLERK

The Executive Clerk prepares an accurate record of actions taken by the Senate during executive sessions (proceedings on nominations and treaties) which is published as the Executive Journal at the end of each session of Congress. The Executive Clerk also prepares daily the Executive Calendar as well as all nomination and treaty resolutions for transmittal to the President.

Nominations

During the first session of the 106th Congress, there were 746 nomination messages sent to the Senate by the President, transmitting 23,640 nominations to positions requiring Senate confirmation and 12 messages withdrawing nominations previously sent to the Senate during the session. Of the total nominations transmitted, 437 were for civilian positions other than lists in the Foreign Service, Coast Guard and Public Health Service. In addition, there were 2,822 nominees in the "civilian list" categories named above. Military nominations received this session totaled 20,381 (6,234 in the Air Force, 5,429 in the Army, 6,590 in the Navy and 2,128 in the Marine Corps). The Senate confirmed 22,468 nominations this session. Pursuant to a unanimous consent agreement at the sine die adjournment of the first session of the 106th Congress, all pending nominations were ordered carried over to the second session of the 106th Congress.

Treaties

There were 16 treaties transmitted to the Senate by the President during the first session of the 106th Congress for its advice and consent to ratification, which were ordered printed as treaty documents for the use of the Senate (Treaty Doc. 106–1 through 106–16).

The Senate gave its advice and consent to 11 treaties with various conditions, declarations, understandings and provisos to the resolutions of advice and consent to ratification.

Executive Reports and Roll Call Votes

There were 13 executive reports relating to treaties ordered printed for the use of the Senate during the first session of the 106th Congress (Executive Report 106–1 through 106–13). The Senate conducted fifteen roll call votes in an executive ses-

sion, 13 on or in relation to nominations and 2 on ratification of the resolution to the Comprehensive Nuclear Test-Ban Treaty.

Executive Communications

The growth in the number of the executive communications has continued to increased exponentially. Due to the requirement of Public Law 105–77 to report vacancies, the number of communications for the 106th and future Congresses will continue to increase dramatically. Through the end of the first session, 6,297 executive communications were received during the 106th Congress, and 372 petitions and memorials were processed.

Development of the new LIS

Staff consulted regularly with KPMG and the Senate Computer Center during the year concerning the development of the portion of the new LIS pertaining to the processing of nominations, treaties, executive communications, presidential messages, and petitions and memorial, and met regularly with the CRS staff at the Library of Congress charged with developing the retrieval system for the new LIS database. Staff explained the processing procedures of the nominations, treaties and communications in the Senate to assist in the development of the best possible systems for data entry, retrieval, and tracking.

JOURNAL CLERK

The Journal Clerk takes notes of the daily legislative proceedings of the Senate in the "Minute Book" and prepares a history of bills and resolutions for the printed Senate Journal that is the legal record of Senate actions and in effect the index of legislative action. The Senate Journal is published each calendar year.

The office is responsible, pursuant to its constitutional duties and under the provisions of the Senate rules, to produce a journal of the legislative, impeachment, and secret proceedings of the Senate.

The 1998 Legislative Journal is completed, and is at the Government Printing Office for printing and distribution.

The Impeachment Journal for 1999 is written, edited, and prepared for publication.

The Legislative Journal for 1999 is written and in the process of being edited.

The Impeachment and 1999 Legislative Journal will go the Government Printing Office for printing and distribution in the spring of 2000.

LEGISLATIVE CLERK

The Legislative Clerk sits at the Secretary's desk in the Senate Chamber and reads aloud bills, amendments, the Senate Journal, Presidential messages, and other such materials when so directed by the Presiding Officer of the Senate. The Legislative Clerk calls the roll of members to establish the presence of a quorum and to record and tally all yea and nay votes. This office prepares the Senate Calendar of Business, published each day that the Senate is in session, and prepares additional publications relating to Senate class membership and committee and subcommittee assignments. The Legislative Clerk maintains the official copy of all measures pending before the Senate and must incorporate into those measures any amendments that are agreed to. This office retains custody of official messages received from the House of Representatives and conference reports awaiting action by the Senate. This office is also responsible for verifying the accuracy of that information entered into the LEGIS system by the various offices of the Secretary. In addition, this office is very involved in the Secretary's multi-year, comprehensive program (LIS) to redesign and rebuild the Senate's system for the collection and management of its legislative information.

Summary of Activity

The first session of the 106th Congress completed its legislative business and adjourned on November 19, 1999. During 1999, the Senate was in session 162 days, over 1,183 hours and conducted 374 roll call votes. There were 345 measures reported from committees, 549 total measures passed, and there were 142 items remaining on the Calendar at the time of adjournment. In addition, there were 2,806 amendments submitted.

Impeachment Trial of the President of the United States

The office of the Legislative Clerk felt a significant impact as a result of the impeachment trial of President Clinton. Prior to the start of the trial, there were many hours spent becoming familiar with the procedures for impeachment trials in the Senate and other related issues. The Legislative Clerk attended preliminary plan-

ning meetings with the staffs of the Senate Leadership, the Chief Justice, and Senate Legal Counsel. A great deal of time was spent coordinating with the staff of the House of Representatives Committee on Judiciary relative to the time sensitive delivery of documents from the House Managers to the Secretary of the Senate. The Legislative Clerk oversaw the printing of the official documents and disbursement thereof to the leadership of the Senate as well as to all Senators. During the trial, in addition to the core responsibilities at the rostrum, such as reading aloud materials for the Senate, handling of motions, and the taking of votes, the Legislative Clerk advised the Secretary concerning the printing of trial material for the Congressional Record. Also, the Legislative Clerk performed certain additional duties unique to trials; for example, the logging and storage of evidence. While the impeachment trial was a learning experience as well as interesting from a historical perspective, staff labored under a heightened sense of tension during the proceedings.

Legislative Information System (LIS)

In December of 1999 the Senate replaced the LEGIS information system with the newly designed and created Legislative Information System (LIS). The conversion to a new Document Management System (DMS) was the culmination of many hours of meetings, examining of reports, evaluating data input screens, and then providing feedback to consultants and the staff of the Senate Computer Center. The Legislative Clerk continues to serve as liaison between the Senate clerks and the Senate Project Manager. The transition to the new document management system will not be easy and will require continued extensive review and retraining as the clerks work to become more familiar with and improve the system. However, as the clerks become more comfortable with and fine tune the new system, the capabilities and benefits of LIS will prove to be enormous to Senators and all Senate staff.

Cross-Training

With an eye on succession and continuity of Senate business, the Legislative Clerk is in the process of cross-training two additional clerks, from within the legislative staff, to perform Legislative Clerk duties on the Senate floor. Currently, the Legislative Clerk and Assistant Legislative Clerk can perform the floor duties of the Legislative Clerk at the rostrum in the Senate Chamber. It is in the best interest of the Senate to have four clerks capable of performing, at a minimum, the basic responsibilities of the Legislative Clerk on the Senate floor.

OFFICIAL REPORTERS OF DEBATES

The Office of the Official Reporters of Debates is responsible for the stenographic reporting, transcribing, and editing of the Senate floor proceedings for publication in the Congressional Record. The Chief Reporter acts as the editor-in-chief and the Coordinator functions as the technical production manager of the Senate portion of the Record. The office interacts with Senate personnel on additional materials to be included in the Record. On a continuing basis, all materials to be printed in the next day's edition of the Record are transmitted electronically and on paper to the Government Printing Office.

Accomplishments

The Official Reporters began the first session of the 106th Congress reporting the impeachment trial of President William Jefferson Clinton. This presented a unique challenge to the individual reporters in the Chamber.

After producing an open proceedings record, it was necessary to produce a transcript of the closed-door sessions; this record was then treated separately and not available to the public.

Subsequent to the sine die adjournment of the 106th Congress, the Office of the Official Reporters of Debates proofread and edited the transcript of the open impeachment proceedings and then reproofread the transcript before its final printing by the Government Printing Office.

During and after the impeachment proceedings, this office electronically submitted approximately 80–85 percent of the floor debate transcript to GPO.

Morning Business

This segment of the Congressional Record was split between the Office of the Official Reporters of Debates and the Bill Clerk, with the bulk of the tasks being performed by the Bill Clerk.

Goals

As always, a major priority is to provide transcripts of floor statements of Senators within an hour and a half.

Another goal is to increase the percentage of electronically submitted material to the GPO.

Greater use and knowledge of the new LIS system will be stressed. Also, computer educational opportunities will be made available to all staff of this office.

Cost Savings

Achievement of savings was assured by strict adherence to the 2-page rule and the printing of amendments of 10 pages or fewer when offered by a Senator during floor debate. It is estimated that well over $100,000 in savings was achieved last year. Cost savings were accomplished by requiring Senate staff to e-mail statements electronically, thereby saving publishing costs at GPO.

Personnel

The Office of Official Reporters of Debate announces the retirement of Ron Kavulik as Chief Reporter, effective April 1, 1999, and the appointment of Jerald Linnell to that position.

PARLIAMENTARIAN

The Office of the Parliamentarian advises the Chair, Senators and their staff as well as committee staff, House members and their staffs, administration officials, the media and members of the general public on all matters requiring an interpretation of the Standing Rules of the Senate, the precedents of the Senate, unanimous consent agreements, as well as provisions of public law affecting the proceedings of the Senate. The Parliamentarian is responsible for the referral of all legislation introduced in the Senate, all legislation received from the House, as well as all communications received from the executive branch. The office works with Senators and their staffs to advise them of the jurisdictional consequences of particular drafts of legislation, and evaluates the jurisdictional effect of proposed modifications in drafting.

The office continues to analyze and advise Senators on a great number of issues arising under the Congressional Budget Act of 1974. The Byrd Rule against extraneous matter in reconciliation bills can cause a great deal of parliamentary maneuvering.

The atmosphere that surrounded the parliamentary process in 1999 resulted in an unprecedented number of questions that this office was asked to resolve, including many involving the impeachment trial of the President of the United States. These questions often required hours of very difficult and contentious meetings with competing groups of staff. At every stage of the budget cycle, this office was called upon to arbitrate large numbers of budget and appropriation related questions. The Parliamentarian was constantly asked to answer questions during consideration on the Senate floor, of the budget resolution and the appropriations bill that followed.

Concerns about the use of the budget surplus promise to keep the congressional budget process (with all of its parliamentary complexity) in the forefront of the legislative agenda.

OFFICE OF PRINTING AND DOCUMENT SERVICES

The Office of Printing and Document Services is responsible for managing Senate printing expenses, and functions as the Government Printing Office (GPO) liaison to schedule and/or distribute Senate bills and reports to the Senate Chamber, staff, and the public. The department provides page counts of Senate hearings to commercial reporting companies; orders and tracks all paper and envelopes provided to the Senate; provides general printing services for Senate offices; and assures that all Senate printing is in compliance with Title 44, U.S. Code as it relates to Senate documents, hearings, committee prints, and other official publications.

Background

The Office of Printing and Document Services is responsible for managing the printing and/or distribution of the official Title 44 U.S.C. printing requirements of the Senate. The coordination of all Senate documents, hearings, committee prints, and miscellaneous publications between the Senate and GPO is the responsibility of the office, as is the distribution of Senate and House legislation. Virtually all blank paper, letterheads, and printed envelopes throughout the Senate are ordered through the Office of Printing and Document Services. Additionally, commercial reporting companies are remunerated for transcribing all Senate hearings through the billing verification service.

Efforts to consolidate, restructure, and cross-train personnel in other positions within the office continues. The department has been able to downsize by two positions since March 1999 and still maintain all current services. Although cross-train-

ing continues, a new concept of "cross-working" has been implemented. Under this new "cross-working" program, newly learned skills will be continually honed. In this scenario, the workers will have built into their performance criteria specific weekly work requirements in their cross training position. For example, a printing specialist might have to spend at least three hours a week answering legislative questions on the phones. A document specialist would need to produce five printing requisitions per week in order to fulfill minimum "cross-working" position requirements. The advantages to having this multi-trained staff are quick response to department changes and the flexibility to reduce overall staffing requirements in the future.

Total Publications

During the first session of the 106th Congress, 347 publications (hearings, committee prints, Senate documents, Senate publications) were printed. This compares with 369 publications printed during the first session of the 105th Congress, or a decrease of about 6 percent.

Hearing Transcript and Billing Verifications

Billing verifications are the mechanism for commercial reporting companies to request payment from a committee for transcription services. During 1999, the Office of Printing and Document Services provided commercial reporting companies and corresponding Senate committees a total of 1,214 billing verifications of Senate hearings and business meetings (including hearings which were canceled or postponed, but still required payment to the reporting company). This is a average of 58 hearings/meetings per committee. Compared with 919 billing verifications in 1998, this was an increase of about 32 percent in the number of hearings processed.

Commercial reporting companies charged the Senate approximately $508,815 to prepare 80,228 transcript pages of the spoken portions of Senate hearings. This compared to 1998 figures of $447,268 to prepare 69,855 transcribed pages. The average annual cost per committee during 1999 was about $24,229, with each committee producing an average of 3,820 spoken transcript pages. This compares to 1998 where the average annual cost per committee was $18,636, with each committee producing an average of 2,910 spoken transcript pages.

	1998	1999	Percent Increase/Decrease
Billing Verifications	919	1,214	+32
Transcribed Pages	69,855	80,228	+15
Average Pages/Committee	2,910	3,820	+31
Transcribed Pages Cost	$447,268	$508,815	+14
Average Cost/Committee	$18,636	$24,229	+$30

Requisitions

The Office of Printing and Document Services prepared 6,024 printing requisitions during fiscal year 1999, authorizing GPO to print the Senate's work, exclusive of legislation and the Congressional Record. This is an increase of about 8 percent over fiscal year 1998.

Paper, Letterheads, and Envelopes

The Office of Printing and Document Services provides and maintains an accounting of blank paper, letterheads, and envelopes for all Senate offices. The total blank sheets and letterheads ordered in 1999 was approximately 143.8 million sheets, an increase of 44.6 million sheets compared to 1998. The large increase in paper usage could in part be attributed to the additional Senate requirements during the impeachment trial of President Clinton. In 1999, envelope use in the Senate grew at a normal rate. The Senate used about 11.4 million envelopes, compared to 8.4 million in 1998.

Cost Accounting Projects and Duties

Because the requisitioning done by the Office of Printing and Document Services is central to the Senate's printing, the office is uniquely suited to perform accounting responsibilities for Senate printing. Therefore, in addition to the ability to advise Senate offices about turnaround and the method of reproduction and to assure compliance with Title 44, U.S.C., the Office of Printing and Document Services also provides accounting information needed by Senate offices. The House, Senate, and GPO are independent of one another, and sound accounting principles dictate that their

respective auditing procedures should be independent as well. Ultimately, this data enables the Secretary of the Senate to provide oversight information to the Senate Rules Committee and the Joint Committee on Printing.

The Service Center

The Service Center (located in SH–B–07) is staffed by experienced GPO details who provide Senate committees and the Secretary of the Senate's Office with complete publishing services for hearings, committee prints, and preparation of the Congressional Record. Services include keyboarding, proofreading, scanning, and composition.

As a result of these services, committees have been able to decrease and/or eliminate overtime costs associated with the preparation of hearings, and can now publish in a more timely manner. Committees may also realize additional savings because the work done in the Service Center is chargeable to the committee as performed as opposed to having a full-time staff member or detail assigned to printing functions. Finally, by providing the ability to process what would otherwise be backlogged work, utilization of the Service Center may preclude the need to assign additional staff or GPO details to publishing duties.

During 1999, the Service Center assisted 6 committees with the preparation of 96 hearings, committee prints, and Senate documents. The Service Center has assisted with about 28 percent of the total publications printed in 1999 as compared to 21 percent in 1998.

Congressional Record

In 1999, 15,867 pages were printed for the Senate, and 16,317 pages were printed for the House of Representatives, for a total of 32,184 pages. These page counts are comprised of the Proceedings of the Senate and the House of Representatives, Extension of Remarks, Digest, and miscellaneous pages. This is 4,209 more pages than were produced in 1998.

A total of 1.5 million copies of the Congressional Record were printed and distributed in 1999. That includes 340,709 to the Senate, 483,034 to the House, and 629,787 to Executive Branch agencies and the public at large.

The total approximate cost to produce the Congressional Record was $17.4 million. Based upon the percentage of content and distribution quantities, the proportional Senate cost was $8.1 million, the House was $8.3 million, and all other recipients $1 million. The per copy cost was about $11.63 (Record costs are based upon GPO estimated appropriation costs, not including costs to produce the Record Index or microfiche copies).

Legislation

The Office of Printing and Document Services maintains records regarding all printed versions of legislation considered in the Senate. The information is presented by category of legislation, such as Senate bills. Each category includes the successive versions in which all measures were printed during the legislative cycle (such as a Senate bill which is introduced, reported, and printed as passed), including star prints.

The following table is for the first session of the 106th Congress. The Number of Pages column refers to the number of original pages, including blanks, within the categories listed. The total number of printed pages is not shown, but is available. Costs are rounded to the nearest hundred, and are based upon estimated GPO appropriation rates. Additional reprint copies ordered by the Senate Document Room or committees is available. See DocuTech Project).

Measure	Count	Number of Pages	Senate Cost	Total Cost
Senate Bills	1,997	43,400	2,700,000	4,000,000
Senate Reports	223	7,718	528,400	669,800
Senate Resolution	241	1,224	81,100	111,000
S.J. Resolution	37	176	11,200	16,000
S. Con. Resolution	77	416	26,600	37,600
House Bills	3,517	63,715	1,300,000	5,700,000
H. J. Res	85	492	10,900	44,500
H. Con. Res	239	1,222	26,900	110,800
H. Conf. Reports & Reports	488	22,888	360,500	2,000,000
Treaties/Exec	29	1,180	97,900	100,300

Measure	Count	Number of Pages	Senate Cost	Total Cost
Public Laws	170	1,780	218,900	239,700
Totals	7,103	144,211	5,400,000	13,000,000

Document Services

The Document Service Section coordinates requests for printed legislation and miscellaneous publications with other departments within the Office of the Secretary, Senate committees, and the Government Printing Office. The section ensures that the most current version of all material is available, and that sufficient quantities are available to meet projected demands. The department also serves the combined leadership by coordinating the distribution of all Senate-introduced and Calendar bills, reports, resolutions, and conference reports, including all legislation which has passed the House. Distribution is made to the Senate Chamber, the Secretary's Office, and leadership offices.

The primary responsibility of the Documents Service Section is to provide services to the Senate. However, the responsibility to the general public, the press, and other government agencies is virtually indistinguishable from services provided to the Senate. Requests for material are received at the walk-in counter, through the mail, by FAX, and recorded messages. Recorded messages and FAX messages operate twenty-four hours a day, and are filled the same day as received, as are mail requests. The newest method to obtain documents is through the new e-mail form posted on the Office of the Secretary of the Senate Web site. This Web site order form has been available for use since December 1, 1999. The Office of Printing and Document Services expects this site to be a popular and convenient method for members and staff to obtain documents.

Summary of Annual Statistics

The following chart is a summary of activities and trends in Document Services from the 105th Congress through the first session of the 106th Congress.

Calendar year/Congress/session	Calls received	Public mail	Staff phone	Fax request	Counter requests
1997: 105/1st	60,296	12,739	23,672	7,261	N/A
1998: 105/2nd	35,116	8,131	13,850	5,162	113,862
1999: 106/1st	27,570	6,872	12,214	4,036	156,454

Starting April 1, 1999, the Office of Printing and Document Services began categorizing incoming calls to the document specialist under three categories. The largest number of calls were classified as a standard call. This type of call is where the requestor knows the document needed by the identifying number, and the legislative document specialist is merely confirming that it is in stock. During the eight-month period from April 1 through December 31, 1999, this type of call accounted for 14,166, or 68 percent, of the calls made to the legislative document specialist. The other two categories require the legislative document specialist to spend more time with the requestor and have a greater knowledge of the legislative process. The informational category is where the legislative document specialist assists the requestor in finding the appropriate committee, agency, staff, or member to answer a request that is not within the department's jurisdiction. This type of exchange accounted for 4,791 calls, or approximately 23 percent, of the phone requests during the eight-month period. The final category of phone request that was monitored is the research call. This is the most time-intensive call requiring skills akin to those of a research librarian. In the eight months of recorded statistics, 1,875 research requests were made, accounting for 9 percent of the legislative phone requests over this period.

DocuTech Project

The following tables summarize quantities and costs associated with on-demand (supplemental) printing of bills and reports during the second session of the 105th Congress and the first session of the 106th Congress. The first table compares on-site printing requests. The second table indicates work printed for other government agencies by GPO in order to more fully utilize the DocuTech machine. Costs are based upon a charge of 3.4 cents per page for Congressional work and 2.5 cents per page for agency work.

	Count	Run Length	Original Pages	Printed Pages	Cost Each	Total Cost
DocuTech Document Services:						
Totals 1998	423	23,904	25,442	1,700,000	$1.42	$33,959
Totals 1999	392	14,960	17,650	786,470	1.79	26,740
DocuTech Agencies Services 1999:						
Totals 1999	536	247,970	82,645	6,300,000	.64	158,890

OFFICE OF CAPTIONING SERVICES

The Office of Captioning Services provides real-time captions of Senate Floor debates for deaf and hard-of-hearing persons and unofficial electronic transcripts to Senate staff through the Senate Recording Studio web site.

General Overview

The quality of real-time captions created by this office continues to be the highest priority. Internal quality reviews are conducted on a continuous basis and the results tabulated for comparison purposes.

Technology Update

Year 2000 Compliance (Y2K) concerns were fully addressed by this office in 1998. No Y2K problems are anticipated next year.

The Senate Recording Studio maintains an online database that contains the caption output of the Office of Captioning Services. Cooperative efforts during 1999 between the Senate Recording Studio and outside vendors resulted in the diagnosis and repair of key elements responsible for generating errors in the caption database. At the end of the First Session of the 106th Congress, approximately 80 percent of the known problems were resolved.

2000 Objective

The technology currently used for real-time captioning is not Windows compatible. Windows-based captioning software continues to be evaluated. It is hoped new software will be available for on-air testing and evaluation early next year.

SPECIAL PROJECTS—LIS

The Legislative Information System (LIS) is a mandated system (2 U.S.C. 123e) with the objective of providing desktop access to the content and status of all Senate legislative information and supporting documents. The LIS Project Office manages the project, oversees the Senate's outside contractor, KPMG Consulting, and coordinates LIS training for Senate users.

The LIS is a mandated system (Section 8 of the 1997 Legislative Appropriations Act, 2 U.S.C. 123e) to provide a "comprehensive Senate Legislative Information System" to capture, store, manage, and distribute Senate documents. The program is directed through the LIS Project Office (PO). In partnership with the Contracting Officer's Technical Representative, the Sergeant at Arms (SAA), and the Senate's outside contractor, KPMG Consulting, plus interface coordination with the Senate Policy Committees, Library of Congress (LOC), Government Printing Office (GPO), and the House of Representatives, the LIS PO successfully completed the major development and deployment of a Year 2000 compliant LIS Document Management System (LIS/DMS) in December 1999.

In 1998, the focus of the LIS was on analyzing and reviewing systems requirements, on the review of related projects (e.g., LOC LIS Retrieval System) and initiatives at the Senate and other agencies, and on gathering information integral to the implementation of the LIS. The Committee Scheduling application, developed and deployed during the year, replaced the older system. This system enables the Daily Digest Office to schedule committee and subcommittee meetings and allows all Senate users to retrieve information about committee meetings and hearings via a convenient web-browser implementation. The Amendment Tracking System (ATS), also deployed in 1998, enables the SAA staff to scan floor amendments as they are received at the Bill Clerk's desk. Within 20 minutes, Senators and staff can view the text of the amendment from their computers.

This past year found the primary LIS focus on the development of LIS/DMS and its interfaces to other legislative systems. The system was successfully implemented and deployed into production in December 1999 with the Year 2000 LIS End-to-End tests a success and no Year 200 issues to date. The Standard Generalized Markup

Language/eXtensible Markup Language (SGML/XML) Feasibility Study was also initiated during this period. These are described in detail below.

For 2000, the strategic focus of LIS development will be on enhancements to the LIS/DMS, the completion of the Bills and Resolutions SGML/XML Feasibility Study and its implementation, initiation of the LIS Senate Recording Studio, Transcription, and Closed Captioning Project, LIS Retrieval enhancements, and the Retention, Distribution, and archive Policy Implementation. The Recording Studio, Transcription, and Closed Captioning Project shall involve the mechanism that must be put into place to make Senate Recording Studio data available within the LIS system; the Retention, Distribution, and archive Policy Implementation shall implement the capture and archiving of historical information collected and made available through the LIS.

Standards and Document Management/SGML

At the direction of the Chairman of Rules and Administration Committee and the Chairman of the Committee on House Administration, the Secretary and the Clerk of the House of Representatives are developing a standard document/data exchange between the Senate, House of Representatives, LOC, and GPO using the Standard Generalized Markup Language (SGML). The first joint Senate and House SGML project to be completed was the Biographical Directory, Guide to Research Collections, and Selected Bibliographies of Members of the United States Congress. The data is edited and maintained by staff in the Senate Historical Office and the Legislative Resource Center in the Office of the Clerk using WordPerfect 8 + SGML using a Document Type Definition (DTD) and application created by the Legislative Computing Services in the Office of the Clerk.

In early 1999, following the completion of an evaluation of SGML editors, WordPerfect 8 + SGML was chosen by the Senate as the editor to be used for the production of bills, amendments, and resolutions using SGML. However, during the development of this application it was determined that WordPerfect 8 + SGML was not robust enough to support the complicated and varied processes used by the Senate Office of the Legislative Counsel and the Senate Enrolling Clerk to produce bills. Thus, the eXtensible Markup Language (XML), a subset of SGML, became more prominent. In August 1999, the Secretary of the Senate and the Clerk of the House, with the approval of the Senate Committee on Rules and Administration and the Committee on House Administration, invited representatives from the House and Senate Legislative Counsels, Law Revision Counsel, GPO, LOC, Congressional Research Service, Chief Administrative Officer of the House, and SAA to participate in a Bills and Resolutions SGML/XML Feasibility Study to "evaluate SGML/XML editors, develop XML style sheets, evaluate the SGML/XML capability of Microcomp, and examine the use of digital signaturing as it relates to these processes."

The goal of the Feasibility Study is to determine if it is possible to create an easy-to-use XML application for the authoring of legislative documents. The study is focused on the authoring and composition of bills and resolutions by the Offices of the Legislative Counsel and the Enrolling Clerks, but also takes into account the need for search and retrieval, conversion of legacy data, and electronic exchange of documents. Two Windows-based editors were chosen for the Feasibility Study: XMetaL by SoftQuad and WordPerfect 9 + SGML by Corel. Another important process taking place during the Feasibility Study is the validation and refinement of the Bill DTD.

Also in 1999, DTDs were developed for Conference Reports, the U.S. Code, and Committee Reports by Electronic Commerce Connection, Inc. and for Compilations by PBM Associates. As application development begins for each of these document types, the respective DTDs shall undergo a rigorous validation process similar to the one currently being conducted for the Bill DTD.

Efforts for the current year will focus on completing the Feasibility Study for Bills and for determining implementation strategies. Through participation in the Legislative SGML Coordinating Committee and the Legislative SGML Technical Committee, LIS PO shall continue to work closely with the House of Representatives to ensure Senate requirements are met and that the LIS is compatible with the House information systems for purposes of document/data exchange.

LIS Document Management System (LIS/DMS)

The two year six month effort to design and replace the LEGIS legacy system with the LIS/DMS Year 2000 compliant system began in May 1997. The first year of the program focused on the identification of requirements, specifications, and implementation plans, combined with the evaluation of selected systems maintained and/or in development by the Senate technical Operations Division of SAA, the

GPO, and the LOC. Significant accomplishments that laid the foundation for the current LIS are listed below.

LIS System Requirements; LIS/DMS Requirements, replacement system for LEGIS; LEGIS Re-Engineering, an effort to replace LEGIS, later terminated in favor of a new design and development; LOC/LIS Review, defined the required enhancements to retrieval and security systems; LIS Architecture System Document; Roll Call Votes Web Interface, made votes available to Senate and public; Amendment Tracking System (ATS); and Committee Scheduling System (CSS).

In August 1998, the development of the Year 2000 complaint LIS/DMS began with system design and by December 1999, the system implementation was completed and LIS/DMS became a production system. The LIS/DMS replaces the legacy system, LEGIS, which was found non-Year 2000 compliant. The new system provides a central repository for all Senate information including legislation and support documentation. The system collects, manages, stores, retrieves, and reports various types of data by providing accessibility, management, and tracking of information in various formats. The LIS/DMS directly serves the clerks of the Secretary of the Senate, the Senate Library, Policy Committees, and the legislative branch agencies—House of Representatives, LOC, and GPO. Sixty-eight reports and over 145 data entry screens facilitate this capability. By transmitting data to the LOC LIS Retrieval System, the LIS/DMS expands its user base to include the Senate members and staff and the public. The LIS production system also established interfaces to the Amendment Tracking System and the Committee Scheduling System.

LIS Year 2000 Compliance

To test Year 2000 compliance the LIS Project Office conducted two LIS end-to-end tests involving all interfaces/data exchanges. The goal for the systems test was to confirm that the most frequently used paths within the Senate legislative system as a whole (systems within the Senate and interfaces with external systems) could operate correctly in a Year 2000 environment. The first test was conducted during three days of the August Senate recess (August 18–20, 1999) while LIS/DMS was still under development; and involved the following stakeholders and systems: Bill Clerk; Legislative Clerk; Library of Congress (LOC); Government Printing Office (GPO); Amendment Tracking System (ATS); Executive Clerk; Daily Digest Editor; House Information Resources (HIR); Policy Committees (RPC/DPC); and Committee Scheduling System (CSS).

The second Year 2000 test conducted during two days, November 30 and December 1, 1999, included the stakeholders and systems listed above plus the Parliamentarian, Official Reporters of Debates, Senate Librarians, Enrolling Clerk, and the Journal Clerk. The conclusion at the completion of the second test was that there were no observed Year 2000 related problems. As a result of the two tests, Congressional Records were generated for each virtual test day.

LIS Training

The Legislative Information Systems, including the LIS/DMS, are intended to serve varied groups of users, many with unique requirements. The primary objective of LIS training is to prepare Senate staff to test, use, manage, and maintain the LIS.

With the new release of the LIS/DMS the following groups were identified for training: Senate clerks, system administrators, including Secretary of the Senate Information Systems/Computer staff as well as SAA application development personnel, Help Desk personnel, Enterprise IT personnel, and end users in Senators' and Committee offices. Since each of these groups has distinct needs, the training approach was highly customized. The training curriculum for the users included several demonstrations of the capabilities in addition to labs and practical exercises to reinforce skills. Realistic practice scenarios to enable authentic assessment of system performance were provided. A LIS/DMS Guide for Senate Clerks details data entry and screen usage and the LIS/DMS on-line help focuses on specific system functions and data screens. As test versions of the LIS/DMS systems were released for user acceptance testing, the LIS trainer conducted training to introduce the users to new capabilities and to prepare the user to participate in testing. Each session contained two components, one for common system functions and the second customized for each office. At these sessions, the Clerks had the opportunity to learn the new features and to provide comments and feedback to the team of developers.

SAA application development personnel and the Secretary of the Senate Computer staff attended vendor-supplied technical training courses throughout the year. These courses were designed for those that will be developing, supporting and maintaining the LIS/DMS. Each group involved in the technical administration of the LIS/DMS participated in training appropriate for the responsibilities they assumed

with the new system. SAA and Secretary of the Senate Computer Staff received the Training Guide for System Administrators, which detailed installation, configuration, maintenance and security of the system. In January, 2000, these development and support personnel attended vendor refresher courses and are scheduled to attend training conducted by the implementor, KPMG, to facilitate knowledge transfer to the SAA team that will be providing sustaining engineering of the LIS.

Collaborating together, the LOC, the LIS PO conducted two training sessions for the Senate staff. Held in December and January these sessions reviewed the new enhancements available though the LOC LIS Retrieval System at the LIS website on www.congress.gov. In addition, the Senate Office of Education and Training provides a course on LIS, which is offered twice a month to the Senate public.

LIS Communications

The establishment of the LIS User Group and the production of informational materials and marketing tools have successfully introduced the LIS to users throughout the Senate.

The LIS User Group collects Senate offices' requirements and priorities to ensure enhancements to the LIS meet the needs of a broad a range of Senate researchers as possible. The requirements and feedback provided by this User Group is recorded and factored into decision of the LIS Project Office.

LIS informational materials and marketing tools, designed to ensure that Senate staffers are aware of resources available, are continually updated and distributed to Senate staffers. The Office of the Secretary has developed several "Quick Cards" with key information on using the Amendment Tracking System, using the Committee Scheduling System, finding Roll Call Votes and retrieving information from the LIS Retrieval System. These cards continue to be effective tools, and as new capabilities are added to the system, updates will be distributed.

JOINT OFFICE OF EDUCATION AND TRAINING

The Joint Office of Education and Training provides employee training and development opportunities for all 7,000 Senate staff both in Washington, DC and in the states. There are three branches within the department. The technical training branch is responsible for providing technical training support for approved software packages used in either Washington or the state offices. The computer training staff provide instructor-led classes; one-on-one coaching sessions; specialized vendor provided training; computer based training; and informal training and support services. The professional training branch provides courses for all Senate staff in areas including: management and leadership development, human resource issues and staff benefits, legislative and staff information, new staff and intern information.

The Health Promotion branch provides seminars, classes and screenings on health related and wellness issues. This branch also coordinates an annual Health Fair for all Senate employees and four blood drives each year.

Training Classes

The Joint Office of Education and Training offered 417 classes in 1999. Total enrollment of Senate employees in these classes were 7,012.

Of the above total, in the Technical Training area, 262 classes were held with a total attendance of 1,852 students. An additional 439 staff received coaching on various software packages and other computer related issues. Technical training staff also traveled to thirteen State Senate offices to provide System Administration and user-end training. In all of these instances, it was more cost efficient to have a member of the technical training staff travel to these offices than it was to have the training conducted by a local vendor. In the professional development area 155 classes were held with a total attendance of 5,160 students. Individual managers and supervisors are also encouraged to request customized training for their offices on areas of need. The Office of Education and Training is available to work with teams on issues related to team performance, communication or conflict resolution. In the Health Promotion area, 351 Senate staff participated in Health Promotion activities throughout the year. These activities included: cancer screening, bone density screening and seminars on health related topics. Additionally 1,002 staff participated in the Annual Health Fair held in June.

State Training

Since most of the classes that are offered are only practical for D.C. based staff, the Office of Education and Training has worked this Fall with the Office Manager's Council and selected State Directors to develop a curriculum for Senate staff from state offices. This training, entitled "State Fair", is scheduled to begin in March 2000. The focus for this year's program will be on management and leadership de-

velopment skills for state staff with management responsibility. Topics will include: Public Speaking; Motivation; Managing Change; Ethics; Legalities of Casework; Letter and Report Writing; Delegation Skills; Stress Management; Myers-Briggs Type Indicator; Developing a High Performing Teams; Conflict Management and Performance Management. The courses will be conducted over three days with the final day of the program being dedicated to computer training.

The program will be repeated in late June to allow for maximum attendance. Next year the "State Fair" curriculum will change and the topics will be focused on the learning needs of staff from the state offices. The state offices will be responsible for the cost of travel, food and lodging for those attending this program.

ADMINISTRATIVE OFFICES

DISBURSING OFFICE

FRONT COUNTER—ADMINISTRATIVE AND FINANCIAL SERVICES

The Front Counter is the main service area of all general Senate business and financial activity. The Front Counter maintains the Senate's internal accountability of funds used in daily operations. Reconciliation of such funds is executed on a daily basis. Training is provided to newly authorized payroll contacts along with continuing guidance to all contacts in the execution of business operations. It is the receiving point for most incoming expense vouchers, payroll actions, and employee benefits related forms, and is the initial verification point to ensure that paperwork received in the Disbursing Office conforms to all applicable Senate rules, regulations, and statutes. The Front Counter is the first line of service provided to Senate Members, Officers, and employees. All new Senate employees (permanent and temporary) who will be working in the Capitol Hill Senate offices are administered the required oath of office and personnel affidavit and provided verbal and written detailed information regarding their pay and benefits. Authorization is certified to new and state employees for issuance of their Senate I.D. card. Cash advances are issued to Senate staff authorized for official Senate travel and travelers' checks are available on a non-profit basis to assist the traveler. Numerous inquiries are handled daily, ranging from pay, benefits, taxes, voucher processing, reporting, laws, and Senate regulations, and must always be answered accurately and fully to provide the highest degree of customer service. Cash and checks received from Senate entities as part of their daily business are handled through the front counter and become part of the Senate's accountability of federally appropriated funds and are then processed through the Senate's general ledger system.

General Activities

The Front Counter issued approximately 1,800 cash advances for official Senate travel, received more than 20,000 checks from Senate entities, administered oath and personnel affidavits to more than 4,500 new Senate staff, maintained brochures for 14 Federal health carriers and distributed approximately 4,000 brochures to staff during the annual FEHB open season.

PAYROLL SECTION

The Payroll Section maintains the Human Resources Management System and is responsible for the following: processing, verifying, and warehousing all payroll information submitted to the Disbursing Office by Senators for their personal staff, by Chairmen for their committee staff, and by other elected officials for their staff; issuing salary payments to the above employees; maintaining the Automated Clearing House (ACH) FEDLINE facilities for the normal transmittal of payroll deposits to the Federal Reserve; distributing the appropriate payroll expenditure and allowance reports to the individual offices; issuing the proper withholding and agency contributions reports to the Accounting Department; and transmitting the proper Thrift Savings Plan (TSP) information to the National Finance Center (NFC), while maintaining earnings records for distribution to the Social Security Administration, and maintaining employees' taxable earnings records for W–2 statements, which are prepared by this section. The Payroll Section is also responsible for the payroll portion of the Report of the Secretary of the Senate.

Y2K Testing and Certification

The Information Technology Department of the Sergeant at Arms released their U.S. Senate version of the Integral 9.5 system to the Disbursing Office for acceptance testing. By late April, all aspects of the system had been tested and approved for production. The next step was to run a parallel production for a sixty-day period to ensure the accuracy of the new processing system. The May-June 1999 parallel

allowed the 9.5 system to go live July 1, 1999, 90 days ahead of schedule. At this time the managers of the project learned that new processing equipment was being installed to upgrade the operating platform of the OS390 system during the month of May. The equipment upgrades produced associated software upgrades, delaying the parallel and created the need to re-evaluate the results of the earlier testing. Finally, the operating platform was ready and the parallel processing was evaluated. All glitches and deviations were noted and corrected. The Y2K compliant Payroll/Personnel System went operational on October 1, 1999.

The Payroll/Personnel System was not the only system being evaluated for Y2K compliance. The Federal Reserve FEDLINE system went through a thorough series of compliance testing. The first portion of the test related to the equipment the Disbursing Office was using to transmit information to the Federal Reserve. The test results showed that the current PCs being used to process the ACH files were Y2K compliant. However, they advised the Disbursing Office to upgrade the processing system to the most current technology available to prevent any unforeseen equipment failure at a later date. A series of live tests with the Federal Reserve test regions proved that all equipment was Y2K compliant for the processing of ACH files.

The last aspect of Y2K certification was to prove to GAO, through the Y2K Project Office that the Payroll/Personnel System was compliant. A battery of more than 160 individual processing tests were compiled by the managers of the system to prove compliance, then they applied these tests to the system to verify compliance. Subsequently, the Payroll/Personnel System was certified compliant.

Integrated Report of the Secretary of the Senate Processing

During the Spring of 1999, a Report of the Secretary of the Senate team was created within the Disbursing Office to manage information contained within FAMIS and the Payroll/Personnel System. The objective of this team was to work with the system consultants to produce a detailed document of expenditures with a minimal amount of manual editing. The Payroll Section merged two computer-generated tables together to create an extract that could be absorbed into the FAMIS system, thus detailing the payroll data in the Report. Once the Y2K system certification was complete, a new data element was created in the Payroll/Personnel Title Dictionary dedicated to the insertion of the full un-abbreviated employee title into the Report. This file completed the full integration of both systems into one reporting unit.

EMPLOYEE BENEFITS SECTION

The Employee Benefits Section's (EBS) primary responsibilities are administration of Senate employees' health and life insurance and retirement programs for the Senate. The Section's work includes research and verification of prior Senate or other federal service for new appointees. EBS prepares these forms for payroll input and after they are returned, verifies the accuracy of the information when the Official Personnel Folder is received. Employment verifications for loans, the Bar, the Federal Bureau of Investigation, the Department of Defense, and for outside insurance are completed in EBS. Unemployment claim forms are completed, and employees are counseled. Department of Labor billings for unemployment paid to Senate employees are checked in EBS and submitted by voucher to the Accounting Section to be paid. Designations of Beneficiaries for FEGLI, CSRS, FERS, and for unpaid compensation are filed and checked by EBS.

General Activities

The annual FEHB Open Season was held and over 700 employees changed plans. A great number of FEHB plans changed, and due to non-support from computer programs, the deleted plans, mergers, address and name changes had to be updated manually.

The FEHB Open Season Health Fair was attended by about 800 employees and since the Fair is well run, it is open to all employees on the Hill, including House, USCP, Architect & Senate restaurant employees.

There were 2 TSP Open Seasons, and the employee changes remained about the same as normal, 800 each time, or 1 in 7.

Mortgage rates, still low, kept employment verifications coming in at a rapid pace, averaging 130 per month.

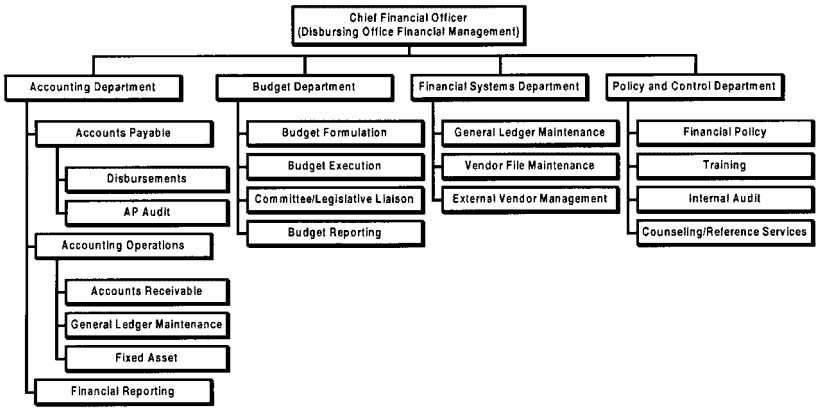
Unemployment verifications, termination packages, transcripts of service for employees going to other federal agencies, and other tasks associated with employees changing jobs were all heavy this year, as approximately 700 staffers lost their jobs January 2, 1999. Another 700 entered on duty on the new staffs, and this required prior employment research and verification, new FEHB, FEGLI, CSRS/FERS and TSP enrollments, and the associated requests for backup verification.

Counseling, retirement planning, and processing, were very heavy in 1999 since most of the Members leaving were long term Members who were retiring. Total retirement cases processed equaled 168 (63 CSRS + 95 FERS, 10 deaths), which was about average for a year.

DISBURSING OFFICE FINANCIAL MANAGEMENT

Headed by the Chief Financial Officer, the mission of Disbursing Office Financial Management (DOFM) is to coordinate all central financial policies, procedures, and activities to produce an auditable consolidated financial statement for the Senate and to provide professional customer service, training and confidential financial guidance to all Senate accounting locations. DOFM is segmented into four functional departments: Accounting, Budget, Financial Systems, and Policy and Control. The CFO coordinates the activities of the four functional departments, establishes central financial policies and procedures, acts as the primary liaison to the HR Administrator, and carries out the directives of the Financial Clerk of the Senate.

In an effort to evaluate the resource requirements of the Disbursing Office, the Secretary of the Senate has initiated an organizational review and position description analysis. Staff of the Disbursing Office have participated in the review being conducted by the General Accounting Office. Results are anticipated in the early spring of 2000. Until such time as the organizational review is completed, it has not been possible to begin to staff the budget and policy and control functions, or to fully staff accounting and financial systems. To the greatest extent possible, existing staff perform multiple functions on a workload priority basis. Progress producing auditable consolidated financial statements is limited with existing resources. The functional department responsibilities are diagramed below:



As was the case in 1998, the most significant event and activity of the past year for Disbursing Office Financial Management has been the management responsibility for the Senate's Financial Management Information System (FMIS). One of the clear mandates of FMIS was to become year 2000 compliant. A great deal of effort replacing financial systems and testing the replacements for date compliance occurred during 1999. The Disbursing Office is pleased to report no year 2000 related problems were detected in the Y2K acceptance testing or in the actual date rollover. DOFM staff resources and Senate support vendors were utilized for the acceptance testing spearheaded by the Sergeant at Arms and Doorkeeper of the Senate. Much additional progress has been made and the following paragraphs will give a status of FMIS and what has been accomplished.

In 1998, the Senate initiated a four-phase approach for the acquisition and implementation of an integrated financial management system. These four phases are defined below:

Replacement.—The initial phase was the replacement of the Senate's core financial systems with a single integrated year 2000 compliant Commercial Off The Shelf (COTS) system. In this initial phase, FAMIS 4.0 and ADPICS 4.5 were implemented in the Disbursing Office in replacement of Disbursing Office Voucher Entry System (DOVES) and in the offices of the Sergeant at Arms as an upgrade to FAMIS 3.2 and ADPICS 4.0. Additionally, a limited number of system interfaces were either created or revised.

Rollout.—Following the initial replacement of the Senate's core financial systems, the rollout of these solutions to Member and Committee offices was scheduled for fiscal year 1999. During this phase, all Senate Committee Expense Allowance System (SCEAS) and Senators Office Accounting System (SOAS) users were migrated to Web FMIS.

Reporting.—As a result of the implementation of a single integrated financial system the Senate planned to take advantage of the new system by beginning to compile, develop, and distribute financial information that was impossible or impractical to develop in the past. This phase began concurrently with the rollout during fiscal year 1999.

Reengineering.—After the migration to a central Senate-wide financial system, the Senate desired to ensure that the FMIS technology platform remained consistent with industry standards. Beginning at the end of fiscal year 1999 and into fiscal year 2000, the Senate began to implement a strategic approach of implementation and integration with web-based architectures and technologies.

Background

Upon the conclusion of the Phase I, the initial intent was to initiate and simultaneously execute Phases II (Rollout) and III (Reporting). The assumption was that Member and Committee offices would use ADPICS as their primary accounting system as a replacement for SCEAS and SOAS. It was also recognized that additional reporting tools would be required for Member and Committee users, though the architecture or methodology for the creation of these reports was not yet in place.

Based upon the experiences of a group of pilot users in the early part of 1999, it was determined that ADPICS would not fit the needs of the Member and Committee user group and the Senate began to consider several alternative approaches. After much careful consideration of the alternatives, the Senate ultimately chose to implement Web FMIS, which utilizes a web-based delivery model for budget functions, data entry, and reporting for Member and Committee offices.

The restructuring of the Rollout Phase resulted in a significant advance in the overall FMIS strategic schedule. The long term strategic plan for the Senate, adopted in the fall of 1997, called for migrating to a client-server core financial system, consistent with the Senate's technology architecture by no later than September 30, 2003. The Reengineering Phase, which was not scheduled to begin until at least October 2000, actually began during the spring of 1999. Thus, at the end of fiscal year 1999, in place of the ADPICS system that was originally scheduled for rollout and within the original time frame mandated for SOAS replacement, the offices began to use a web-based system for data entry and reporting that is structured upon an advanced intranet-based technical infrastructure and architecture.

In order to provide a descriptive account of the FMIS implementation, this document defines time periods that are hereinafter referred to as Implementation Periods. These phases are described in summary and in detail as follows:

Implementation Period I: November 1997-September 1998.—Though work on FMIS began earlier than this date, this Phase begins with the approximate time that the Senate decided to begin implementation of KPMG's Federal FAMIS and ADPICS as the replacement to DOVES and the prior version of FAMIS and ADPICS that were in use by the Sergeant at Arms. The primary activities during this period were the creation of a classification structure, the actual FAMIS and ADPICS implementation, creation or revision of a limited number of systems interfaces, and creation of a small number of mission critical modifications.

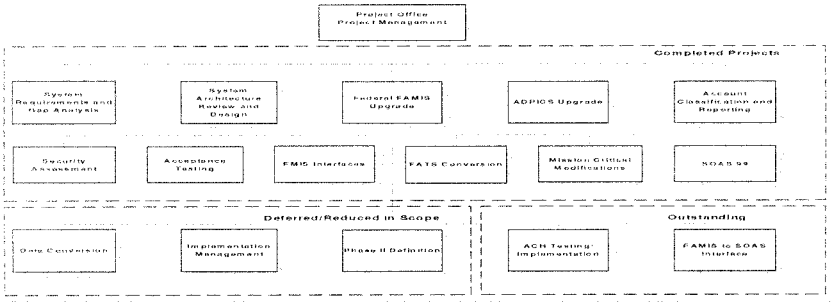
Implementation Period II: October 1998-December 1999.—The initial planed activities for the period were Rollout and Reporting. Based on feedback from the pilot ADPICS users group, reengineering efforts that were not initially scheduled to begin during this period were initiated. The activities performed during this period included system performance improvements, Office Ledger reports, Report of the Secretary, Web FMIS and Y2K testing.

Implementation Period III: January 2000-approximately October 2000.—The focus during this time frame will continue to be on reporting and reengineering activities. Operational support is required to maintain and support the production environment, the FMIS system, and Senate users over the remainder of the fiscal year. In addition, the Senate is considering other development activities that will move the Senate toward its ultimate vision of an integrated, paperless, efficient financial management system. These include continued improvements in reporting, interfaces for data capture of web transactions, other interfaces, imaging, digital authentication, and auditable financial statements.

Future Activities.—It is anticipated that development activities in support of FMIS will extend beyond the time period defined in Implementation Period III. The Future Activities period provides a placeholder for these projects. As Implementa-

tion Period III progresses, these projects can be reevaluated and reprioritized as necessary. Items in this category are subject to change and will be modified based upon the schedule and outcomes of Implementation Period III.

IMPLEMENTATION PERIOD I (NOVEMBER 1997-SEPTEMBER 1998) ACCOMPLISHMENTS



The Implementation Period I efforts were focused on replacing antiquated systems and processes, culminating in the implementation of FAMIS 4.0, ADPICS 4.5, and associated processes by October 1, 1998. This section provides a brief overview of the projects and achievements of the following projects that were executed in Implementation Period I:

Completed Projects

The following is a list and description of the projects that were completed during the initial Implementation Period of FMIS:

Project Office

The FMIS Project Office was established and given responsibility for the following main objectives over the project duration:

—Development and definition of high-level project vision and objectives.
—Definition of proper scope of each phase prior to startup, including goals, required resources, and budget of the project.
—Oversight and maintenance of projects to ensure that all phases of the project are properly synchronized.

Project Management

The Project Management team was created and given responsibility for the following tasks over the project duration:

—Coordinate with the Project Office to ensure that the Project Office responsibilities are carried out by the project teams on a daily basis.
—Provide the organization of the individual and overall projects through the definition of scope and objectives, general skill set requirements, responsibilities, and draft specific skill sets, and roles.
—Communicate project responsibilities, assist the Project Office in the review of individual résumés or background information, as well as orientation of project responsibilities, tasks, assignments, and reporting requirements to the individual project managers and project teams.

System Requirements Review and Gap Analysis

The Requirements Review and Gap Analysis was initiated to review and analyze the FMIS core accounting and purchasing functional requirements, and to conduct a gap analysis with the requirements against the KPMG Federal FAMIS 4.0 and ADPICS 4.5 products. KPMG utilized the Senate's FMIS functional requirements and business processes generated by the Senate with the assistance of Booz, Allen & Hamilton and finalized by the Senate's FMIS project team as the baseline. The next steps included:

—Time-phasing of the FMIS functional requirements to identify the priorities for the initial implementation versus requirements for future functionality.
—Comparison of the Senate's requirements to the functionality of KPMG's baseline Federal FAMIS and ADPICS products. Gaps in functionality were identified and, when appropriate, budgetary cost estimates were prepared to assist the Senate in prioritizing requests for programming modifications.

System Architecture Review and Design

This project focused on the system design for the Senate's FMIS solutions environment. The effort included the architectural design of the core accounting, purchasing, asset management, travel, payroll, budgeting, and revolving funds components of the Senate-envisioned FMIS solution. Specific accomplishments include:

—Documentation of the existing financial environment of the Senate, including systems and interfaces.

—A high-level, time-phased migration plan for the core accounting, purchasing, asset management, travel, payroll, budgeting, and revolving funds components of the Senate-envisioned FMIS solution was developed.

—Creation of a detailed architecture was developed for the Phase I environment. Detailed analysis and documentation of the architecture for future phases were deferred in order to focus on the short-term implementation of FAMIS and ADPICS by October 1, 1998.

FAMIS Upgrade

The focus of this project was the delivery of a single financial management system that replaced DOVES General Ledger (both the mainframe and PC systems) and supported the migration of the Sergeant at Arms Financial Management Organization from the Federal FAMIS Version 3.2 environment to the Senate Disbursing Office's Federal FAMIS Version 4.0 environment. Specific accomplishments include:

—DOVES (both the mainframe and PC systems) General Ledger was replaced with FAMIS 4.0, a single financial management system.

—The Sergeant at Arms Financial Management Organization migrated from the Federal FAMIS Version 3.2 environment to Federal FAMIS Version 4.0.

—Conversion from a cash basis accounting to an accrual or obligation-based accounting and migration of the Senate's general ledger to the U.S. Government Standard General Ledger.

—Creation of a Checkwriter module to enable the Senate to function as a non-Treasury disbursing office. The Checkwriter includes the capability for electronic payments.

ADPICS Upgrade

Implementation of ADPICS 4.5 to replace the Sergeant at Arms ADPICS Version 4.0 and the Secretary of the Senate's SOAS were the objectives of this project. Specific accomplishments include:

—ADPICS 4.5 was implemented in the Senate Disbursing Office and the offices of the Secretary of the Senate.

—The Sergeant at Arms Financial Management Organization migrated from the ADPICS Version 4.0 to ADPICS Version 4.5.

Account Classification and Reporting

The purpose of this project was to develop the Senate's classification structure to support both its external and internal financial and budgetary performance reporting, including the new Senate-wide reporting. Elements defined include:

—General Ledger, fund, object, organization, program, function, grant, project, user code, and appropriation control.

—The Senate consolidated and standardized several distinct expense classifications employing the OMB structure for federal agencies.

Security Assessment

The scope of this project was revised to focus on the security requirements necessary for the upgrade and implementation of ADPICS and FAMIS. These activities were limited in scope to focus on the implementation of FAMIS and ADPICS by October 1, 1998 and were subsumed within the FAMIS and ADPICS projects. Furthermore, the capability of FAMIS and ADPICS to function within the Senate's ACF2 security environment reduced the need for additional efforts in this area.

Acceptance Task Force/Acceptance Test Team

The focus of this project was to ensure acceptance of the FMIS systems being deployed. Specific accomplishments include:

—An Acceptance Task Force was created.

—A methodology was created to apply against each FMIS project that documented the satisfaction of the functional requirements demonstration process.

—Upon completion of the methodology, the Acceptance Task Force transitioned to an Acceptance Test Team and developed acceptance test plans for each project. Testing scripts were mapped to functional requirements and accounting scenarios were defined, providing the Senate with a comprehensive test plan to validate performance of the new system.

—A team from James Martin Government Consulting was assembled to validate the testing plan and results.
—The Test Team organized, monitored, and tracked testing results during testing both prior to and after implementation of the system.

FMIS Interfaces

Within this project, the following FMIS interfaces were designed, developed, tested, and deployed:

Integral (Payroll System) to (FAMIS) Vendor File.—Creates and updates employees as vendors in FAMIS. This interface was designed in accordance with Senate requirements for maintaining confidentiality of employee information.

FAMIS/ADPICS Vendor File to HTTP Browser.—This is not a system interface in the traditional sense, but is used to provide, on demand, vendor information to operators of Integral, SOAS, and Solomon.

Office Allowance System (OAS) to FAMIS (via Standard Interface).—This interface is responsible for providing extracts of actual and projected payroll expenditures from OAS to FAMIS using the FAMIS Standard Interface.

FAMIS to SOAS.—This interface is required by SOAS and other systems for reconciliation with FAMIS. Crystal Reports will be used to prepare the reconciliation file in ASCII format. The ASCII file is then converted into Paradox. While design overview of this interface was completed, design of the interface using Crystal Reports, testing, and implementation was deferred to Implementation Period II.

Funds Advance Tracking System Conversion

The purpose of this project was to modify FATS which was being utilized by the Senate Disbursing Office in conjunction with DOVES. Specific accomplishments include:

—The Fund Advance Tracking System (FATS) used by the Senate Disbursing Office was modified in conjunction with the Disbursing Office Voucher Entry System (DOVES).
—Application source code was reviewed to determine a variety of software modifications and subsequently modified to accommodate the following major changes:
—Code linking FATS functionality to DOVES was removed to reenable the application to function independently.
—All date processing in the system was modified to 8-byte date format to assure full Y2K functionality.
—All file transfer processing in the system was converted from a hardware-based protocol to a TCP/IP/FTP (software-based) protocol.
—The system was unit tested and ported to a Y2K compliant Windows NT-based LAN platform, then file descriptions and data were converted and copied to the new Windows NT LAN.
—The FATS application was then thoroughly system tested by Sergeant at Arms Technical Operations staff prior to user delivery.
—Sergeant at Arms Technical Operations staff assisted the Senate Disbursing Office staff with integrated acceptance and parallel testing prior to production implementation.

Mission Critical Modifications

The focus of this project was the completion of the following ten modifications to baseline Federal ADPICS 4.5 and FAMIS 4.0 software:

Requisition, purchase order, and change order accounting format change.—The format for the aforementioned three documents was modified in order to include and print a job number and description on the accounting line on the pertinent document.

Sequential line number change on the printed purchase order.—Baseline ADPICS 4.5 was modified so that the line numbers on a printed purchase order will always be sequential, beginning with 1.

Default interface processing.—Baseline ADPICS 4.5 was modified so that when either a requisition or a direct purchase order is established and posted to the system with a specific interface code, the interface type of all documents, made subsequent to the aforementioned documents (e.g., vouchers and change orders), default to the interface type of the requisition or the direct purchase order.

Default disbursement type for direct vouchers in ADPICS.—Baseline ADPICS 4.5 was modified to change the default on the disbursement type in direct vouchers from single ("S") to multiple ("M".)

Reversal of the Vendor Interface.—Baseline ADPICS and FAMIS systems were modified so that the initial point of entry of vendors to the system is FAMIS (rather

than ADPICS) which provides the Senate with enhanced vendor information and security.

Enter and report on service and obligation dates.—Service begin and end dates were added to the FAMIS posting process so that document service dates can be stored on the FAMIS document file. This data is necessary for the semiannual Report of the Secretary.

Addition of an edit on the taxpayer ID field in FAMIS.—The baseline FAMIS system was modified so that a specific identification number placed on the FAML5460 screen for a particular vendor cannot be posted a second time for another vendor, unless the user confirms by selecting "F10, Save" twice.

Accounting Pick List in ADPICS.—Baseline ADPICS was modified to provide the Senate with the capability for users to select, in a manner similar to the functionality currently available in FAMIS, the appropriate accounting information for direct voucher documents.

Change Order Indicator on 2100 screen.—Baseline ADPICS was modified to provide the Senate with this feature. A field was placed on the 2100 screen with a Yes ("Y") or No ("N") indicator that will default to "N" when the requisition is created.

Voucher Cancellation/Funds Restoration Modification.—Baseline ADPICS and FAMIS were modified so that when a voucher is canceled in ADPICS, the amount that was originally liquidated by the voucher from the purchase order document in ADPICS will automatically be restored to the document in both FAMIS and ADPICS. This was initiated in Phase I and completed during Phase II.

SOAS 99

Significant changes were made to SOAS for use during fiscal year 1999. Some of these were as a result of the Senate's adoption of a new classification structure and to be more consistent with FAMIS and ADPICS. Other changes were performed as a result of incorporation of user feedback. SOAS99 provided Member offices a transition voucher processing system that incorporated the Senate's new expense classification.

Projects Deferred or Reduced in Scope

The following projects originally projected for Phase I were either reconsidered and deemed not required for the Phase II implementation, significantly reduced in scope, or subsumed within other projects that were executed as part of Implementation Period I:

Data Conversion.—The Senate's decision to upgrade ADPICS 4.5 procurement in the Sergeant at Arms from version 4.0 one year ahead of the original schedule, and also the October 1st implementation date reduced the requirement for data conversion. Also, the Senate made a policy decision not to convert prior fiscal year data. This was a key factor in the successful implementation by October 1, 1998.

Implementation Management Plan and Implementation Management Execution.—Activities and objectives of these projects were performed within the FAMIS and ADPICS implementation projects.

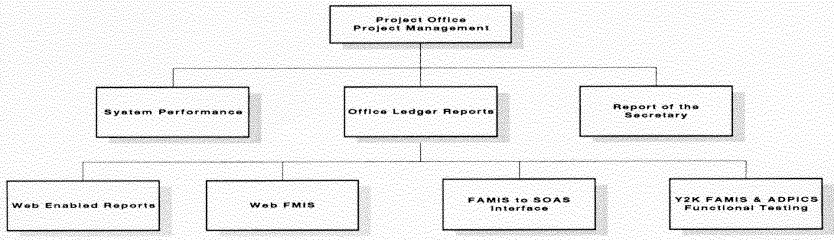
Phase II FAMIS and ADPICS Definition.—Definition of future phases for FAMIS and ADPICS was subsumed within the other FMIS project planning and was incorporated into Project Office and Project Management.

Implementation Period I Outstanding Items.—The following projects were initiated or scheduled for initiation during the initial FMIS Implementation Period and were outstanding as of October 1, 1998.

ACH Testing and Implementation.—The FMIS checkwriter module includes an option for ACH, providing the Senate a method for transmitting vendor payments electronically. Programming for ACH has been completed by KPMG and the Disbursing Office needs to complete acceptance testing.

FAMIS to SOAS Interface (Completed in Implementation Period II).—This interface is required by SOAS for reconciliation with FAMIS. The design overview of this interface was completed during the initial phase of the project. During 1999 a reconciliation file was produced for SOAS reconciliation.

IMPLEMENTATION PERIOD II (OCTOBER 1998-DECEMBER 1999)



Accomplishments

Initially, the plan for Implementation Period II was limited to support of reporting and rollout of ADPICS to Member and Committee offices. Following the initial replacement of the Senate's core financial systems, a pilot group of Member and Committee offices was selected for the ADPICS rollout. Based upon the feedback from these offices, it was determined that ADPICS would not be an acceptable solution for Member and Committee offices. After careful consideration of various alternatives, the Senate elected to develop and deploy Web FMIS which is a browser-based data entry and reporting system. As a result of this decision, activities that fell under the "Reengineering" category were accelerated and performed during Implementation Period II. During this period, other projects were executed that fell under the reporting category. These include Office Ledger Reports, Report of the Secretary and Web Reports.

Completed Projects

This section provides a description of the following projects that were executed and completed during the period defined as Implementation Period II: System Performance; Office Ledger Reports; Report of the Secretary; Web Reporting; Web FMIS; FAMIS to SOAS Interface; and Y2K FAMIS & ADPICS Functional Testing.

System Performance

Subsequent to the implementation of the upgraded FAMIS and ADPICS, system performance problems emerged. A FMIS performance task force consisting of members of the Senate Disbursing Office, Sergeant at Arms, and KPMG was quickly established. This task force met and coordinated activities on a daily basis until a sustained level of acceptable performance was established for the functional users. All areas of the system were reviewed and fine-tuned including the application, database, hardware, software, network, and workstations. After achieving an acceptable level of performance, the group continued to meet, as required, throughout the year to coordinate activities that affect end users' systems availability, monitor system performance, and take any further action as required.

Office Ledger Reports

A key financial report that is used by Senate offices is the Office Ledger Report. This report serves as the primary source of information to the offices for validation and verification of payment information. Initially, the Senate produced these reports using Crystal Reporting as a tool directly against copies of the FMIS DB2 tables. This proved to be an inefficient process and one that has led to inconsistencies and delays in report distribution. In particular, as additional transactions are used within FMIS, the reports must be validated to determine that the positive or negative values for these transactions are correctly interpreted and reflected in the report. The validation is a tedious process that requires considerable time on a monthly basis.

Based upon the experiences of creating reports from direct copies of the FAMIS and ADPICS tables, the Senate elected to develop a reporting extract to serve as the source of the data required for the Ledger Reports. These extract programs contain the logic necessary to identify transaction types, perform the desired roll ups, and identify the correct value for number fields. The Crystal Reports were then revised to utilize these extracts.

As of the date of this document, the revised reports and extracts are going through final development and testing is expected to be available shortly. The revised extracts should be able to serve as a platform for additional reports and queries.

Report of the Secretary (October 1, 1998 through March 31, 1999 & April 1, 1999 through September 30, 1999)

The semiannual Report of the Secretary is the primary statutory financial reporting requirement of the Senate. The implementation of FAMIS and ADPICS provided the Senate with the opportunity to revise the processes that have been used to compile the Report of the Secretary and to revise the format so that the report is more useful. Each of these reports has required some degree of "new" processing. For the first report, new functional and technical specifications were required. Programs to extract the required data from FAMIS and ADPICS were created as well as the Crystal Reports that perform the actual report production. A toolbox was also created, enabling the Disbursing Office to perform spell check and to make content changes to descriptive fields, and final post-extract corrections. For the production of the second semiannual volume, enhancements to the extracts and toolbox programs were made based upon the lessons learned from the first volume. In addition, new logic was required to properly account for balances remaining from the first half-year period. Both reports were printed and available to the public within the statutory time frame requirement.

Web Enabled Reports

The Senate desired to provide FMIS users with a simple and user friendly method for researching and reporting of relevant financial information. After examination of several alternatives, the web/internet method for delivery and distribution of reports was selected as the preferred method for providing these tools to Senate offices. The web provided a user-friendly environment that utilized leading edge technology consistent with the strategic vision of the Senate.

During the early stages of the project, a technical architecture had to be selected that was consistent with the IT environment and security requirements of the Senate and would provide the basis for a robust development platform. Reporting extracts and a process to update the extracts were created to avoid potential performance problems that may have occurred if the reports were programmed to access the on-line databases. Report prototypes were created and interactively modified. During the final stages of the development, some changes were required to the structure of Web Reporting in order to integrate within Web FMIS and accommodate the additional data entry requirements.

Web FMIS

This project included the development, installation, and support of a Y2K compliant, Web-enabled front-end replacement to SOAS and SCEAS. Based upon the feedback of the initial ADPICS pilot group, it was determined that the mainframe system would not meet the needs, even on an interim basis, of the Senate office users. Due to the fact that both SOAS and SCEAS were non-year 2000 compliant, a replacement was required. A committee, consisting of members of the Disbursing Office, Sergeant at Arms, and office users was formulated in order to examine the alternatives and recommend a solution. The solution selected by the Senate was a web based front end that would incorporate the web reporting, budgeting, and data entry/maintenance as a front end to the Senate's existing ADPICS and FAMIS mainframe software.

In order to reduce the risk of a timely delivery of a Y2K replacement for SOAS and SCEAS, some functionality was deferred to a future phase of the project. In addition, the functionality that was included in the first phase was split into three releases. The initial release contained basic functionality including the ability to enter vouchers, travel vouchers, basic budgeting, interfaced access to FAMIS system tables, and a suite of basic reports. The second release included the ability to enter travel advances, vouchers from advances, commitments, obligations and interfaced access to payment information. Release three included the option for local data storage, reconciliation, and the ability to create credit and adjustment documents.

FAMIS to SOAS Interface

This interface provides an electronic file of document information from the FMIS system to the office SOAS system. This file enables offices to reconcile their SOAS system with the data maintained by the Disbursing Office. This item was outstanding from Implementation Period I and completed during Implementation Period II.

Y2K FAMIS & ADPICS Functional Testing

James Martin Government Consulting was retained to conduct extensive testing and certification of FAMIS and ADPICS for Y2K. No issues were identified during the test, and as of the date of this document, no Y2K related problems with FAMIS, ADPICS, Web FMIS and associated hardware/software have been encountered.

ACCOUNTING DEPARTMENT

The Accounting Department combines the functions of the Accounting and Audit Sections in the former Disbursing Office configuration. The goal in the combination of the Sections was to combine responsibilities that were functionally related, such as accounts payable, in order to maximize efficiencies in the delivery of service to the Senate. The Accounting Department has several functional responsibilities including:

—Maintain the Senate's financial records and statements
—Maintain general ledger accounts and other accounting records in FMIS
—Ensure adherence to appropriation limitations established by the Legislative Branch Appropriations Act, and Title II of the United States Code
—Ensure adherence to all statues and regulations pertaining to payments/reimbursements
—Perform various GL account reconciliations (suspense, clearing accounts)
—Reconcile fixed assets with Sergeant at Arms fixed asset management module in FMIS
—Process accounts payable for the Senate and coordinate disbursements
—Provide accurate and timely reports to Senate distributed accounting locations
—Establish and maintain internal controls over financial processes
—Design and manage monthly and year-end closing processes and procedures
—Prepare audited consolidated financial statements and notes in compliance with the latest FASAB and OMB requirements
—Manage the annual financial statement audit with GAO or independent auditors.

General Activities

During fiscal year 1999, the Accounting Section and the new Accounts Payable Department processed nearly 120,000 expense reimbursement vouchers for payment on 50,500 United States Treasury checks issued. Accounting Operations processed 850 deposits for items ranging from receipts received by the Senate operations, such as the Stationery Room, to canceled subscription refunds from Member offices. General ledger maintenance also prompted the entry of thousands of adjustment entries that include the entry of all appropriation and allowance funding limitation transactions, all accounting cycle closing entries, and all non-voucher reimbursement transactions such as payroll adjustments, stop payment requests, travel advance and repayments, and limited payability reimbursements.

Financial Reporting Requirements—External

Monthly financial reporting requirements to the Department of the Treasury include a Statement of Accountability that details all increases and decreases to the accountability of the Secretary of the Senate, such as checks issued during the month and deposits received, as well as a detailed listing of cash on hand. Also reported to the Department of the Treasury on a monthly basis is the Statement of Transactions According to Appropriations, Fund and Receipt Accounts that summarizes all activity at the appropriation level of every penny disbursed by the Secretary of the Senate through the Financial Clerk of the Senate. All activity by appropriation account is reconciled with the Department of the Treasury on a monthly and annual basis. The annual reconciliation of the Treasury Combined Statement is also used in the reporting to the Office of Management and Budget as part of the submission of the annual operating budget of the Senate.

Financial Reporting Requirements—Internal

Internally, the Accounting Department prepares and transmits ledger statements monthly to all Member offices and all other offices with payroll and non-payroll expenditures. These ledger statements detail all of the financial activity for the appropriate accounting period with regards to official expenditures in detail and summary form.

ACCOUNTS PAYABLE AUDIT SECTION

The Accounts Payable Audit Section of the Accounting Department is responsible for auditing vouchers and answering questions regarding voucher preparation, answering questions concerning the permissibility of the expense, providing advice and recommendations on the discretionary use of funds by distributed accounting locations, identifying duplicate payments vouchered by offices, monitoring payments related to contracts, training new Office Managers and Chief Clerks about Senate financial practices, training Office Managers in the use of the Senate's Financial Management Information System, and producing the Report of the Secretary of the Senate. The Section also maintains the Senate's central vendor file which includes

the addition of approximately 2,000 new vendors per year to an existing vendor file of over 20,000 vendors added in less than 1½ years, and the collection of information to provide for EFT payments to them. Monitors the Fund Advance Tracking System (FATS) by ensuring that advances are charged correctly, vouchers repaying such advances are entered, and balances adjusted for reuse of the advance funds. An "aging" process is also performed to ensure that advances are repaid in the time specified by the advance regulations.

BUDGET DEPARTMENT

A key component of the continued restructuring of DOFM is the development of a Budget Department. The primary responsibility of the Budget Department will be to compile the annual operating budget of the United States Senate for presentation to the Committee on Appropriations. The development of specialists in the budget area will allow current staff with dual responsibilities in Accounting to focus their efforts on general ledger activity. Other responsibilities of the Budget Department will be as follows:

—Responsible for the formulation, presentation and execution of the budget for the Senate
—Provide a wide range of analytical, technical and advisory functions related to the budget process
—Coordinate efforts among central and distributed financial organizations to produce an integrated budget plan for the Senate
—Prepare justification requests for requested appropriations
—Provide expert advice to Senate officials on budgetary policy
—Prepare necessary documentation and provides historical reference resource for the Committee on Appropriations.

FINANCIAL SYSTEMS DEPARTMENT

The following functions are the responsibility of the Financial Systems Department:

—Develop FMIS classification structure and perform table maintenance
—Establish and maintain system security features
—Provide FMIS support to system users Senate-wide and perform software acceptance testing of new releases
—Develop ad hoc reports upon request
—Automate vendor and employee payments
—Manage and maintain the Senate's vendor file
—Perform general ledger account creation and field structure in FMIS.

POLICY AND CONTROL DEPARTMENT

The initial function of this department will be to work with GAO and an external vendor to perform an auditability assessment of the Senate's financial management structure. This task will identify information gaps in the Senate's operations that will be necessary to fill in order to prepare auditable financial statements. Additional responsibilities of the Department are as follows:

—Develop and maintain comprehensive financial management policy and procedures manual to the transaction level
—Incorporate policy changes published in the Federal Register, OMB Circulars, and other relevant legislation into CFM
—Coordinate with the Financial Systems Department to incorporate policy changes into financial systems and incorporate FMIS system changes at the transaction level into the procedures manual
—Serve as liaison with federal agencies such as JFMIP, GSA, and FASAB
—Provide and coordinate internal and external FMIS training and certifying officer training.

DISBURSING OFFICE SYSTEMS ADMINISTRATION

The Disbursing Office also performs a broad range of internal support of its systems and LAN configuration as well as external support of legacy systems. Time allocated for system revision and updates was high due to preparation for Y2K compliancy and replacement of outdated systems. Listed below is a task list by category:

Y2K Preparations:

Upgraded FEDLINE PCs for Payroll ACH. Worked with the Senate service team to replace existing PCs and upgrade machines from DOS to Windows 95. Installed new encryption cards and modems.

Upgraded ccMail database.

Replaced Lotus Organizer scheduling agent with compliant unit.

Replaced functionality for JNL server that provided a communication link to outside agencies. Required installation and setup of new software for access to GOALS and Cashlink programs.

Installed Corel Word Perfect Suite on all Disbursing Office PCs.

General:

Participated in Disbursing Office PC configuration review and assessment to determine causes for slow response time.

Replaced Disbursing Office's primary server.

Coordinated upgrade of network connections from a Hub to a Switch network.

Installed ccMail listening gateway and established a separate and unique mailing address for Disbursing Office Internet mail.

Assisted Payroll to provide an automated FTP process to transfer payroll information from the mainframe which is used for ACH.

Created test region of the FATS program to enable SCC support a test facility to correct reported problems with FATS.

Prepared office PCs for installation of new Web FMIS application.

Prepared PCs in the Benefits and Payroll section to access their new region on the mainframe.

Upgraded 10 network printers.

Relocated legacy 3Com network to central network storage area.

Finalized working template for existing office laptops.

OFFICE OF HUMAN RESOURCES

The Office of Human Resources implements and coordinates human resources policies, procedures, and programs for the Office of the Secretary of the Senate including hiring; training; performance management; job analysis; compensation planning, design, and administration; records management; recruiting and staffing; employee handbooks and manuals; internal grievance procedures; employee relations and services; and organizational planning and development.

The Office of the Secretary continued to build upon its performance management philosophy that no two individuals are alike. The primary emphasis was on superior performance and the major organizational values of teamwork, trust, respect, innovation, and continuous change.

Several work processes were improved during 1999 to enhance employee productivity and service, including the Office's first salary structure with grades, a new certificate to pay tribute to employees who have faithfully served the Office and are retiring from the United States Senate, a new employment application to provide additional and better applicant data and thereby improve the quality of individuals selected to fill vacancies, and a new career opportunities application for current employees to apply for posted vacancies and obtain feedback on knowledge, skills, and abilities required to successfully compete for future opportunities. The Office also partnered with the Sergeant at Arms in implementing the newly acquired Lawson Insight Software program, which provides better and more accurate information for managing personnel resources.

The Office hosted 14 interns during the summer of 1999, developing the knowledge and experience base of future leaders from throughout the nation.

SENATE LIBRARY

The Senate Library provides legislative, legal, business, and general reference services to the United States Senate. The comprehensive legislative collection consists of congressional documents dating from the Continental Congress. In addition, the Library maintains executive and judicial branch materials and an extensive book collection on politics, history, and biography. These sources plus a wide array of online systems assist the Library staff in providing confidential, timely, and accurate information services.

Administration

The third year of aggressive budget reviews delivered an additional $3,309.08 reduction in operating expenses. The reductions were in three major areas: magazine subscriptions, reference materials, and online services. The total reductions for the past three fiscal years total $18,112.43 and an estimated $12,000 in savings is expected during fiscal year 2000 as costs decrease for commercial online services. These reductions offset the ever-increasing costs for core materials.

Russell Building

The new Russell Office Building facility for the Senate Library opened its doors on February 22, 1999. The planning for the new library began in April 1997, when Secretary Sisco requested that the Library develop plans for a new facility. Russell Building demolition began in late December 1997 and during the next 12 months former basement storage rooms were transformed into a state-of-the art information center. Two well-planned moves took place in December 1998 and February 1999. Over 150,000 volumes and one million microforms were transferred from the Capitol to the Russell Building.

The new Senate Library offers Senate staff access to an excellent collection of materials and services: congressional materials dating to the Continental Congress; a wide array of news and legal online systems; over 140 periodicals and newspapers; 24,000 books on the Senate, American history, and political biography; a Micrographics Center containing one million microforms; patron access terminals; and a reading room with study carrels. However, the most important offering is the staff of the Library whose experience and expertise has served and will continue to serve Senate information needs.

Information Services

Information Services responded to 33,777 requests in 1999 and walk-ins were 26.3 percent of this total. This walk-in total was a significant rise over previous years and signals a shift in the nature of the inquiries. This shift to a greater percentage of walk-in patrons is directly attributed to the Library's convenient proximity to Senate offices. Other indicators of activity include 4,401 items delivered, 5,138 faxes sent, 813 items loaned, and 160,626 photocopies produced. In addition, the Micrographics Center usage increased by 158 percent.

Senate LEGIS, the legislative information system used since the mid-1970s, was replaced in December 1999 by LIS, the new Legislative Information System. To provide Senate staff with the highest quality support, the Library was designated as the primary LIS "help line." Formerly a Senate Computer Center responsibility, this function was relocated based on the online expertise and thorough understanding of the legislative process available from the Library.

The Sergeant at Arms expanded the Senate-wide offerings of news and legal materials. Beginning January 1, 2000, the major commercial online information vendors, Westlaw and Lexis-Nexis, will provide online resources through the Sergeant at Arms program, without direct charge to the Library.

Technical Services

The Library received 15,892 new acquisitions during 1999, which was a 2 percent increase over the 1998 totals. This total included 4,436 congressional publications, 11,032 depository library items, and 424 new books. Cataloging productivity increased an impressive 53 percent with 10,294 records produced. Included in this total were records for 5,564 older congressional hearings, which were part of the ongoing retrospective hearings project.

The Library participated in an exciting project designed to honor the Capitol spaces occupied by the Library of Congress from 1800–1814. The project recreated a small portion of the library's original collection by purchasing 70 volumes identical to those destroyed by the British in the disastrous 1814 Capitol fire. This unique collection will be displayed in the Howard H. Baker Room, S–230, which was part of the original Library of Congress.

Automation

Following an intensive four-month search, the Library purchased a new integrated library system, replacing a system purchased in 1993. Provided by The Library Corporation (TLC), the new system is year 2000 compliant, capable of processing the Library's complex 87,000 bibliographic records, uses a Windows environment, and operates on an NT platform. In preparation for the TLC installation, a new NT server was configured and workstations were upgraded with Windows NT. On January 5, 2000, TLC began the installation and during the next 10 days provided training to Library staff. The new system is now operational and will greatly improve work flow, significantly increase efficiency and productivity, and provide Senate staff access to the online catalog.

OFFICE OF THE SENATE CHIEF COUNSEL FOR EMPLOYMENT

The Office of the Senate Chief Counsel for Employment ("SCCE") is a non-partisan office established at the direction of the Joint Leadership in 1993 after enactment of the Government Employee Rights Act ("GERA"), which allowed Senate employees to file claims of employment discrimination against Senate offices. With the

enactment of the Congressional Accountability Act of 1995 ("CAA"), Senate offices are now subject to the requirements, responsibilities and obligations of 11 employment laws. The SCCE is charged with the legal representation of Senate offices in all employment law matters at both the administrative and court levels.

Also, on a day-to-day basis, the office provides legal advice to Senate offices about their obligations under employment laws. Accordingly, each of the 180 offices of the Senate is an individual client of the SCCE, and each office maintains an attorney-client relationship with the SCCE.

Background

Each of the SCCE attorneys came to the office after having practiced as employment law litigators in major, national law firms representing Fortune 100 corporations. All services the office provides are the same legal services the attorneys provided to their clients while in private practice. The areas of responsibilities of the SCCE can be divided into the following categories:

—Litigation (Defending Against Lawsuits)
—Mediations to Resolve Lawsuits
—Court-Ordered Alternative Dispute Resolutions
—Preventive Legal Advice
—Union Drives, Negotiations and Unfair Labor Practice Charges
—OSHA/ADA Compliance
—Layoffs and Office Closings In Compliance With the Law
—Management Training Regarding Legal Responsibilities.

Litigation (Defending Against Lawsuits); Mediations; Alternative Dispute Resolutions

The SCCE represents each of the 180 employing offices of the Senate in all court actions (including both trial and appellate courts), hearings, proceedings, investigations, and negotiations relating to labor and employment laws. The SCCE handles cases filed in the District of Columbia and cases filed in any of the 50 states. The SCCE represents a defendant Senate office from the inception of a case through U.S. Supreme Court review. The office handles all work internally without the assistance of outside law firms or the Department of Justice.

During 1999, the SCCE defended Senate offices against 14 lawsuits (which required approximately 9,420 attorney work hours [1]). Two (2) of these matters were tried, and the SCCE won both cases. In a third case, the SCCE successfully moved for dismissal of the case. In a fourth case, the SCCE won the case at the appellate stage. The remaining cases are pending.

The SCCE successfully represented Senate employing offices in four (4) unemployment compensation hearings. In no instance was the employee awarded compensation.

Preventive Legal Advice

At times, a Senate office will become aware that an employee is contemplating suing, and the office will request the SCCE's legal advice and/or that the SCCE negotiate with the employee's attorney before the employee files a lawsuit. The successful resolution of such matters substantially reduces an office's liability.

Also, the SCCE advises and meets with Members, Chiefs of Staff, Office Managers, Staff Directors, Chief Clerks and General Counsels at their request. The purpose of the advice and meetings are to prevent litigation and to minimize liability in the event of litigation. For example, on a daily basis, the SCCE advises Senate offices on matters such as disciplining/terminating employees in compliance with the law, handling and investigating sexual harassment complaints, accommodating the disabled, determining wage law requirements, meeting the requirements of the Family and Medical Leave Act, and management's rights and obligations under union laws and OSHA.

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[1] Attorney hours spent on each case include, but are not limited to, time for conducting the initial investigation of allegations; mediation with employee; negotiating settlements; reviewing employing office files; interviewing witnesses; investigating and responding to the complaint; preparing for pretrial and trial proceedings, including taking witness depositions, conducting extensive discovery with opposing counsel (propounding and responding to interrogatories, requests for production of documents, etc.), interviewing expert witnesses, preparing, researching and filing any necessary motions with the court, preparing witnesses for trial, preparing exhibits for trial; trying the case; preparing post-trial briefs; preparing appellate briefs; arguing before the appellate courts.

Between January and December 1999, the SCCE has had more than 2,340 conferences with Members, Chiefs of Staff, Office Managers, Staff Directors, Chief Clerks and General Counsels to provide legal advice.[2]

Union Drives, Negotiations And Unfair Labor Practice Charges

In 1999, the SCCE handled four (4) union drives and one (1) union unit clarification petition.

OSHA/ADA Compliance

The SCCE provides advice and assistance to Senate offices by assisting them with complying with the applicable OSHA and ADA regulations; representing them during Office of Compliance inspections; advising State offices on the preparation of the Office of Compliance's Home State OSHA/ADA Inspection Questionnaires; assisting offices in the preparation of Emergency Action Plans; and advising and representing Senate offices when a complaint of an OSHA violation has been filed with the Office of Compliance or when a citation has been issued.

Layoffs and Office Closings In Compliance With the Law

The SCCE provides legal advice and strategy to individual Senate offices regarding how to minimize legal liability in compliance with the law when offices reduced their forces.

In addition, pursuant to the Worker Adjustment and Retraining Notification Act ("WARN"), offices that are closing must follow certain procedures for notifying their employees of the closing and for transitioning them out of the office. The SCCE tracks office closings and notifies those offices of their legal obligations under the WARN. In 1999, the SCCE advised six (6) Senate offices of their legal obligations under this law.

Management Training Regarding Legal Responsibilities

In 1999, the SCCE, in conjunction with the Senate Recording Studio, continued to present 2-way interactive internet seminars for Members' offices. This process allows the SCCE to give legal seminars to Members' offices here in D.C. and simultaneously to broadcast them to state offices via the internet. The state offices access the seminars (by audio and video) on their PCs at no cost to the state offices. The state office participants are also connected by telephone cable so that they can fully participate in the seminars by asking questions, as would any member of the audience in D.C.

The SCCE conducted 59 legal seminars during 1999. Among the topics covered were:

—Preventing and Addressing Sexual Harassment in the Workplace;
—The Congressional Accountability Act of 1995: What Managers Need to Know About Their Rights and Obligations;
—Managers' Obligations Under the Family and Medical Leave Act;
—The Legal Pitfalls of Hiring the Right Employee: Advertising, Interviewing, Drug Testing and Background Checks;
—Disciplining, Evaluating and Terminating an Employee Without Violating Employment Laws;
—Management's Obligations Under the Americans With Disabilities Act; and
—Equal Pay for Equal Work: Management's Obligations Under the Equal Pay Act.

Finally, the SCCE continues to publish its bi-monthly newsletter that it distributes to all Senate offices. The newsletter is designed to provide Senate offices with information concerning developments in labor and employment laws.

Administrative/Miscellaneous Matters

The SCCE provides legal assistance to employing offices in preparing employee handbooks/office policies, supervisors' manuals, sample job descriptions, interviewing guidelines, and job evaluation forms.

The SCCE also reviews all regulations issued by the Office of Compliance and advises the Senate as to whether the regulations should be approved, modified, or not approved.

OFFICE OF CONSERVATION AND PRESERVATION

The Office of Conservation and Preservation develops and coordinates programs directly related to the conservation and preservation of Senate records and mate-

[2] The SCCE attempts to track each conference it has; however, due to the volume, some are not accounted for.

rials for which the Secretary of the Senate has statutory authority. Initiatives include mass deacidification, phased conservation for books and documents, collection surveys, and contingency planning for disaster response and recovery.

Work Prepared for Senate leadership

For more than twenty years the office has bound a copy of Washington's Farewell Address for the annual reading. This year, a volume was bound for and read by Senator George V. Voinovich.

At the direction of the Secretary of the Senate, and through the Office of Interparliamentary Services, marbled paper slipcases were fabricated for the book, *The United States Capitol: Photographs* by Fred J. Maroon, and were presented to 11 dignitaries during Senate Trips.

At the direction of the Secretary of the Senate, and through the Office of Interparliamentary Services, leather labels were fabricated for Capitol Trays and were presented to 13 dignitaries during Senate Trips.

At the request of the Senate Democratic Leadership 50 folders were embossed with the name of each Senator. Six hundred forty-four items were matted and framed, this included resolutions, photographs, and letters.

The office fabricated 10 leather bound notebooks for the Senate Majority Leader and one for Senator Kerrey of Nebraska.

In conjunction with the newly created Leader Lecture Series the office prepared several presentation pieces. Senate Majority Leader, Trent Lott, conceived of the series which hosts three outstanding former Senate Leaders and other distinguished Americans each year. Each guest speaker received a leather bound box for speeches, a leather bound notebook, and a matted and framed rare print. All were prepared by the Office of Conservation and Preservation. In addition, an average of 7 photographs representing each speakers careers were matted and framed for display at the reception following each historic speech. This years guest speakers included The Honorable George Mitchell, and The Honorable George Bush.

The Impeachment Trial of William Jefferson Clinton

The Office of Conservation and Preservation matted and framed thirty items and bound seven special books for the Leadership.

Senate Library

In 1999 conservation treatments were completed for 380 volumes of a 7,000 volume collection. Also this year, the office prepared and sent 366 books from the Senate Library to the Government Printing Office (GPO) for binding.

In an effort to preserve valuable 19th century Senate documents, the Office of Conservation and Presentation, in cooperation with the Senate Library, rebound a complete set of the *Annals of Congress, the Congressional Debates From 1789–1824*. These volumes are very rare. While the Senate Library has several sets in storage, every volume is in need of major repair and restoration. The Office of Conservation and Preservation will continue in 1999 to assist the Senate Library in their effort to save these irreplaceable historical documents.

Office of the Senate Curator

The Office of Conservation and Preservation assisted the Senate Curator's Office with two exhibits.

Miscellaneous Projects

We continue to utilize our spray deacidification system, encapsulation, and dry mounting press. This year the office deacidified 22 items, encapsulated 211 items, and dry mounted 30 items.

The office continues conservation treatment of appropriation bills, 1877–1943. This year the office completed 39 books. There are approximately 221 books remaining for treatment. These books are a part of the Appropriations Committee collection.

OFFICE OF SENATE SECURITY

The Office of Senate Security (OSS) is responsible for the administration of classified information, personnel security, counterintelligence, and classified computer security programs in Senate offices and committees. OSS also serves as the Senate's liaison to the Executive Branch in matters relating to the security of classified information in the Senate.

Secure Meeting Facilities

OSS secure conference facilities were utilized on 1,306 occasions during 1999. This is a 32 percent increase in the utilization of OSS facilities over 1998 levels. Six hun-

dred eighty-five meetings, briefings, or hearings were conducted in OSS' three conference rooms. Additionally, OSS provided Senators and staff secure telephones, secure computers, secure facsimile machine, and secure areas for reading and production of classified material on 621 occasions in 1999.

Classified Documents

OSS received or generated 3,890 classified documents consisting of 105,669 pages during 1999. This is a 5 percent increase in the number of documents received or generated in 1998. OSS completed 7,256 document transactions and handled over 198,816 pages of classified material during calendar year 1999.

Personnel Security

OSS workload in the personnel security area increased 6 percent during 1999. Personnel security investigations were initiated on 147 Senate employees. Ninety-one investigations were completed, and the remainder of the investigations (56) are pending completion by the Department of Defense or the Federal Bureau of Investigation. OSS also completed 140 routine security clearance terminations during 1999.

Security Awareness

OSS conducted or hosted 63 security briefings for Senate staff. Topics covered included: information security, counterintelligence, foreign travel, security managers' responsibilities, office security management, and introductory security briefings.

SENATE STATIONERY ROOM

The Senate Stationery Room's principal functions are: (1) to sell stationery items for use by Senate offices and other authorized legislative organizations, (2) to select a variety of stationery items to meet the needs of the Senate environment on a day-to-day basis and maintain a sufficient inventory of these items, (3) to purchase supplies utilizing open market procurement, competitive bid and/or GSA Federal Supply Schedules, (4) to maintain individual official stationery expense accounts for Senators, Committees, and Officers of the Senate, (5) to render monthly expense statements, (6) to insure receipt of all reimbursements for all purchases by the client base via direct payments or through the certification process, (7) to make payments to all vendors of record for supplies and services in a timely manner and certify receipt of all supplies and services, and (8) to provide the deliver of all purchased supplies to the requesting offices.

	Fiscal Year 1999 Statistical Operations	Fiscal Year 1998 Statistical Operations
Gross Sales	$3,404,673.00	$3,000,341.00
Sales Transactions	73,259	89,897
Purchase Orders Issues	6,813	6,073
Vouchers Processed	7,932	7,481
Metro Fare Media Sold	13,941	6,709

The reporting categories for statistical operations of the Stationery Room for fiscal year 1999 reflected increases in the following categories:

—Vouchers processed for vendor payments were up by 451

—Purchase Orders issued for supplies increased by 740

—Metro Fare Media sold increased by 7,232.

The total cost to the Senate for the Mass Transportation Subsidy Program media was $275,260. As reported in last year's annual Report, it was anticipated that participation by Senate staff in the Mass Transportation Subsidy Program would increase with the ceiling cap being increased from $21 to $40, by the Committee on Rules and Administration, effective October 1, 1998. Participation in this program more than doubled in fiscal year 1999.

Actual sales transactions decreased by 16,538 during fiscal year 1999. This was directly attributable to new methodology being implemented to accommodate flag purchase transaction requirements. This new methodology provided a more efficient and expeditious process for purchasing flags by Senate offices.

The renovation of the Stationery Room was completed during the 2nd quarter of fiscal year 1999. This project was the culmination of many months of planning and coordination with the Office of the Superintendent, the Office of Customer Relations, the Committee on Rules and Administration and with the encouragement and sup-

port of the Office of the Secretary. New and additional shelving was installed, as well as modular furniture and cabinetry, which has provided a more efficient work environment for the associated applications of the Stationery Room. New carpeting, electrical re-configuration, painting and cabling were also accomplished during this project.

During fiscal year 1999, the Stationery Room's Y2K implementation strategy was phased in during the first three quarters in accordance with the Technology Assessment Proposal. Roll-out of new hardware, which included workstations and printers, was accomplished for the Stationery Room and the Senate Gift Shop during the second quarter, followed by the Stationery Room's migration from its Legacy system on May 1, and the Gift Shop on June 15, to Microsoft Cluster Technology to accomplish a totally redundant system utilizing Compaq 6000 and 6500 servers. Both servers and client workstations are operating in a Microsoft NT 4.0 network environment.

Special recognition should be given to the Secretary of the Senate's own Computer staff for their assistance, professional knowledge and advice regarding the Y2K planning strategies of the Stationery Room. This project could not have been accomplished without the additional support, encouragement, knowledge and professional advice rendered by the Sergeant at Arms' Office of Customer Relations and the Office Operations Division and their Technical Review Staffs.

The projects of fiscal year 1999 for the Stationery Room were implemented in a successful manner with no disruption of services to it's client base.

Personnel

The Senate Stationery Room announces the retirement of Steven G. Bale, Keeper of the Stationery, on December 31, 1999, and the promotion of Michael J. McGhee to that position.

INTERPARLIAMENTARY SERVICES

The Office of Interparliamentary Services (IPS) is responsible for administrative, financial, and protocol functions for all interparliamentary conferences in which the Senate participates by statute, for interparliamentary conferences in which the Senate participates on an ad hoc basis, and for special delegations authorized by the Majority and/or Minority Leaders. The office also provides appropriate assistance as requested by other Senate delegations.

The statutory interparliamentary conferences are:

—North Atlantic Assembly (NATO Parliamentary Assembly)

—Mexico-United States Interparliamentary Group

—Canada-United States Interparliamentary Group

—British-American Parliamentary Group.

In June, the 38th Annual Meeting of the Mexico-U.S. Interparliamentary Group was held in Savannah, Georgia. Arrangements for this successful event were handled by the IPS staff.

As in previous years, all foreign travel authorized by the Leadership is arranged by the IPS staff. In addition to delegation trips, IPS provided assistance to 11 individual foreign trips. Several other trips were scheduled, but were canceled or postponed after most of the advance work had been completed. Also, Senators and staff authorized by committees for foreign travel continue to call upon this office for assistance with passports, visas, travel arrangements, and reporting requirements.

IPS receives and prepares for printing the quarterly financial reports for foreign travel from all committees in the Senate. In addition to preparing the quarterly reports for the Majority Leader, the Minority Leader, and the President Pro Tempore, IPS staff also assist staff members of Senators and committees in filling out the required reports.

Known by many in the Senate as the "protocol office", Interparliamentary Services maintains regular contact with the Office of the Chief of Protocol, Department of State, and with foreign embassy officials. Official foreign visitors are frequently received in this office and assistance is given to individuals as well as to groups by the IPS staff. The staff continues to work closely with other offices of the Secretary of the Senate and the Sergeant at Arms in arranging programs for foreign visitors. In addition, IPS is frequently consulted by individual Senators' offices on a broad range of protocol questions. Occasional questions come from state officials or the general public regarding Congressional protocol.

On behalf of the Leadership, the staff arranges receptions in the Senate for Heads of State, Heads of Government, Heads of Parliaments, and parliamentary delegations. Required records of expenditures on behalf of foreign visitors under authority of Public Law 100–71 are maintained in the Office of Interparliamentary Services.

Planning is underway for the 41st Annual Meeting of the Canada-U.S. Interparliamentary Group to be held in the United States in 2000. Advance work, including site inspection, will be undertaken for the 40th Annual Mexico-U.S. Interparliamentary Group Meeting, to be held in the United States in 2001. Preparations are also underway for the spring and fall sessions of the North Atlantic Assembly (NATO Parliamentary Assembly).

SENATE GIFT SHOP

The Senate Gift Shop provides services to Senators, spouses, Senate Staff, visiting constituents and U.S. Capitol visitors. Products include a wide variety of souvenir items and fine gifts. Services provided include the distribution of educational materials and sale of special order products, custom framing, engraving, and shipping.

The Y2K compliance up-grades of hardware and software in the Gift Shop were successfully completed. The new cash registers were installed in all retail and special order locations and new PCs were installed in the Administrative, Special Order, Warehouse, Shipping and Engraving locations. There have been no negative ramifications realized as a result of the calender year change or the computer upgrades. We do expect to have ongoing activities associated with programming and software modifications.

The Holiday Ornament series "The Early Years of Congress" has proven to be a most successful program. The 1999 ornament depicts the building "Congress Hall" in Philadelphia, Pennsylvania, which served as the second meeting place of Congress. A total of more than 25,000 ornaments have been sold since it was first offered for purchase in September of 1999.

The Tiffany Millennium and Congressional Plates have been well received by customers. The 106th Congressional Plate was produced in a shell design using motifs from the panels of the Brumidi Corridors. Sales of this item have exceeded 300 units since introduced in July of 1999. The Congressional Millennium Plate collection is a three year series that was introduced for sale this past August with the release of the 1999 plate. The 2000 plate followed in October, just in time for the holiday sales rush, and the 2001 plate of the same series will be made available this year. The select designs used to decorate these plates were taken from art work in the 1850s extensions of the Capitol Building. The same design was used for each plate, but the base colors of the plates were changed from year to year. The 1999 plate is burgundy, the 2000 plate is gold and the 2001 plate blue.

OFFICE OF PUBLIC RECORDS

The Office of Public Records receives, processes, and maintains records, reports, and other documents filed with the Secretary of the Senate involving the Federal Election Campaign Act, as amended; the Lobbying Disclosure Act of 1995; the Senate Code of Official Conduct: Rule 34, Public Financial Disclosure; Rule 35, Senate Gift Rule filings; Rule 40, Registration of Mass Mailing; Rule 41, Political Fund Designees; and Rule 41(6), Supervisor's Reports on Individuals Performing Senate Services; and Foreign Travel Reports.

Federal Election Campaign Act, as Amended

The Act required 1999 Senate candidates to file semi-annual reports. Filings totaled 3,181 documents containing 84,421 pages.

Lobbying Disclosure Act of 1995

As of September 30, 1999, 4,813 registrants represented 13,793 clients and employed 21,279 individuals who met the statutory definition of "lobbyist." 30,886 lobbying registrations and reports were received and made available to the public.

Public Financial Disclosure

The filing date for Public Financial Disclosure Reports was May 17, 1998. The reports were available to the public and press by Friday, June 11th. A total of 2,466 reports and amendments were filed containing 12,513 pages. There were 277 requests to review or receive copies of the documents.

Senate Rule 35 (Gift Rule)

The Senate Office of Public Records has received over 1,600 reports during fiscal year 1999.

Registration of Mass Mailing

Senators are required to file mass mailings on a quarterly basis. The number of pages were 780.

Public Inquiries

From October, 1998, through September, 1999, the Public Records office staff assisted more than 3,000 individuals seeking information from reports filed with the office. This figure does not include telephone assistance. A total of 114,835 photocopies and 175 rolls of microfilm were sold in the period.

Automation Activities

During fiscal year 1999, the Public Records office accomplished the following goals: (1) all computerized systems were Y2K compliant; (2) a new campaign finance system based upon optical imaging technology replaced a mainframe system in existence since 1983; (3) initiation of a web page on Webster for the public records office offering the Compilation of Reports and Statements to be Filed by Senators, Officers and Employees of the United States Senate and Other Individuals including the ability to download all the forms needed to be filed; and (4) an addition on the Senate Web server that allows registrants and researchers to obtain the Senate identification number for Lobbying Disclosure Act registrants and clients. (This serves another purpose for the public, which is to see the list of registrants and clients under the Act.) In addition to accomplishment of these goals, the office submitted a TAP to the Rules Committee and received approval to allow transmission of electronic images of campaign finance reports to the FEC, replacing microfilm and photocopies. At the same time, the office moved forward in fulfilling its statutory requirement under the Lobbying Disclosure Act of 1995 for electronic filing and public access by seeking outside programming assistance for the web part of the system.

HISTORICAL OFFICE

Serving as the institutional memory of the Senate, the Historical Office collects and provides information on important events, precedents, dates, statistics, and historical comparisons of current and past Senate activities for use by members and staff, the media, scholars, and the general public. The Office advises senators, officers, and committees on cost-effective disposition of their non-current office files and assists researchers in identifying Senate-related source materials. The Office keeps extensive biographical, bibliographical, photographic, and archival information on the more than 1,700 former senators. It edits for publication historically significant transcripts and minutes of selected Senate committees and party organizations, and conducts oral history interviews with retired senior Senate staff.

Editorial Projects

Minutes of the Republican and Democratic Party Conferences, 1903–1964.—In 1992 the Senate leaders agreed to a recommendation of the Advisory Committee on the Records of Congress that the Historical Office preserve, edit, and publish the official minutes of each party conference, dating from the start of the twentieth century through 1964. The Office completed this project in 1999 with publication of Minutes of the U.S. Senate Democratic Conference, 1903–1964 (694 pages) and Minutes of the U.S. Senate Republican Conference, 1911–1964 (1,029 pages).

Biographical Directory of the United States Congress.—Since the most recent printed edition of the Biographical Directory of the United States Congress appeared in 1989, the Historical Office has added dozens of new biographical sketches and revised more than half of the database's 1,852 Senate entries. A current version of the database is now available online at http://bioguide.congress.gov. Work is also proceeding on the next print edition, planned for publication in 2001.

Office Building Brochures.—The Office created brochures for public distribution explaining the history and functions of each of the Senate's three office buildings.

Leader's Lecture Series.—The Office prepared a fifty-page illustrated booklet containing the 1998 Leader's Lectures of Senators Mike Mansfield, Howard Baker, and Robert C. Byrd. It also provided research and administrative support for the 1999 lectures of former President George Bush and former Majority Leader George Mitchell.

Administrative History of the Senate.—During 1999, the Office completed much of the basic research and preliminary organization for this historical account of the Senate's administrative development since 1789.

Documentary History of Senate Impeachment Trials.—This publication will present a documentary case-study look at each of the seventeen impeachment trials, focusing on the development of Senate impeachment procedures. Working drafts have been prepared for each case, with selection of key documents still to be done. Completion is expected in 2001.

Oral History Program

The Historical Office opened for scholarly research the transcripts of oral history interviews with Gregory S. Casey, former Sergeant at Arms, and Christine S. McCreary, former staff aide to Senators Stuart Symington and John Glenn. Historians conducted interviews with key staff involved in the planning and management of the Clinton impeachment trial.

Member Services

"Senate Historical Minutes".—At the request of the Senate Democratic Leader, the historian prepared and delivered a "Senate Historical Minute" at each of thirty Senate Democratic Conference weekly meetings during the first session of the 106th Congress. These 300-word Minutes are designed to enlighten members about significant events and personalities associated with the Senate's institutional development. The more than one hundred prepared since 1997 are available as a feature on the Senate home page.

Records Management and Disposition Assistance.—The Historical Office assisted various committees and members' offices with planning for the preservation of their permanently valuable records. Briefings included guidance on archiving information from computer systems, assistance with transferring committee records to the National Archives and members' records to a home state repository, and identification of which information is appropriate for historical preservation.

Impeachment trial research.—The Office provided historical information related to previous impeachment trials to the Senate leadership, officers, and individual members, as well as to the press and general public.

Photographic Collections

The Office continued to expand its 35,000-item photograph collection by creating a photographic record of historically significant Senate events and by actively seeking photographs of former Senators. The photo historian began cataloging that collection by entering information into an image database. That staff member converted 9,000 photographs into digitized images, a process that will help preserve frequently used photographs by storing them in an easily accessible format. Photographs can now be viewed in electronic format and transmitted via e-mail.

OFFICE OF THE SENATE CURATOR

The Office of Senate Curator, under the direction of the Senate Commission on Art, administers the museum programs of the Senate for the Capitol and Senate office buildings. The Curator and staff suggest acquisitions, provide appropriate exhibits, engage in research, and write and edit publications. In addition, the office studies, identifies, arranges, protects, preserves, and records the historical collections of the Senate, including paintings, sculpture, and furnishings, and exercises supervisory responsibility for those chambers in the Capitol and the jurisdiction of the Senate Commission on Art. All records of research and documentation related to these areas of responsibility are available for use by Member's offices, the media, scholars and the public. With the establishment of the United States Capitol Preservation Commission, the Senate Commission on Art has become the designated recipient of objects with Senate association received by the Preservation Commission, and is tasked to "provide to the Capitol Preservation Commission such staff support and assistance as the Preservation Commission may request."

Collections: Commissions, Acquisitions, and Management

In October the Senate Commission on Art approved the commissioning of several significant portraits for the Senate collection. The Senate Leadership Portrait Collection was established to honor duly elected Presidents pro tempore and Majority and Minority Leaders of the U.S. Senate. The Commission further agreed to proceed with commissioning two portraits of former Republican and Democratic Leaders of the Senate, based on the recommendations of the Majority and Minority Leaders. A portrait of Senator James Eastland will also be added as part of this series. Eastland was chairman of the Judiciary Committee for over 22 years—the longest continuous service of any Senate committee chair—and was President pro tempore from 1972 to 1978. Additionally, portraits of Senator Margaret Chase Smith and Blanche Kelso Bruce were authorized as part of an effort to enhance the Senate collection with portraits of significant women and minorities who served the Senate with distinction. Smith was the first woman to win election to both houses of Congress, and the first woman elected to a leadership post in the Senate as chair of the Republican Conference; Bruce was the first African American to serve a full term in the United States Senate, as well as the first African American to preside over the Senate. The Office of Senate Curator has developed a list of prospective artists, and an advisory

panel of professionals in the field is scheduled to review the candidates and provide recommendations. The Senate Commission on Art will then select the final artists to execute the portraits.

At the request of the Senate Commission on Art, the Senate passed a resolution directing the Commission to recommend past Senators whose paintings will be placed in two of the remaining unfilled spaces in the Senate Reception Room. The legislation notes that outstanding Senators will be selected who are deceased and have not served in the Senate for the last 21 years. Following Senate approval of the final two candidates, the Commission will begin the process of selecting appropriate artists.

In addition to these commissioned portraits, a number of significant works were acquired for the Senate collection in 1999. These included 17 prints for the Senate's collection of historical engravings and political cartoons. Among the most important works purchased were an 1844 lithograph of Henry Clay after a John Nagle painting, and a rare 1848 print of the Capitol. The Senate study collection of 19th and early 20th century images of the Senate and Capitol comprises over 1,246 prints; it is one of the most extensive collections on the subject in the country. In addition, the Senate acquired an 1890 gouache (watercolor) of the Senate Chamber by T. Dart Walker, which was later used as a cover illustration for the December 23, 1899 issue of Frank Leslie's Illustrated Weekly; an original Supreme Court Justice desk built by James Green in 1836; an 1844 Capitol autograph album with 270 signatures, including members of Congress and other political notables; 23 admittance tickets printed for the 1868 impeachment trial of Andrew Johnson; and a 19th century breakfront for the Senate Chamber lobby. A significant number of objects were preserved and catalogued from the impeachment trial of William Jefferson Clinton. Recognizing that the Senate had not saved any objects from the Johnson impeachment trial, the Office of the Curator initiated a comprehensive effort to ensure that appropriate objects were collected and preserved from the Clinton trial. The office also assisted in the creation of various mementos for impeachment participants.

Nine new reproduction prints were acquired for the collection. The Curator staff is responsible for loaning and monitoring 450 prints in the reproduction collection. Currently 356 reproduction prints are on exhibit in various offices and rooms in the Senate wing of the Capitol and Senate office buildings. The Office of the Curator received and catalogued five significant gifts accepted by senators from various foreign governments. The foreign gift disposition policy initiated by the Curator in 1998, as approved by the Committee on Rules and Administration and the Select Committee on Ethics, was continued in 1999. Thirteen gifts were permanently transferred to various repositories; the Curator staff organized and assisted in the packing and shipping of these items. One additional foreign gift was purchased by a senator through the General Services Administration procedure.

In the area of automation, electronic information for the foreign gift and reproduction art databases was successfully migrated from SNAP! to FileMaker Pro as part of a larger project to convert all collection databases to this software program. In FileMaker Pro, a catalog worksheet and object summary report was created for the foreign gift database and a columnar location report was created for the reproduction art database. Efforts were begun to integrate this electronic information with images of collection objects. Color transparencies of objects were professionally scanned at a high resolution for preservation and study purposes, and at a low resolution for inclusion in the collections management database and web site.

For the second consecutive year an extensive annual inventory of the permanent, foreign gift, and reproduction art collections were completed using a computer generated master list of all collection objects. Staff members were able to expand on information gathered and entered into the database in 1998. Detailed information such as past locations, current locations, current condition, and current contact information was accurately recorded, and the inventory results summarized in a formal report.

The office worked with the Capitol Maintenance Division and the Engineer's Office of the Architect of the Capitol to draft renovation proposals to improve two archival storage areas. When completed, both rooms will be self-contained units that meet museum standards, thus assuring that the Senate collections stored in these rooms are preserved and protected from harmful agents of deterioration.

The office also worked with legal counsel for the Secretary to resolve major issues regarding insurance of objects in the collection, specifically with regards to incoming and outgoing loans, shipping arrangements, and potential damage to objects during a major disaster.

Work continued on the comprehensive disaster preparedness, response, and recovery plan for the Senate's historic collections. The Capitol Hill Disaster Assistance Group (CHDAG) continued drafting sections of a mutual aid agreement, including

a new memorandum of understanding which recognizes a critical need for a disaster recovery space. A table top exercise was held with CHDAG members and various Capitol offices to simulate a disaster occurring at the Capitol and to discuss joint initiatives for responding to and recovering from the disaster. The office also continued with preparations for the creation of a Senate art emergency plan. This included accessing the computerized architectural maps of the Architect of the Capitol over the network in order to create art location maps; duplicating all color transparencies of collection objects for off-site cold storage at Archives II of the National Archives; and creating three React Paks, containers of materials needed to respond to an emergency within the first 20 minutes.

Conservation and Restoration

The conservation of several significant works of art was completed. These included the sculpture of Justice and History in the Capitol terminus of the Senate subway, the recently acquired gouache by Walker of the Senate Chamber, several of the Lily Spandorf drawings, and historic furniture from the Senate Library third floor Capitol project. Three historic overmantel frames for mirrors were also regilded. In addition, the staff worked with the Senate Superintendent's Office to install three plaster relief panels in the subway area. These panels were the models used by Lee Lawrie to create the marble reliefs located in the Senate Chamber; the Curator's staff discovered one of these reliefs in storage in the Capitol Mason Shop. The reliefs are scheduled for conservation in February 2000.

The office continued with the Senate Chamber desk restoration program begun in 1997, and ten additional desks received conservation treatment. To date, 20 desks, including the Jefferson Davis and Daniel Webster desks, have been professionally restored. The treatment process addresses the wear and degradation of these historic desks due to continued heavy use. The project also involves extensive documentation of the condition, construction details, wood type, measurements, and restoration of each desk. Following conservation, a final report detailing treatment was submitted to those Senators whose desks were conserved. In order to preserve the desks, various initiatives were undertaken, including installation of heavy-gauge mylar sheeting in the desk drawers to protect the historic names carved inside; fabrication and installation of rubber bumpers at the ends of each chair arm to eliminate damage to the desk fronts; and application of metal toe caps over the existing desk feet to preserve the original carved wood from continued abrasion.

Following an extensive furniture survey conducted in 1997 by conservator Robert Mussey Associates, a comprehensive restoration program has been implemented for the historic furnishings in the Old Supreme Court Chamber. While this chamber was restored in 1975, conservation of the historic furnishings was inadequate at that time, and in some cases has been found to have been incorrect. Among the items restored were ten Old Supreme Court Justices desks. The conservation treatment for these desks included uncovering and restoring the original finish layers and replacing the writing tops with appropriate green wool broadcloth. In addition, the historic Willard Clock was restored; a significant amount of bronze powder overpaint was removed from the wooden clock case, revealing an original layer of gold leaf gilding. Further research is currently being conducted on the various historic furnishings in the room to ensure a more accurate and authentic recreation of the chamber.

Historic Chambers

The Curator staff continued to maintain the Old Senate and Old Supreme Court Chambers, and coordinated periodic use of both rooms for special occasions. Thirty-three requests were approved for use of the Old Senate Chamber, and thirty were approved for the Old Supreme Court Chamber. Several significant events were held in the Old Senate, including a closed meeting of the Senate to discuss the Clinton impeachment trial, the re-enactment ceremony for members of the 106th Congress, and a similar re-enactment for Senator Lincoln Chafee; and two evening lectures as part of the Leader's Lecture Series, which presents outstanding former Senate leaders sharing their insights about the Senate as an institution. Along with general care and maintenance of the rooms, new carpeting was installed in the public area of the Old Senate Chamber and a remote-controlled lighting system was installed in the Old Court.

Loans To and From the Collection

Of major significance was the return of the historic Senate bill hopper to its original location in the Old Senate Chamber. The bill hopper was used in the Senate during the early 19th century to store and track bills; it is believed that as a bill advanced through the legislative process it moved up the shelves of the hopper. A long-term loan of the bill hopper has been arranged with the Smithsonian Institu-

tion. A total of 72 loans of historic objects and paintings are currently maintained by the office, an increase of 38 percent from last year. The Curator staff returned four expired loans to various museums and institutions, while eight new objects were borrowed in 1999 for display in the Capitol Building. Two political cartoons in the Senate collection were loaned to the Brandywine River Museum in Pennsylvania for their exhibition titled The Political Pen of Thomas Nast.

Exhibitions and Publications

The office continued its ambitious publications program, producing five new brochures and reprinting several popular ones. The new design format established last year for these publications continues to be highly successful; the consistent look for Senate educational publications ensures that they are readily identified by visitors, and helps lay the foundation for the Senate's public education effort as plans proceed for the Capitol Visitor Center. New publications in 1999 included: The United States Senate: 106th Congress; The Vice President's Room; A Pictorial Guide to Senate Floor Staff; The Old Senate Chamber: 1810–1859; and The Old Supreme Court Chamber: 1810–1860. The Foreign Relations Committee Room and The Lyndon Baines Johnson Room are currently in production and scheduled for release in February 2000.

The long awaited publication United States Senate Fine Art Collection has progressed considerably and is in its final stages. Along with the writing and editing of this catalogue, related projects included completing the professional photographing of both the collection and a number of room views, and developing a comprehensive bibliography. It is anticipated that the volume will be available in the fall of 2000.

In July a new exhibition titled Advise & Consent: Drawings by Lily Spandorf opened in the first floor connecting corridor of the Senate wing. The exhibit showcases more than 25 drawings by artist Lily Spandorf, made during the Washington filming of the 1962 movie "Advise & Consent". These original illustrations depict the Senate, the Capitol, and other Washington landmarks during the filming of this classic political thriller. The exhibit draws from 80 pen-and-ink sketches and two watercolors the Senate recently acquired from the artist. An interactive computer exhibit comparing Ms. Spandorf's drawings with the film is scheduled for installation in early 2000.

Policies and Procedures

With assistance from legal counsel for the Secretary, the photographic reproduction request policy and procedures were revised substantially. During 1999, over 50 requests to reproduce photographic images in the Senate collection were approved and processed. Approximately 11 requests were denied because they did not fit within the scope of the photographic reproduction policy. In addition, the office established new guidelines and procedures for filming, videotaping, and photographing in the Old Senate and Old Supreme Court Chambers. Those requesting permission to record the chambers for educational or newsworthy purposes are now required to sign a contract stipulating their adherence to the new guidelines; the procedures will significantly improve the security and maintenance of these rooms. Guidelines for visiting researches were also established in an effort to more efficiently serve the needs of scholars and students utilizing the office's reference materials.

Collaborations, Educational Programs, And Events

As part of the seminar series conducted under the auspices of the Secretary of the Senate and the Sergeant at Arms, the staff of the Curator's Office continued to deliver periodic addresses on various aspects of the Senate's art and history. Staff conducted or assisted with several sessions, including "Behind the Scenes at the Capitol," a tour of some of the lesser known rooms and spaces in the building, and "Congress & the Capitol: Tour Guide Series."

The curatorial staff worked closely with the Senate Gift Shop in developing a number of mementos based on the art and architecture of the Capitol. Most notably, the office assisted in the design of the 1999 Congressional Holiday Ornament. Romance cards which provide important historical and educational information were produced for this project, as well as others.

The official Senate chinaware was inventoried and used at over 20 receptions for distinguished guests, both foreign and national.

Automation

In addition to consolidating and refining its presence on the newly-launched Senate web site, the Office of Senate Curator worked with the Government Printing Office to design an interactive web-based exhibit. Using already existing elements of the Senate Art in Stamps web site (previously posted as static pages in 1998), the

Typography and Design section of GPO created a colorful, active exhibit that better utilizes the resources of the internet. Several similar efforts are planned for 2000.

Objectives for 2000

Conservation concerns continue to be a priority. Restoration projects in 2000 will include the Senate Chamber desks (with an additional 15 desks to be restored), various original lawyer's tables and roll top desks from the Old Supreme Court Chamber, the plaster sculpture of Justice, several historic mirrors, two paintings with frames, the three Lee Lawrie plaster reliefs, and the Senate snuff boxes. Paint analysis of various locations in the Capitol will also begin in an effort to more accurately represent the original historic colors of the building, along with continued conservation of the Brumidi Corridor frescos.

A new exhibition highlighting 200 years of presidential inaugurations at the Capitol will be installed in the first floor connecting corridor of the Senate wing in November. Additionally, the new display area in the vacant stairwells of the Brumidi Corridors will finally be completed.

Work will continue on the comprehensive disaster preparedness, response, and recovery plan for the Senate's historic collections.

Additional signage will be developed for various locations in the Senate. These signs utilize the design elements of the Secretary's educational publications and provide visitors with a brief history of various rooms and works of art. Signs planned for 2000 include the Old Supreme Court Chamber, the Senate Appropriations Committee Room, the Senate Chamber Gallery, Justice and History, and the Lee Lawrie reliefs in the Senate subway area.

The Senate Art web site is also slated for several major improvements in 2000. New exhibits highlighting various conservation programs, specifically the Senate Chamber desks and Brumidi Corridors. Visitors will learn the history of these historic desks and corridors, the proposed conservation treatment, and the science of conservation in general, and will be updated on the progress of current efforts.

The Curator staff will assist the Senate Commission on Art in developing a comprehensive preservation policy for the Senate. Although the Senate's historic architecture and its art is universally recognized as uniquely significant, no preservation plan has ever been designed to protect its integrity or to prevent its gradual—or inadvertent—degradation. Increasingly, heavy use of the Senate wing of the Capitol presents special challenges in adapting the aged building to new needs and in restoring and retaining its historic character and authenticity. The principles defined in the preservation policy will serve as a general guide for the restoration and preservation of the Senate wing, and will promote preservation-sensitive planning.

SENATE PAGE SCHOOL

The United States Senate Page School provides a smooth transition from and to the students' home schools, providing those students with as sound a program, both academically and experientially, as possible during their stay in the nation's capital, within the limits of the constraints imposed by the work situation.

Summary of Accomplishments

School is conducted between the hours of 6:15 A.M.–9:45 A.M. unless the Senate convenes early. When this occurs, the school day is abbreviated. School was in session on five Saturdays which were used to give the PSAT and take educational field trips to extend the learning experience.

Purchases for use in the school included an HP Scanjet Scanner, a tripod screen, and TI 89 calculators for math classes. Math and U.S. History software was purchased. The text, Intermediate Algebra—A Graphing Approach was purchased for use in the algebra II class. Grapes of Wrath, Catcher & the Rye, and Vocabulary Builders were purchased for use in the English classes.

PSAT review was presented to all students this fall by staff and the PSAT was administered on the national testing date. Instruction in five foreign languages was provided by tutors. Staff attended a number of development activities including computer classes, Advanced Placement training, and subject matter specific seminars.

Bulletin boards and fireproof file cabinets were installed in the library. The computers formerly located in the math classroom have been relocated to the library to allow more access by pages. Classes which need to use the computers now meet in the library for those assignments.

Summary of Plans

Closing ceremony will be conducted on January 21, 2000. Orientation and course scheduling for the second semester pages will be conducted on Monday, January 24, 2000.

Needs of the incoming students will be immediately assessed and a schedule will be devised to meet their needs. Tutors for foreign languages will be obtained and field trips will be planned as time allows.

The recommendation of the Middle States Association of Colleges and Schools to strengthen the program by training all teachers in Advanced Placement curriculum in their disciplines should be completed within the next year for new staff.

Staff development opportunities for 2000 include the option of additional computer training for all staff, Advanced Placement workshops for two staff members, and subject matter conferences conducted by the national organizations supporting the various academic disciplines will be investigated as well. A review will be conducted in all subjects to determine which, if any, textbooks need to be replaced. Software will be reviewed and new requests will be investigated.

INFORMATION SYSTEMS

The staff of the Department of Information Systems provides technical hardware and software support for the Office of the Secretary of the Senate. Information Systems staff also interface closely with the application and network development groups within the SAA, the Government Printing Office (GPO), and outside vendors on technical issues and joint projects. The department provides computer related support for the all LAN-based servers in the Office of the Secretary of the Senate.

Additionally, staff provide direct application support for all software installed workstations and interact with next generation hardware and software implementations.

Mission Evaluation

The primary mission of the Information Systems Department is to continue to provide a high level of customer satisfaction and computer support for all departments with the Secretary of the Senate. Emphasis is placed on the creation and transfer of legislation to outside departments and agencies.

Staffing Changes

There were no direct or indirect additions to the staffing levels in fiscal year 1999. Although staffing levels remained unchanged, improved techniques were developed to extent the levels of technical help to Secretary staff. These measures include the ability to diagnose and remotely repair LAN workstations, on-line web-base application training and the continuing effort to evaluate new technologies in the workplace.

Several Departments, namely Disbursing, Office of Public Records, Chief Counsel for Employment, Page School, Senate Library, Senate Security and Stationery/Gift Shop have dedicated systems administrators and NT servers installed. In most cases the separate systems hold unique applications, and isolated LANs were set up for security reasons. Information Systems continues to provide hardware and software support for these department as required and assist in project upgrades.

Improvements to the Secretary's LANs

The Senate had chosen Windows NT as the standard network operating system in 1997. The continuing support strategy is to enhance existing hardware and software support within the Information Systems Department, and augment support from the Sergeant at Arms whenever required. The below chart notes the installation of seven different servers. The Secretary's Network encompasses approximately 400 users in the Capitol, the Senate Hart and Dirksen Buildings and the Page School. The LAN operating system is 97 percent Microsoft based and 3 percent Novell based server software.

Department	NT/PDC	NT/BDC	NT/Single	Novell 4.x	Totals
Information Systems	1	1	3	1	6
Disbursing	1	1	1	.....	3
Library	1	.....	1	.....	2
Printing and Document Services	.....	.....	1	.....	1
Official Reporters	.....	.....	.....	1	1
Chief Counsel	1	1	.....	.....	2
Page School	1	.....	.....	.....	1
Stationery	1	1	.....	.....	2
Senate Security	1	.....	.....	.....	1

Department	NT/PDC	NT/BDC	NT/Single	Novell 4.x	Totals
Totals	7	4	6	2	19

NT/PDC—Primary Domain Controllers; Dark Cells—Systems Changes in 1999; NT/BDC—Backup Domain Controllers.

The above chart indicates several additional servers installed this past year, namely

—Installed and added fault tolerant domain server in Disbursing
—Installed and added Oracle/Web server in Senate Library
—Dedicated CC:MAIL Server for Secretary office
—Retired Stationery/Gift Shop Novell Server
—Retired Senate Library Novell Server.

These installations were vital to the completion of the Y2K compliance project for the Secretary's office. The Disbursing office server required a higher degree of built-in fault tolerance to achieve zero-down time for all Disbursing transactions. The Senate Library project Oracle server finalized a year long replacement search for the older Marc (machine readable cataloging) databases.

The non-compliant Stationery/Gift Shop mainframe was replaced with a clustered-array, fault tolerant system to accommodate all business functions.

Legislative Information System/Document Management System (LIS/DMS)

Support staff of the Secretary and Sergeant at Arms continue to work together to support the current LIS/DMS system. Beginning in June 1999, eight major releases of KPMG authored LIS client software were introduced and tested on all legislative clerk workstations. Installation and testing continued until the final software release in January 2000. During this testing period, the existing hardware workstations required replacement. Although all hardware had been deemed compliant, the new LIS client software required additional Windows resources to coexist with previous installed applications. All legislative clerk hardware workstations were replaced with high performance Compaq Pentium III units and tested for LIS functionality in 1999. In conjunction with SAA Networking operations, an extensive analysis of LIS network performance was completed in November. LIS report generation was monitored and no appreciable network congestion was noted. To improve overall network performance, older Cabletron HUBs were replaced with more efficient Cisco intelligent switches in all departments in the Capitol.

Captioning Services (ST–54)

The Official Reporters and Captioning department share a common Novell server. They use specialized software called Computer Aided Transcription (CAT) for translating their stenography code into English. In 1998, all hardware and software was tested for Y2K compliancy. Ongoing evaluation of next generation software is continuing as a replacement for the older Xscribe software application. In 2000, applications will be consolidated to achieve improved reliability, the older Novell server retired and replaced, and workstations replaced to accommodate new applications.

Working with Senate Security on disaster preparedness plans, the Xscribe software for Captioning and Reporters was installed and tested on Compaq laptops. In emergencies, should the Senate convene in some location other than the Capitol, Reporters could use laptops to process legislation. The final image copy of this laptop software was recorded on CD–ROM, and transported to the secure locker in the Disbursing Office vault.

Official Reporters of Debates (ST–41/44)

The Reporters and Captioning personnel utilize the same caption software, with the exception that Captioning Service sends encoded output to the Senate Recording Studio, and Reporters send Ascii files to GPO. Detailees add at the final stage, added code for MicroComp formats prior to transferring the files to GPO. In Q1/Q2 of 1999, our staff upgraded the Reporters software to allow operation of the Xscribe application in a Windows 95 environment.

This operation has been tested previously in Caption Services. Meanwhile ongoing evaluation of replacement software continues with the Case-catalyst software. Hardware upgrades are planned in Q2/Q3 of fiscal year 2000 to replace and retire the Novell server and workstations in both Reporters and Captioning departments, condense email operations by combining the Reporters and Captioning department with the Secretary's central email post office.

The Senate Gift Shop LAN (in two separate locations)

At the request of GAO, for security reasons, the Gift Shop LAN and the Stationery LAN must be isolated from each other and neither connected to the Sec-

retary's LAN. The Gift Shop LAN houses the inventory and transaction records for the Gift Shop. In August of 1998, an NT Server was installed by Info systems staff as a Primary Domain controller. Working with Telecom, SAA, and Stationery staff and consultants, the necessary fault-tolerant components were installed, and networking requirements identified to replace the current MAI mainframe. In December 1998, Info systems staff developed a standard software template, and procedure to install new NT clients. The existing MAI mainframe and all existing PC's were replaced in Q1/99 with Y2K compliant hardware and software compliance testing completed in June 1999.

The Page School LAN

The Page School server version 3.51 was upgraded to a Y2K compliant version NT Operating System Version 4.0 in August 1999. CC:MAIL server software and clients software upgrades were also completed at this time. Network security and scanning capabilities were added in September.

The Office of Senate Security LAN

The Office of Senate Security inventories and tracks all classified information that comes into the Senate. In the Fall of 1996 their system was completely upgraded from a Novell system to a new Windows NT LAN with top-of-the-line equipment and a new Document Management System was purchased. For security reasons, the computer systems in Senate Security cannot be connected to any other system in the Senate so two PCs connected to the Secretary's LAN (and not to their LAN) have been installed so that staff can have access to cc:mail and the Internet. cc:mail Upgrades were performed to bring the client version up to at least version 6.x. In 1999, NT server software upgrades were installed to achieve Y2K compliance.

The Senate Disbursing Office LAN

By the end of September 1998, all new Windows 95 clients had been installed in Disbursing, but no additional changes had occurred with respect to the NT Server operation. In November 1998, an upgraded NT server hardware configuration was identified and ordered from SAA. This replacement NT server was installed in 1999 with a level of hardware fault tolerance which implements a disk drive storage array and redundant power supplies to achieve zero levels of server downtime. In October 1999, the Disbursing office migrated the payroll application and was certified Y2K compliant.

The Office of Public Records (OPR)

OPR uses FileNet, a UNIX-based document management and imaging system, for maintaining public records such as lobbying forms; campaign finance reports; and financial disclosure reports. PC's are available to the public for searching, viewing, and printing these documents. These six patron systems were replaced in Q2/99. The FileNet workflow system includes scanning the original document into the database, inputting some data regarding the document, and then microfilming it for archival purposes.

In Q2/99 the server software was upgraded to NT 4.0, allowing the FileNet application software to be ported to the next higher Y2K compliant version. In June 1999, all hardware and software had been certified Y2K compliant. A working group has been established to tackle the current projects with the Federal Election Commission and the Lobby Disclosure Act.

Bill Clerk (S–123)

All hardware for the Bill Clerks was replaced in 1999. Older LEGIS applications were retired, and LIS software tested and certified compliant in November 1999. Information systems staff continue to monitor and support the ATS amendment tracking process in this office to insure proper operation.

Enrolling Clerk (S–139)

In May of 1998, the Government Printing Office, in conjunction with the Senate Office of Legislative Counsel, moved Senate legislative documents from a DEC–VAX mainframe located at GPO, to a standalone secure HTTP Web server located at SOLC. This Web server was only accessible from a single workstation in the Enrolling clerks office. Working with SAA Networking operation personnel, in August 1999 internet accounts were established and access to SOLC from every desktop workstation was implemented. In December 1999, all workstations were upgraded and LIS software tested with existing applications.

Journal Clerk (S–135)

With the disconnection of the DEC mainframe noted above, the Journal Clerk could no longer retrieve the previous days Congressional Record from GPO. In De-

cember 1998, beta testing continued for replacing the " two PC's" for every clerk in the Journal Clerk's office with one single Windows 95 client that would execute WordPerfect and Ventura applications. This information produces a camera-ready Journal output to be sent to GPO for publication. This process was completed in March 1999, and all clerk system software migrated to Microsoft Windows 95.

Networking applications to the previous Novell server were no longer required, and a new Ventura8 application was utilized to print the Senate Journal in December 1999.

Morning Business/Daily Digest/Court Reporters

All hardware workstations were replaced in the Daily Digest in 1999. As part of the overall LIS hardware platform upgrade, all existing WordPerfect macros were tested and verified for successful production of the Congressional Record.

Senate Library

The primary support goal for the Senate Library was to upgrade and replace all existing hardware and software prior to the Library move in January 1999. In December 1998, Info staff personnel replaced all Library Windows workstations, added a NT 4.0 Server, and implemented improved network printing for the Senate Library. DataTrek replacement software was purchased to meet Y2K compliancy in September 1998 but proved unsatisfactory. Beginning in March of 1999, a suitable replacement application needed to be found, and the TLC Corporation was selected a the vendor of choice. The drawback was the short time frame to completed the MARC catalog conversion and the installation of a separate Oracle NT Server for the Library. Information Systems staff installed the necessary operating systems, and converted the existing Windows 95 software templates to Windows NT. In January 2000, TLC installed the Oracle Server application, and converted MARC catalog successfully. This achievement, simply put, means that any Secretary employee can verify the status of a particular book in the Senate Library from their desktop web browser application.

Printing and Document Services (OPDS—SH–B04)

In April 1998, SAA contracted Wang to install a new server for Printing and Document Services. Wang installed the NT server as a Secondary Domain Controller to the Secretary's LAN and transported the hardware to Postal Square for further engineering. In August 1998, Secretary staff reinstalled the operating system at Postal Square for SAA development staff. In June 1999, this server was relocated to OPDS and installed by Information Systems staff as part of the Secretary's LAN. Project completion was scheduled for Q2/Q3 1999 with the transfer of this server to Printing and Documents Services. In September 1999, Y2K testing occurred, and new applications for Hearing and Billing verification were installed and deemed compliant for operation on October 1, 1999.

In order to maintain Y2K compliance, GPO installed an additional Unix server to transfer files between the existing Docutech printer and the main GPO facility in December 1999.

Year 2000 Department Status

The primary goal of Information Systems Department this past year was to insure Year 2000 readiness and compliance for all installed hardware and software systems.

In conjunction with the Sergeant of Arms Y2K Project Office, the Mitretek Group, the Architect of the Capitol, the James Martin Consulting Group, and the Y2K Legislative Branch Committee have all corroborated and planned together to accomplish this goal. Y2K compliance became mandatory requirement for all new projects.

The Legislative Information System (LIS), which is composed of the new Document Management System, Amendment Tracking, and Committee Scheduling replaced the current LEGIS Mainframe application and passed compliance testing in November 1999.

The Financial Information System (FMIS) applications consist of two modules, FAMIS and ADPICS, are compliant and in present use in Disbursing, SAA, and the Secretary's office.

Other Y2K projects included the replacement hardware and software for the Office of Printing and Document Services, and the mainframe replacement in the Stationery Room/Gift Shop. OPDS was completed for the beginning of the new fiscal year 2000 on October 1, 1999, while Stationery completion occurred in June 1999.

Major efforts resolved numerous Y2K potential problems in 1998 and 1999. Every hardware and software system was verified compliant prior to the century change. Proper prior planning prevented poor performance. The Y2K millennium bug evolved into the Y2 okay bug.

WEBMASTER INTERNET SERVICES

The Webmaster for the Office of the Secretary designs, developments and maintains web sites to provide Senate staff, and to a lesser degree the general public, access to those administrative, legislative, and financial services that are the responsibility of the Secretary of the Senate. The Secretary also uses the Senate public web site as a means of educating the public about the Senate as an institution.

E-Mail Stats

During the impeachment trial in January and February the Webmaster received an average of 1,500 messages each month. E-mail traffic returned to normal levels for the remainder of 1999. In an typical month, the webmaster receives about 250 messages. This amount has been consistent over the years, however, the webmaster is receiving more appropriate questions regarding where to find information online and less comments directed towards Senators. This may be because the new site design makes it easy for visitors to find their Senator's e-mail address. In addition, this year showed a substantial increase in questions by students working on class assignments. Typical questions asked include, "who is the Majority Leader; who is the President of the Senate; or how long is the term of a Senator?" Instead of answering these questions the webmaster provides instructions on where to find the information on the web site.

The Senate Web Site

The Senate web site was redesigned for the 106th Congress and was released on January 6th. Public response to the new release was extremely positive. During January and February the site design was fine-tuned and the content was expanded.

The Senate web site averages about 25,000 visitors a day. The main Senate Home Page itself is accessed approximately 11,500 times a day. Visitors to the Senate web site stay on the average about 15 minutes.

The presence of the Office of the Secretary on the Senate web site was enhanced this year. Descriptive information about the organization and biographical information about the Secretary was posted.

Hacking Incident

The Senate web site was hacked on May 27th and vandalized again on June 11th. The Office of the Secretary worked closely with the Sergeant at Arms to assure that the data on the site was not compromised. Security measures on the internet server were enhanced and the business processes for posting to the server were redesigned.

Legislative Reports

The legislative reports on the Senate web site in the past have been generated from the LEGIS system and posted each evening to reflect the floor activity that day. During 1999 these reports were rewritten to run from the new LIS DMS. The Office of the Secretary has been working together with the Sergeant at Arms to make sure these reports are accurate when generated from the new source.

Senate Intranet Enhancements

During 1999 plans were developed and implementation begun to greatly enhance and redesign the Secretary's web presence within the Senate. A new structure for organizing and presenting the information was developed based on how Senate staff look for information. A graphic design for the site was drafted and received initial approval.

The web pages of several of the Departments of the Office of the Secretary were enhanced in 1999 to bring more information and services to Senate staff.

A web page for the Disbursing Office was created to make benefit forms and instructions available to Senate staff in PDF format for downloading.

The web page for the Document Room was redesigned and an order form was posted for online requesting of documents.

A web site was developed for the Office of Public Records. The various forms that are required to be filled out by Senate staff are available for downloading in PDF format.

During 1999 a web server was configured and installed on the Secretary's network. This server is currently being used as a development server, however, in 2000 it will be converted to the production server for an intranet accessible by Secretary staff only.

INTERPARLIAMENTARY SERVICES—TRIPS 1999

January 7–11, 1999.—Codel Kyl; Israel, Jordan; (Senators Kyl, K.B. Hutchison, Enzi)

April 4–11, 1999.—Codel Daschle; Argentina, Brazil, Chile; (Senators Daschle, Reid, Dorgan, Campbell)

April 16–18, 1999.—Leadership Codel; Germany, Belgium, Italy, Albania, Macedonia; (Senators Stevens, Levin, Nickles, Robb, Thompson, Roberts, Durbin, Biden Baucus)

May 14–17, 1999.—Codel Hutchison/Lautenberg; Balkans; (Senators K.B. Hutchison, Lautenberg, Harkin, Grams, G. Smith, Voinovich)

May 20–24, 1999.—Canada-U.S. Interparliamentary Group; Quebec, Canada; Chairman: Senator Murkowski; Vice Chairman: Senator Murray; (Senators Murkowski, Grassley, Akaka, Inhofe, DeWine, Grams, Voinovich)

May 25–June 4, 1999.—North Atlantic Assembly (NATO Parliamentary Assembly); Poland, Switzerland, Lithuania; Chairman: Senator Roth; Vice Chairman: Senator Biden; (Senators Roth, Biden, Murkowski, Inhofe); (Canceled)

June 25–27, 1999.—Mexico—U.S. Interparliamentary Group; Savannah, Georgia; Chairman: Senator Coverdell; Vice Chairman: Senator Dodd; (Senators Coverdell, Sessions)

July 4–11, 1999.—Organization of Security Cooperation in Europe (OSCE); St. Petersburg, Russia; Co-Chairman: Senator Campbell; (Senators Campbell, K.B. Hutchison, Voinovich)

July 23–25, 1999.—British American Parliamentary Group; Greenbrier, West Virginia; Chairman: Senator Stevens; Vice Chairman: Senator Byrd; (Senators Stevens, Byrd, Domenici, Cochran, Reid, Roberts, Reed, Enzi)

August 13–15, 1999.—Codel Daschle; Cuba; (Senators Daschle, Dorgan)

November 11–20, 1999.—North Atlantic Assembly (NATO Parliamentary Assembly); Netherlands, Switzerland, Slovenia; Chairman: Senator Roth; Vice Chairman: Senator Biden; (Senators Roth, Biden, Grassley, Akaka, Bennett); (Canceled)

Interparliamentary Services: Official Foreign Visitors in 1999

January 25—Ukranian Parliamentarians (20) (Canceled)

February 24—His Excellency Dr. Carlos Ruckauf, Vice President of Argentina (5)

March 25—His Excellency Yevgeniy Primakov, Prime Minister of Russia (10) (Canceled)

April 22—His Excellency Tony Blair, Prime Minister United Kingdom (6)

April 23—50th Anniversary of NATO Joint Leadership Event (522)

April 23—His Excellency Eduard Shevardnadze, President of Georgia (9) (Canceled)

May 4—Canadian Parliamentarian reception (20) (Canceled)

May 4—His Excellency Keizo Obuchi, Prime Minister of Japan (15)

May 20—His Majesty Abdullah bin al-Hussein, King of Jordan (6)

May 27—Iraqi National Congress (6)

May 28–29—The Honorable Harold Romer, Deputy Director General of the European Parliament (1)

June 16—Mr. Howard Wilson, Ethics Counsellor, Canadian Government (1)

June 30—His Excellency Mohamed Hosni Mubarak, President of Egypt (8)

July 13—His Excellency John Howard, MP Prime Minister of Australia (7)

July 20—His Excellency Ehud Barak, Prime Minister of Israel (1)

July 27—His Excellency Sergey V. Stepashin, Prime Minister of Russia (11)

September 13—British Parliamentarians, Delphi International (8)

September 21–28—Members of the Russian Federation Leadership Program (9)

September 22—His Excellency Andres Pastrana, President of Colombia (7)

September 23—(NATO) Parliamentary Assembly (64)

September 23—His Excellency Eduard Shevardnadze, President of Georgia (7)

October 14—Members of the National People's Congress of China (9) (Canceled)

November 3—Iraqi National Congress (7)

November 4—Senator Margaret Reid, President of Australian Senate (7)

November 4—His Excellency Milo Djukanovic, President of Montenegro (6)

November 4—Canadian Delegation (5)

November 8–12—Mr. Andrew Snedden, Australian Parliamentarian (1)

November 17—Dr. Bae Souk-ki, Korean National Assembly (1)

November 19—Kuwaiti Diplomats (13)

December 10—Mr. Benedetti, Mayor of Milan, Italy (7)

December 18—Students from Mexico's Institute of Technology (7)

PREPARED STATEMENT OF TIMOTHY S. WINEMAN

Mr. Chairman, I appreciate the opportunity to present to your Committee, the Budget of the United States Senate for fiscal year 2001.

Mr. Chairman, the fiscal year 2001 budget estimates for the Senate have been included in the Budget of the United States Government for Fiscal Year 2001. This Budget has been developed in accordance with requests and proposals submitted by the various offices and functions of the Senate. The total budget estimates for the Senate are $616,041,000. which reflect an increase of $80,366,000. or 15 percent over the amount appropriated for fiscal year 2000 and does not reflect any adjustments to these estimates which may be presented to your Committee during these hearings. The total appropriations for the Senate for fiscal year 2000 are $535,675,000. An individual analysis of the budget estimates for all functions and offices has been included in the Senate Budget Book, previously provided to your Committee.

The budget estimates for fiscal year 2001 are divided into three major categories as follows:

Senate Items	$98,466,000
Senate Contingent Expense Items	460,357,000
Senate Joint Items	57,218,000
TOTAL	616,041,000

Specifically, Mr. Chairman, the increase for fiscal year 2001 over the fiscal year 2000 enacted levels is a result of: (1) $34,214,000 increase in administrative expenses and capital assets, primarily attributable to the request of the Sergeant at Arms and Doorkeeper of the Senate; (2) $21,107,000 increase in the budget estimate for Senators' Official Personnel and Office Expense Account to fully fund the allowances which are under-funded as a result of the consolidation of population categories, increases in the populations of various states, and the increase in the Legislative Assistance Allowance authorized in the Legislative Branch Appropriations Act, 1993, and the $50,000 per Member per year increase in the Administrative and Clerical Assistance Allowance authorized by the Legislative Branch Appropriations Acts, 1999 and 2000; (3) $11,401,000 for the anticipated 3.7 percent cost of living increase for fiscal year 2001, and the annualization costs of the fiscal year 2000 cost of living adjustment; (4) $7,489,000 increase in agency contributions applicable to the cost of living adjustments and other personnel increase requests; (5) $6,155,000 for personnel adjustments other than the cost of living, attributable primarily to the budget request of the Capitol Police.

Mr. Chairman, I submit for the consideration of your Committee, the Budget of the United States Senate for fiscal year 2001.

CAPITOL VISITOR CENTER

Senator BENNETT. Thank you very much. We recognize your involvement with the visitor center over time and that this has been a major activity, a major interest. Can we do it for $200 million?

Mr. SISCO. The last budget was $265 million. I for one—and I think the sentiment is shared by others—that any time the Architect comes back and proposes anything that goes north of that number, we ask where the cuts would come from. So the commission actually approved the project within the context of $265 million—$100 million appropriated, approximately $30 million on hand and then $135 million raised privately.

The answer is I think that we can, but it is going to require discipline and diligence.

Senator BENNETT. You said 50–50, so I thought, okay, if it is $100 million, that means $100 million raised. So it is not 50–50. It is 50–50 kind of the way the Government figures 50–50.

Mr. SISCO. It is 50–50 in the sense that we had $100 million appropriated and that the 501(c)(3)'s fund for the Capitol visitor center target is $100 million. So that is 50–50 out of the chute while we go through the design stages over the next 12 months, with a $35 million—part of the $165 million—as a contingency.

As I am viewing it right now, we ought to have it as a $200 million project while we go through the design phase, while the decisions are made getting to the point of where a contract can be negotiated and let for the construction piece of it.

Senator BENNETT. Then there will be another $35 million Federal and $35 million private?

Mr. SISCO. If that is needed and is the decision of the commission.

SUCCESSION PLANNING

Senator BENNETT. Okay. Last year you talked about succession planning. Do you want to make any comment about that again this year, just to tell us where you are?

Mr. SISCO. I would be happy to. We have viewed succession planning as extremely important because these people—especially in the legislative areas, especially in the financial areas, and in other areas in the Senate—take a lot of time in place on the job to learn these jobs and to get the institutional memory. We have had a number of people who have 30, 35 years of experience as department heads and others within the departments who have retired and who in the future will retire.

So what we have been continuing to concentrate on—in each of the departments—is to have two or three people deep, depending on the size of the department. We are accomplishing succession planning to where the services to the Senate and institutional memory will not be handicapped in the future, by promoting from within, and we are continuing to try to retain the very best people we have got and get them in a position to move up as people do retire, within their own departments.

Also, we are doing cross-training, where people can go from one department to another—especially in the legislative area, where we have eight departments. This past year we have reorganized it slightly and put all of the legislative staff who serve the chamber, who serve the legislative process—the clerks, the people who serve at the desk, and the people in our offices behind the scenes, who do not serve in the chamber but are very important to it—under the coordination and management of the legislative clerk, Dave Tinsley, so that we have one person looking at cross-training within those legislative departments.

A third area that I think of in terms of long-term planning—GAO right now is, at our request, looking at the disbursing office management setup and will come back to me and therefore to the Senate with recommendations for any changes that are needed there for an optimum organizational type structure, with the new technology that we have arranged for, that will carry us into the future.

Right now we have in every department an experienced department head, and we have another person who is capable of moving into that position, throughout the Secretary's Office. And again, in larger departments we go three deep, especially in the legislative areas.

So it is something that we will continue to do, because the people who serve here year in and year out as Senators come and go have

30 or 35 or 40 years, and it is critical that we get the very best people and keep them.

Senator BENNETT. Very good.

ADDITIONAL COMMITTEE QUESTIONS

I have no further questions. Thank you again for your hard work and your forward planning. We will see what we can do about finding a little more money.

Mr. SISCO. Thank you, Mr. Chairman.

Senator BENNETT. Thank you very much.

[The following questions were not asked at the hearing, but were submitted to the Office for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR ROBERT F. BENNETT

Question. In 1995, Congress embarked on an information initiative which was an enterprise-wide approach to the creation, exchange and maintenance of legislative information. This initiative was designed to improve the efficiency of the legislative process for all the legislative agencies. In 1997, the Senate Rules Committee and the House Administration Committee approved the establishment of a data standards program using the Standard Generalized Markup Language (SGML). The Senate and House agreed to meet in regular coordinating committee and technical committee meetings to address policy issues and to guide the development of these data standards, which are now focused on a subset of SGML called XML, or Extensible Markup Language. In your written testimony, you reported that the most important LIS/DMS enhancement effort for this year will be the completion and implementation of the SGML/XML feasibility study. Please provide for the record a report on the extent and nature of the Senate's participation in the SGML/XML project including the Senate's plan, budget and schedule for implementation of this important program for information exchange.

Answer. The Office of the Secretary of the Senate, with the Office of the Legislative Counsel, continues to work closely with the Office of the Clerk of the House of Representatives, other House offices, the Government Printing Office (GPO), and the Library of Congress (LOC) Congressional Research Service (CRS) to develop the SGML/XML data standards program. The Senate has been a part of this program since initial discussions began. The extent and nature of the participation and progress of the Senate since 1997 is detailed below.

Senate Participation and Progress

In April 1997, the Secretary of the Senate and the Clerk of the House of Representatives issued "Recommendations for a Data Standards Program for Legislative Information," a report prepared for the Senate Committee on Rules and Administration and the House Committee on House Oversight. The report, which followed a study by an outside consultant, recommended the establishment of a data standards program, and recommended the Standard Generalized Markup Language (SGML) as "an appropriate technology on which to base the preparation of legislative information and document management systems." The report further noted that ". . . standards will evolve over time as technology and the capacity of offices and agencies to adopt these technologies evolves." Since that time, as anticipated, a subset of SGML known as the eXtensible Markup Language (XML) has become a standard, and XML offers great potential for this initiative.

Two staff working groups, the Coordinating Committee and the Technical Committee, serve to guide and direct SGML/XML activities. The Coordinating Committee, composed of one representative each from the Senate Committee on Rules and Administration, the Committee on House Administration, the Secretary of the Senate, and the Clerk of the House, sets overall direction, finds consensus, and reviews the work of the technical team. The Senate and House Data Standards Managers, employees of the Secretary and Clerk respectively, advise and assist the work of the Coordinating Committee. The Technical Committee, composed of Senate and House staff and staff from the legislative branch agencies, is co-chaired by the Data Standards Managers.

The SGML Coordinating Committee, at its February 2000 meeting, began consideration of a proposal to formally adopt XML rather than SGML as the standard data format. Both the Senate and House Data Standards Managers and the Technical Committee recommended XML as the standard. Staff from GPO and LOC also

attended the February meeting and participated in this recommendation. As of this date, the recommendation is being reviewed.

The Technical Committee meets monthly; meetings include discussions and recommendations concerning Document Type Descriptions (DTD) development. A DTD defines the structure of the document by recording the names of the parts of the document and their relationships in that document. Other sessions feature demonstrations by vendors concerning new technologies, and presentations by committee members concerning similar SGML/XML activities within their organizations.

Starting in January 1998 and continuing through December 1999, outside contractors developed DTDs for bills, resolutions, amendments, committee reports, conference reports, compilations, and the U.S. Code. The House contracted for the DTD development, and Senate and House staff members performed document analysis and preliminary DTD validation at workshops held for each document type.

In mid-1998, a contractor of the Senate, KPMG, conducted an evaluation of several SGML editors, and the top two candidates were Corel WordPerfect 8 + SGML and ArborText Adept Editor. WordPerfect 8 + SGML was chosen as the editor to be implemented for the creation of bills, amendments, and resolutions using SGML. However, during the development of this application by SAIC, also a contractor of the Senate, it was determined that WordPerfect 8 + SGML was not robust enough to support the complicated and varied processes used by the Senate Legislative Counsel for the creation and editing of bills, and work on implementing a bill authoring application was temporarily suspended.

In late 1998 and early 1999, Senate staff participated in the first production-level SGML project as the House and Senate jointly issued the *Biographical Directory of the United States Congress: 1774 to Present*. This joint project represents the first application in which data/documents are created and edited using an SGML editor. Senate data is created, maintained, and published by the Senate Historical Office. Results of this effort are available at http://bioguide.congress.gov. This project yielded valuable lessons concerning the building of an SGML application, which are discussed in the *Document Management System Status Report and Plan* presented by the Clerk of the House in March, 1999.

In 1998, the World Wide Consortium, the standards organization for the World Wide Web, issued the XML standard, and vendors began to develop software tools to support XML. In mid-1999, the House evaluated several XML and SGML editors, and the top editors in that evaluation were SoftQuad XMetaL, ArborText Adept Editor, and WordPerfect 9 + SGML. Subsequently, in August 1999, with the approval of the Senate Committee on Rules and Administration and the Committee on House Administration, the Secretary of the Senate and the Clerk of the House invited representatives of the Senate and House Legislative Counsels, the Sergeant at Arms of the Senate, the Chief Administrative Officer of the House, the Law Revision Counsel, and GPO, LOC and CRS to participate in the Bills and Resolutions SGML/XML Feasibility Study to "evaluate SGML/XML editors, create XML style sheets, evaluate the SGML/XML capability of Microcomp, and examine the use of digital signaturing as it relates to these processes."

The SGML/XML Feasibility Study for Bills

While SGML/XML can provide many benefits for processing electronic documents, the difficulty lies in creating those documents in the first place. The goal of the Feasibility Study, which began in mid-September 1999, is to determine if it is possible to create an easy-to-use XML application for the authoring of legislative documents. This joint effort has focused on the authoring, editing, and composition of bills and resolutions by the Senate and House Legislative Counsels.

The Senate Legislative Counsel and Enrolling Clerk continue to refine a list of high-level requirements for the new editing environment. The Senate Legislative Counsel is also working with the House Legislative Counsel "to develop a joint list of proposed short-term criteria for evaluating the XML application to ensure that the XML application meets basic usability requirements and is user friendly for both offices."

The Senate Legislative Counsel has also provided the following general requirements for the implementation of an XML editing application—

—The editing environment must allow drafters and editors of legislation at all levels of technical ability to work at least as efficiently as they currently do in the XyWrite editing environment.

—The editing environment must allow users to work at all times in a WYSIWYG view with tags turned off.

—An identical editing environment and composition system must be used by all users in the core legislative offices (Senate and House Legislative Counsels, Senate and House Enrolling Clerks, and the Government Printing Office).
—An ongoing program must be established which provides instruction for new users and a comprehensive user manual.
—Support and maintenance for the system must be provided with continuous availability (24 hours per day, 7 days per week).

Although the Feasibility Study has focused on the authoring/editing application, it has other important components. One of the key efforts in the study is to validate and refine the Bill DTD to ensure that all of the components of legislation are included and appropriately described. This will enable the document to be both composed in the proper format(s) and processed in other ways, such as automatically generating and synchronizing tables of contents for the document. As the document is further described and the DTD is refined, GPO is working to ensure that the XML bill documents can be composed in the same formats that are currently printed. GPO is up-to-date with the Bill DTD and has produced printed output from several XML test bills.

The analysis and input provided during the study has guided DTD changes and additions and has defined the direction of the "proof-of-concept" development of the Feasibility Study. Staff in the Office of the Clerk have done much of the development work on the programs and style sheets, and Senate and House staff have provided testing and feedback. The analysis and development work has focused on the document creation process and methods to automate that work and has identified potential process improvements to save time and reduce repetitive work.

Another important activity of the study is the evaluation of newly-available XML tools, and the "proof-of-concept" development processes have provided feedback to vendors concerning their software. The two editors chosen for the study were SoftQuad XMetaL and Corel WordPerfect 9 + SGML/XML. SoftQuad has been very responsive to feedback generated by study participants and has corrected bugs in the XMetaL software and implemented some of the requested features. Major problems, however, have been discovered in the WordPerfect software, and, as a result, most of the development effort has focused on the XMetaL application. ArborText Adept Editor, which placed second in the 1998 and 1999 evaluations, was not chosen for further study or development because, unlike XMetaL, it requires a proprietary programming language for customization. Reusability and long-term maintenance benefits can be gained by using industry standards and non-proprietary languages for application development.

As a part of the Feasibility Study, Senate and House staff members are working with GPO and CRS representatives to examine SGML/XML issues specific to their organizations, such as requirements for a "during-composition" process that will create a separate "table of contents" document to be used for Web navigation and will include insertion of page and line information in the XML file. The Senate Data Standards Manager has also conducted several one-hour workshops for CRS staff on XML, the Bill DTD, and other related topics.

Results of the Feasibility Study for Bills and Resolutions will guide the implementation strategies for the overall SGML/XML Project.

Senate LIS Project Office Plan for the SGML/XML Project

The LIS Project Office under the Secretary of the Senate is implementing an SGML/XML plan focusing on the specific needs of the Senate. The SGML/XML plan involves several key initiatives, including the following—

—Completion of the Feasibility Study for bills and resolutions.
—Conversion of legacy documents.
—Implementation of the SGML/XML authoring system for bills and resolutions.
—Implementation and integration of the Senate Office of Legislative Counsel document system into the LIS/DMS.

Completion of the Feasibility Study for bills and resolutions.—It is the desire of Senate Legislative Counsel to use a document authoring/editing application that is identical to one used by the House Legislative Counsel to facilitate collaborative sessions. To achieve this, the Feasibility Study analysis and development has targeted joint functionality as well as efforts to create a data exchange format with a common XML editor application. However, differences in the work processes and culture do exist. A conclusion of the study may be to use the common data standard for data exchange but implement different editors or applications to address the different requirements for each office.

Conversion of legacy documents.—The development of a SGML/XML authoring system includes the need to use documents or parts of documents from previous years. These legacy documents constitute a very large and important database of

information. The plan calls for the scope of the conversion to be determined—how many documents, specifically which documents, initiated by whom, level of completeness, and so on. To reuse any of these documents, they must first be converted from their current coding system (Microcomp locator codes) to the new SGML/XML coding system. Converting documents from a general markup (as the one currently used) to a very specific markup such as XML may require manual modifications after conversion. Conversely, a conversion in the other direction (XML to Microcomp locator codes) has already been accomplished, and this conversion will allow all users and offices to transition to the new document format and new document creation/editing processes. This conversion will allow other offices to receive the XML-generated data in the Microcomp locator format, which will enable them to continue their processing without interruption while XML applications for all legislative document types are developed over time.

Implementation of the SGML/XML authoring system for bills and resolutions.—Although the initial focus will be on the needs of the Senate Legislative Counsel, the requirements of the Senate Enrolling Clerk and Senate Committees will also be incorporated into the creation and editing of bill documents.

The creation, editing and exchange of other legislative document types will be included, and the first will be those for which DTDs already exist—compilations, conference reports, committee reports, and the U.S. Code. The DTDs for these document types will be refined and applications will be developed. All remaining legislative documents such as treaties, nominations, executive communications, and committee hearings will be included in the DTD development process, and the overall goal of the XML project is that all legislative documents will be created, maintained, and exchanged using a standard data format for efficient information processing.

Implementation and integration of the Senate Legislative Counsel document system into the LIS/DMS.—The SGML/XML plan also includes the definition of requirements of a "workgroup" document management system (DMS) for the Legislative Counsel. A significant part of the initiative will address the need to integrate with the overall Senate LIS/DMS plan and will include a gap analysis of Legislative Counsel requirements to identify any areas of conflict or duplication and to address any differences. Requirements will include, but not be limited to, the following: processing methods, input/output, data storage, interfaces, hardware/software, performance, conversion, and processing flow. The authoring application included in the implementation of the SGML/XML authoring system for bills and resolutions will be considered, as appropriate, in the design of this initiative.

SGML/XML Project Risks and Constraints

In the course of the SGML/XML Feasibility Study, Senate staff identified several issues that require mitigation to ensure completion of the study and timely implementation of a production system.

Incremental release vs. full capability release into the production environment.—At the completion of the SGML/XML Feasibility Study, the House may prefer to implement an incremental release approach toward a full production capability for the House Legislative Counsel. The Senate Legislative Counsel is willing to provide testing and input to the incremental release process, but prefers an implementation approach that targets initial release at the beginning of a Congress and that features a complete rollout with full-service capability and associated training. This difference in implementation strategies will yield different full-production time-lines.

If the House and Senate agree to different production time-lines, the standard data exchange format can be provided, and additional preparation will be required to facilitate the effort prior to final Senate production release.

An identical editing environment.—The Senate Legislative Counsel expressed a desire to have "an identical editing environment" in the "core legislative offices." The different implementation strategies and differences in work processes in the House and Senate may hinder the achievement of this goal. Still, if it is determined that the Senate and House editing environments diverge, the goal of exchanging documents in a standard data format can be achieved.

"Official" version of legislation during process flow.—The implementation and integration of the Legislative Counsel document system into the LIS/DMS also has its risks and constraints even before this initiative begins. The integration of the Legislative Counsel documents into the LIS environments will be one of the most significant issues to be addressed. This integration requires a clear understanding by all involved of the current status and location of a document—a bill, resolution, amendment, etc. And, most importantly, because the particular document(s) in process is just that, "in process," security will allow only those who have a need to know and who have reading and/or updating privileges to access the "official" version during

a particular segment of the process flow. Thus, establishing tracking and user access requirements before implementation is essential.

	Activities Estimated Completion
SGML/XML Project Estimated Time-Line	
Feasibility Study completion	June 2000
Establish system framework/architecture for SGML/XML authoring system for bills and resolutions	August 2000
Develop requirements for Senate Legislative Counsel document system integration into LIS/DMS	October 2000
Develop requirements for SGML/XML authoring system	January 2001
Implement conversion of legacy documents	September 2001
Implement SGML/XML authoring system for bills and resolutions	September 2001
Integrate Legislative Counsel document system into LIS/DMS	September 2001
SGML/XML Project Estimated Budget	
Authoring initiatives	$1,587,600
Conversion of legacy documents	
Implementation of SGML/XML authoring system for bills and resolutions	
Conference Reports, Compilations, Committee Reports, U.S. Code, Treaties and Nominations DTDs	
Integration of Legislative Counsel document system into LIS/DMS	$1,134,000
SGML/XML estimated total	$2,721,600

As requirements for each initiative are completed, the estimates will be refined.

STATEMENT OF HON. JIM ZIGLAR, SERGEANT AT ARMS AND DOORKEEPER

ACCOMPANIED BY LORETTA SYMMS, DEPUTY SERGEANT AT ARMS

Senator BENNETT. The next witness is the Senate Sergeant at Arms, the Honorable Jim Ziglar.

Mr. Ziglar is accompanied by the Deputy Sergeant at Arms, Loretta Symms. We understand that also the newly appointed Administrative Assistant, Liz McAlhany, is with us and we congratulate her on her new position.

The Sergeant at Arms has requested $136,569,000 for fiscal 2001. This is a $35,514,000, or 35 percent, increase. Do not be frightened by my earlier comment, but be aware that we are paying attention to this.

I should note again for the record the work the Sergeant at Arms office did with respect to Y2K turned it into a non-event, and we like non-events when it comes to some of the projections. So I was grateful to hear Mr. Sisco talk about the cooperation and get that formally on the record. But since we use this committee as a vehicle for spreading the word, not only to you, Mr. Ziglar, but to your predecessor, and I think maybe caused your predecessor a few uneasy moments, I think we should for the record indicate how well the Sergeant at Arms office has performed on that regard. We are very grateful to you and all of your people and hope that you will pass that on to those who worked so hard.

Mr. ZIGLAR. Thank you, Mr. Chairman.

Senator BENNETT. With that, we look forward to your testimony.

Mr. ZIGLAR. Thank you, Mr. Chairman, and I appreciate the opportunity to be here to present our 2001 budget request.

I would like to note that there are some other folks in the audience that are part of the management team which was recently reconfigured. Liz McAlhany, who is now the new Administrative Assistant, and she was before that the Director of Customer Relations, where she did a terrific job. In fact, she did such a great job there that I asked her to come over and work as my Administrative Assistant, and she is doing a great job in this new job.

Chris Dey is here. I think we all know Chris. He is the Chief Financial Officer.

The new head of Office Services, succeeding Liz, is Esther Gordon. Where is Esther? She was just recently appointed.

Kim Winn is the head of Information and Technology Support Services, Tracy Williams is the head of our Technology Development area, and Rick Edwards is head of Central Operations. There are a number of other folks in here who are no less important, but these people are the core management team that we have now.

I have offered written testimony earlier that is much more extensive than——

Senator BENNETT. Yes, it will be included in the record.

Mr. ZIGLAR. Thank you very much.

I would like to discuss briefly some things that are in that testimony and then some things that are not. But first I wanted to make the point that you made and that was that last year at this time I was here for my first hearing and fairly wet behind the ears in this job. I was faced with the daunting task of making sure that when the year 2000 rolled around that we did not get rolled over.

I must say that the folks that worked on this did a tremendously professional job. We appreciate your recognition of that. It was a team effort between ourselves and the Secretary of the Senate and everybody else around here. I wanted to particularly note that Chick Ciccolella, who was the Chief of Operations at the time, now working in the Rules Committee, took the lead on our side working on Y2K and did a terrific job, and I just wanted to put on the record we appreciate what Chick did for us. I think Chick is here. Oh, there he is. And we appreciate very much what he did. We came through this thing without a glitch or a hitch.

I also want to express my appreciation to you for the leadership that you and Senator Dodd provided in this area, and to Christine Ciccone and other members of the staff, Jim English and others, who supported our efforts so intensely and followed it so closely.

BUDGET PROCESS

When I was here last year I also, as you may recall, I was struggling to try to get my hands around the budget. It was not a budget that I really had much to do with because I had just gotten here, but I was trying to figure out what the budget was all about.

The one thing I tried to do last year was to understand the budget in a format that at least I could understand as a businessman. We have broken the budget into an operating budget and a capital budget and tried to demonstrate what those two components were. Since last year, I have attempted to use the budget process as a management tool, again something coming from the world that I came from. The budget is always a management tool.

I have to say that so far I have been pleased with the results that we have been able to achieve by looking at the budget in that context.

What I would like to do is spend a few minutes telling you a little bit about the budget process that we used to get where we are in this budget and also to give you a little bit of an overview of some of my initiatives in the future. What we did this year was to take a modified zero-based budgeting approach to this budget. We built it from the bottom up and we examined it from the bottom up.

I literally held hearings in my conference room, budget hearings, sort of like what we have here, with each one of the department managers within the Sergeant at Arms organization. We went through the entire budget line by line with them, asked a lot of questions, and we made a lot of adjustments as we went along. But what really—when I look back on it, what really came out of that, the results that I think are positive from my perspective, is that the projects that we were undertaking, or are about to undertake, were better defined as a result of that process.

We nailed down our costs more closely to what they really are. For example, in the digital area, in terms of taking the recording studio to a digitized format, we had projected a $30 million project over its life. We now have gotten it down to about $25 million, so we know a little bit more about our potential costs.

Perhaps the most important point of the exercise was that we have established priorities about how we want to do our business and what we think is necessary to be done and in what order. From this process, I have concluded several things about the budget. First, the Sergeant at Arms budget has four distinct parts, not two parts as I thought originally, and those four parts are what I call operations and maintenance—it is not maintenance in the same context as if you have a factory and you are maintaining your infrastructure, but that part of the budget that reflects your personnel costs and your expenses of ongoing operations in the Senate.

The second part is the technology capital investment part, which is the hard cost of upgrading, improving, or adding to our technology in all of its many manifestations.

The third part would be what I call mandated allowances and allotments. That is broken down into those things that we are required to provide to Senate offices and Senate committees on an ongoing basis, such as the computer services fund and paying the rent for State offices. For example, with respect to State offices, the Senate, as you know, last year increased the amount of money available for that. So those are embedded costs that we do not have a lot of control over. They are mandated for us to do.

Then finally we have nondiscretionary items. For example, the biggest part of those are things that we fund that provide technical assistance for other people in the Senate family. These expenditures are primarily for the Secretary of the Senate with respect to his LIS project and FMIS project. A lot of the funding for those projects actually comes through our budget and a lot of the technical services are provided by us, although they are his projects and he has the control and the direction over them. We do fund a good portion of those projects.

What we have done this year is to present this budget in this format, and I will go back to that in a few minutes and talk about some of these numbers.

OPERATIONS AND MAINTENANCE

The second thing I concluded through this process is that we could operate more efficiently and less bureaucratically in the Sergeant at Arms operation. As a result of that, in terms of the operations and maintenance account items in our budget we are actually asking for less money than we did last year, by 2.4 percent.

We also are asking for a reduction in our authorized FTE's of 32 people. Over a period of 4 years, I have set a goal for the reduction in the operations and maintenance line by 10 percent, and I think we are going to be able to get there.

Now, what we have done, frankly, is just better utilize the people we have. Where there are opportunities to move somebody out of an area that maybe is not as stressed as another area, we have done that instead of going out and adding additional FTE's. So it

has worked out quite well in terms of our ability to manage our people.

I would like to note a couple of actions that we have taken also in the context of management improvements. First is that we have revised our approach to giving merit increases to employees. It appeared to me that what we had around here was a situation that if you stayed long enough you would get merit increases just by virtue of breathing. I do not come from a culture that you award raises on that basis.

So we have restructured our pay award system, merit award system, to actually award performance. So far it has gotten pretty good reviews among our employees. It certainly will incentivize them, and it is also going to require managers to do better evaluations of our employees and their performance.

The second thing that we recently did was a management reorganization that eliminated some layers of bureaucracy or management structure and also flattened the organization, so that we have now more of a team approach, a flat organization, where people are forced to communicate and to work together. I also am happy to report that, at least from my perspective and from the perspective of some of the folks I have talked to, this seems to be working out quite nicely in its very early stages.

The third thing that I concluded was that there is a disconnect between the budget process and our management decisionmaking processes. We now have a monthly financial operating report, something we have never had before and again something that I was used to in the private sector, because I needed to know where I was relative to my budget and my expenditures and what my projections were for the rest of the year.

We now have that on a monthly basis. We are still tinkering with it to make sure we get the information format in the way we want it. But it has been an enormously helpful tool.

What it does is help us to know what to expect and how to plan for those things that happen that you do not expect. Let me give you an example of what it has done for us already. As of the end of February, we realized that we have a $901,000 deficit in terms of our current fiscal year budget and our projected expenditures through the year. Now, we would not have known that until probably August or September based on the way we were operating before. But I now know that and I know the reason for it is that we have two items that the costs are much higher than we thought they were going to be. The Microsoft Exchange and Outlook program is going to be more expensive this year than we thought and also the cost of carrying and maintaining our new mainframe computer is also going to be much higher than was estimated.

That is something to the tune of a little over $3 million over what had been estimated. Now, the other side of that trade is that our expenses in terms of personnel and ongoing expenses, as a result of some of the initiatives we have taken to try to manage the place a little better, are down. So when you put them together, we only have a $901,000 deficit.

Well, you say, that is still a $900,000 deficit. It is. But I will tell you what: I know enough about where I have money in the rest of the system and where I can manage the rest of the system so that

at the end of the year I do not have that problem. If I did not have that information, I would not be able to manage that problem. So that is something that I am very pleased about, and I think it is going to, in the long term, help us run our business a lot better.

The other thing I am doing is instituting a 5-year evergreen budgeting system. We are going to have a proposed budget out there for 5 years that is ever renewing itself. Now, what that does, as you know, is it helps us to focus our strategic thinking not just on what we are going to provide next year but what is it we need to be doing 5 years from now to provide better service to the Senate and to carry out our job in the best possible way.

It also is going to help us deal with you folks in terms of focusing on our needs and what your expectations are in terms of the budget request that we will be coming forward with.

I apologize for taking so much time on these management initiatives, but I do think they are important to the long-term efficiency and effectiveness of the Senate. Let me turn to our budget request, which you pointed out is a bit higher than we asked for last year, but there is an explanation. It represents a 35.1 percent increase over our fiscal year 2000 appropriation.

BUDGET REQUEST

FISCAL YEAR 2001 BUDGET REQUEST

[Dollars in millions]

	Fiscal year 1999 actual	Fiscal year 2000 request	Fiscal year 2000 appro-priated	Fiscal year 2001 request	Fiscal year 2001 vs. fiscal year 2000	
					Amount	Percent Incr/Decr
Operations & Maintenance	$52.7	$56.2	$54.7	$53.4	($1.3)	−2.4
Allowances & Allotments	36.4	37.5	36.6	47.4	10.8	29.6
Technology Capital Investment	8.5	18.8	6.9	31.1	24.3	353.7
Nondiscretionary Items	4.7	3.6	3.0	4.7	1.7	58.2
Total	102.3	116.1	101.2	136.6	35.5	35.1
Staffing	780	795	787	755	(32)	−4.1

We are requesting $136,569,000, which is $35,514,514 over the 2000 budget. Our 2000 budget is $101.2 million. Let me point out what some of these increases are, because I think that is important to note.

FISCAL YEAR 2001 BUDGET REQUEST—MAJOR INCREASES

[In millions of dollars]

	Fiscal year 2000 appropriated	Fiscal year 2001 requested	Increase
Mandated Allowances and Allotments	36.6	47.4	10.8
Computer Services and Mail Systems Funds	10.2	18.1	7.9
State Office Security Enhancements	.....	1.7	1.7
Nondiscretionary Items	3.0	4.7	1.7
Legislative Information System	1.7	2.5	.8
Financial Management Information System	.8	1.3	.5

As I mentioned to you, the operations and maintenance line actually is going down as well as our request for FTE authorizations. With respect to the mandated allowances and allotments, there are two major issues, two major items in that. First is the computer services fund, which we are recommending an increase of $7.9 million. The reason for that is that we have had a one and a half times turn—let me go back.

The cycle is now that you get, as a Senator, to turn over your computers one and a half times during a term, which is a little bit too long in terms of the cycle of obsolescence of these things. So we are trying to go to a twice in a term computer cycle within your office and within the committees. So that represents that additional amount of money to increase the computer services fund so we have a better replacement cycle.

The second thing that is in there that is a major item is security enhancement for State offices. What I have discovered as a result of a survey that we did of all Senate offices with respect to their State offices is that there is a wide divergence of security within those offices, and we are having some difficulties out there in the field with people coming into offices and threatening staff and things like that.

Some of the offices are well protected because they are in Federal buildings or they made the initiative to have them well protected, and some offices are wide open. The reason for that, frankly, is because you have an allocation for your office in Provo, let us say. Well, you have to make a choice: Am I going to have more desks and more equipment or am I going to put in an alarm system and maybe monitoring cameras and maybe locking doors or something like that that will provide additional security?

A lot of folks say: I need the fax machine more than I need the security. Well, we want to take it out of the realm of you having to make that choice. So what we have recommended is on each—with respect to each office, there is roughly a $4,000 allotment for security purposes only. It does not come out of your total allotment for that office as it is currently structured. This is an add-on. If you do not use that money for security, you cannot use it for another fax machine or something like that. It is specifically for security.

We think in the long term that this is an important thing to do. Obviously, it is an add-on, but it is something in the long term we think would be quite important to do.

Another, smaller item in there that is not on the chart is the additional rent that we can pay now for State offices which is roughly $600,000. But as you can see, by and large the increase in mandated allowances and allotments has to do with the computer services fund and the security enhancement fund that we are trying to create.

With respect to the—let us jump over technology and capital investment for the moment and go to the nondiscretionary items. Nondiscretionary items again are the things that by and large we are spending money on for the Secretary of the Senate's initiatives for the Legislative Information System and the Financial Management Information System. Out of a total of $1.7 million for nondiscretionary items, $1.3 million of the increase is with respect to LIS and FMIS.

FISCAL YEAR 2001 BUDGET REQUEST—TECHNOLOGY CAPITAL INVESTMENT

[In millions of dollars]

	Fiscal year 2001 budget	Total cost
Senate Recording Studio Digital Technology	7.3	25.2
Communications Infrastructure	5.2	18.7
Information Security	3.6	3.7
Messaging Infrastructure and Windows 2000	3.3	7.9
Voice and Paging Infrastructure	2.9	8.2
Total Priority Investments	22.3	63.7
Electronic Printing and Document Archiving	5.1	5.1
Office Productivity Tools	1.7	1.9
Enterprise Computer Operations	.7	.7
IT Requirements	.5	1.1
Internet E-mail Processing	.3	2.0
Internet Video and Audio	.2	.4
Other Projects	.4	.4
Total Technology Capital Investments	31.2	75.3

Now to go over to the technology budget, which is aggressive. We have attempted to define those things that we need to do for the Senate going forward in order for us to be up to date, if you will, technologically and be able to do our business better. What we have done here is to lay out for you the top five priorities. The above the line items are the ones that are our top priorities.

I would have to say that without a question—well, it is hard to say without a question because it depends on your point of view—but one of the most critical things that we need to do is to take the Senate Recording Studio to digital technology. One reason is because we have to. The FCC is mandating that we broadcast in digital format by the year 2005, and getting there from here is a long process.

I think we have briefed Christine on this—or we will be briefing her on this project and the many phases of it. But it is critical that we get started as soon as possible migrating to a digital format for

everything that we do around here, whether it is the Senate floor broadcasting or it is committee hearings or whatever.

The communications infrastructure project is one that is also quite important. As you know, we use a very slow speed, low capacity frame relay system to communicate with the State offices, and that is something that needs to be dealt with as soon as we possibly can.

We have taken some remedial measures in the short term to try to deal with the speed of access problem by putting T–1 lines to one office, one State office for each Senator. But that is only a small temporary measure in terms of the overall problem that we have.

Information security, Mr. Chairman, I know is something that you are interested in and it is something that we are very interested in. The brilliance of some of these kids nowadays that can hack into everything you do and mess it up is pretty astounding, and we have to find better and better ways to protect our information and protect our systems. We have several initiatives ongoing that we consider high priority.

The messaging infrastructure area is also extremely critical. Lotus cc:Mail, as you know, is our current e-mail system around here. As of September 2001, Lotus will no longer support cc:Mail. They do not produce it any more and they will not support it after September 2001. So we do not have a whole lot of choice about going from that format to a new format.

After a long process of selection, which included Senate offices and committees and outside consultants and our folks and the Secretary of the Senate and others, we came up with a recommendation that we use the Windows 2000 platform with Exchange and Outlook. So we are on our way on that project. It is important that we continue to be able to fund that so that we can bring it on line in time to take off line a system that will no longer be supported.

Then finally we have the voice and paging infrastructure project, where we are attempting—among other things, to bring voicemail to the State offices as well as to upgrade it here in the District of Columbia. Also, we are doing—as you know, working on the paging system to upgrade it and eventually to take it nationwide.

Now, I did note in reading my testimony from last year, Mr. Chairman, that you thought that it was rather a nice thing that they could not reach you by pager beyond 30 miles, and I want you to know that as long as you continue to be chairman of this subcommittee, if you only want 30 miles, you are going to get it.

The other items down here are also extremely, we think, important projects for the Senate going forward. They are not the highest priority projects, but they are important to our being able to do our business in a world that requires that we be technologically up at the top of the curve.

I want to emphasize the importance, I think, of making these investments over time. We need to be able to be connected to the people that we serve, the American people. We need to continue to improve our own internal operations in terms of management structures, and obviously technology drives a lot of how you manage these days. Third, I think we need to demonstrate that Government gets it in terms of keeping up in the technology area.

PREPARED STATEMENT

Mr. Chairman, that concludes my abbreviated remarks and I look forward to answering any questions you might have.

[The statement follows:]

PREPARED STATEMENT OF HON. JAMES W. ZIGLAR

Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear before you today to present the fiscal year 2001 funding request for the Office of the Sergeant at Arms and Doorkeeper.

REPORT ON YEAR 2000 COMPLIANCE EFFORT

I would like to begin my testimony by updating the Committee on the status of our Year 2000 conversion effort. I am pleased to report that we achieved a near perfect level of success on this project. All Senate information technology and infrastructure systems made the transition to Year 2000 without incident and indications are that the Senate will continue to operate without disruption.

During the past two years, the Sergeant at Arms organization has been fully engaged in a Year 2000 compliance effort. To meet this challenge, we executed a disciplined and structured approach to the potential Y2K problem, first establishing a central Year 2000 program team and then identifying the Senate's core business areas and processes.

We identified sixty-five information technology systems in use by the Senate and determined that twenty-two of these systems were critical to the Senate's ability to conduct its business. We developed a master plan and then renovated, converted or replaced, tested and validated each platform, application, database and utility. We also developed contingency plans to deal with unpredictable events.

We are proud that we successfully met the Y2K challenge. We greatly appreciate the Committee's support throughout this process. We have spent $21,300,000 through fiscal year 1999 on this initiative.

FISCAL YEAR 2001 BUDGET REQUEST—APPROACH

The fiscal year 2001 budget request was constructed from the bottom up with every line-item examined in detail. Program managers were required to justify their requests at "hearings" held in my conference room. The result, we believe, is a more thoughtful and rational budget.

We view the budget as an active management tool to help us achieve our broader financial and operating goals. To that end, we have begun implementation of a formal monthly Financial and Operating Report. This report analyzes our actual financial performance against the budget and monitors staffing levels, status of major projects, procurement contracts and operating data. This report is formally reviewed with directors and managers on an ongoing basis to ensure accountability and the efficient use of our resources.

In order to help us understand and manage our cost structure and our operations, we divided the budget into four distinct types of costs: General Operations and Maintenance, Mandated Allowances & Allotments, Technology Capital Investment and Nondiscretionary Items. Each of these structures has a different goal. For example, the long term goal is to reduce General Operations and Maintenance Expenses because we have the most control and flexibility over that. For fiscal year 2001, we achieved that goal by reducing General Operations & Maintenance Expenses by 2.4 percent and 32 FTEs.

Our Budget Request reflects the needs of our Senate customers. Members of the Senate, individually and collectively, have made it clear to me that they require a modern technological infrastructure to support the operations of their offices. They have requested additional network capacity in Washington, D.C. and the state offices, an improved messaging infrastructure, enhanced information systems and physical security, nationwide paging capability, integration of Internet e-mail with the Correspondence Management Systems, and office productivity tools. Our Budget Request includes funding for these and other initiatives to satisfy the Senate's requirements.

Many of the same items found in our Technology Capital Investment request have already or are currently being implemented by the private sector and we are in the position of either keeping up or falling further behind. For example, large television stations in major markets have already converted to digital technology to comply with the Federal Communications Commission mandate. Large firms are installing advanced voice messaging systems that can be tied to e-mail. This allows voice mail

to be converted to text and sent to desktop or notebook computers for editing, printing and archiving. Most large firms have already upgraded their data networks to provide a higher bandwidth capacity at each employee's work station. Large firms are saving significant amounts of money by upgrading their data centers to automate many of the manual operations so they may be staffed with fewer people. We must make these and other Technology Capital Investments now or our technology infrastructure will rapidly become obsolete.

FISCAL YEAR 2001 BUDGET REQUEST—DETAILS

[Dollars in thousands]

	TOTALS			Variance fiscal year 2001 vs. fiscal year 2000	
	Fiscal year 1999 actual	Fiscal year 2000 budget	Fiscal year 2001 request	Amount	Percent Incr/(Decr)
General Operations & Maintenance	$52,672	$54,655	$53,354	($1,301)	−2.4
Mandated Allowances & Allotments	36,422	36,557	47,372	10,815	29.6
Technology Capital Investment	8,451	6,860	31,124	24,264	353.7
Nondiscretionary Items	4,678	2,983	4,719	1,736	58.2
TOTAL	102,223	101,055	136,569	35,514	35.1
Staffing	780	787	755	(32)	−4.1

The total budget request for fiscal year 2001 is $136,569,000, up $35,514,000 or 35.1 percent from fiscal year 2000, primarily due to increased Technology Capital Investment and required expansion of services in support of the Senate. General Operations and Maintenance for existing services will decline by $1,301,000 or 2.4 percent due to operational efficiencies and reduced staffing. Full-time equivalents (FTE's) will decrease by 32 to 755. Mandated Allowances and Allotments will increase by 29.6 percent and Nondiscretionary Items will increase by 58.2 percent.

To better manage and focus our budget on our mission and strategic priorities, we present our budget in four expenditure categories: General Operations and Maintenance, Mandated Allowances and Allotments, Technology Capital Investment and Nondiscretionary Items.

GENERAL OPERATIONS AND MAINTENANCE

General Operations and Maintenance will decline by $1,301,000 or 2.4 percent to $53,354,000 primarily due to a $1,671,000 or 8.2 percent decline in expenses that will be partially offset by a $370,000 or 1.1 percent increase in salaries. Expenses will decline primarily due to the completion of the Y2K remediation project, a reduction in radio and paging systems maintenance, and efforts to increase productivity levels. Salaries will be held to an increase of 1.1 percent due to a reduction of 32 FTE's via attrition offset by funding for COLA and administrative payroll adjustments for existing staff.

MANDATED ALLOWANCES AND ALLOTMENTS

Mandated Allowances and Allotments of computers, mail systems and state offices will increase by $10,815,000 or 29.6 percent to $47,372,000 to implement a more frequent replacement cycle for PCs, upgrade the correspondence management systems to browser-based versions, and improve security in state offices. These enhancements must be made to meet the needs of the Senate.

Allocations for in-office computer equipment will increase by $3,004,000 or 42 percent to $10,080,000 to fund a more frequent replacement cycle and growing requirements for additional office automation products. The replacement cycle will be shortened from once every four years (1.5 times per term) to once every three years (twice per term). This must be implemented to keep in step with the requirements of the Senate and the current life cycle of the equipment. As a result, the Member Computer Services Fund (CSF) allocation will increase by $2,200,000 or 46 percent to $7,000,000; the Committee allocation by $437,000 or 35 percent to $1,7000,000; the Officers allocation by $238,000 or 36 percent to $900,000; the Leadership allocation by $78,000 or 32 percent to $320,000; and other allocations by $51,000 to $160,000.

Member mail systems allocations will increase to $5,620,000 to fund a migration from Windows-based correspondence management systems to more functionally advanced browser-based systems and an increase in maintenance costs associated with

the browser-based systems. The budget request also reflects election year expenses required to accommodate newly elected Members as well as returning Members of the class of 2001 who need to upgrade their systems to keep them modern.

State office allocations will increase by $2,478,000 or 19 percent to $15,485,000 to provide for critical security enhancements in state offices ($1,744,000) and for increases in square footage and furniture allowances ($734,000). The increases in state office square footage and furniture allowances were authorized by Public Law 106–57 (Legislative Branch Appropriations Act, Fiscal Year 2000).

TECHNOLOGY CAPITAL INVESTMENT

Technology Capital Investment will increase by $24,264,000 or 353.7 percent to $31,124,000 to support strategic projects to ensure that the Senate has a modern computing and communications infrastructure. Each of these investment projects is focused on providing critical services and reflects the direction of the business community. A table summarizing these investments is presented below:

Technology Capital Investment	Fiscal Year 2001 Budget	Total Cost	Actual Cost as of 1/31/2000
Senate Recording Studio Digital Technology	$7,289,000	$25,248,000	.....
Communications Infrastructure	5,160,000	18,714,000	$9,265,000
Electronic Printing and Document Archiving	5,114,000	5,114,000	.....
Information Security	3,639,000	3,695,000	6,000
Messaging Infrastructure and Windows 2000	3,256,000	7,864,000	483,000
Voice and Paging Infrastructure	2,879,000	8,240,000	2,892,000
Office Productivity Tools	1,745,000	1,924,000	54,000
Enterprise Computer Operations	692,000	692,000	.....
IT Requirements	475,000	1,050,000	25,000
Internet E-mail Processing	275,000	1,978,000	1,378,000
Internet Video and Audio	175,000	404,000	104,000
Other Projects	425,000	425,000	.....
Total	31,124,000	75,348,000	14,207,000

The Senate Recording Studio Digital Technology project, with a fiscal year 2001 budget of $7,289,000, is a five year project to migrate Senate broadcasts of floor proceedings, committee hearings and the recording studio from analog to digital technology. Fiscal year 2001 is the first year of the project and the total cost over the life of the project is estimated to be nearly $25,248,000.

Digital technology will allow for the delivery of higher picture quality and CD-quality sound that will enable the Senate floor proceedings to be distributed in high definition television (HDTV) with motion-picture clarity and resolution. It will enable the Senate to distribute its television signals in a digital format that broadcasters are migrating to as required by the Federal Communications Commission. A new audio/video/text Intranet browser will enable new end-to-end services to be provided to members and other stakeholders, including the ability to search, edit (or clip), disseminate, and archive videos in near real-time from their desktop workstations via the upgraded Senate data network. Digital video can be stored on local area network servers for search and retrieval and transmission by the Recording Studio to the Library of Congress and the National Archives, thus eliminating the purchase, storage and shipping of numerous video cassettes.

The five year migration plan will start with the conversion of Senate Television to HDTV and full installation of the audio/video/text Intranet browsing system. The second year will focus on the studio and the first of three phases of the centralized control room facility. This phase will enable the studio to meet the requirements of the Senate for supporting committee broadcasts and multimedia. The third year will be to convert the radio operation to digital technology and complete phase two of the centralized control room facility. The fourth year will be for the final phase of the centralized control room deployment and the design and purchase of equipment for the studio control rooms and core facility. The fifth year will be for the installation of the studio control rooms and core facility.

The Communications Infrastructure project, with a fiscal year 2001 budget request of $5,160,000, consists of several critical multi-year initiatives. The initiatives will upgrade the wiring in the Dirksen Senate Office Building, purchase switches to replace routers, upgrade the bandwidth in the state offices and upgrade the Senate Fiber Network firewall and Internet service providers (ISPs) in Washington,

D.C. We must make this Technology Capital Investment to enable our data network to process the higher expected volumes of data in the future.

The Dirksen infrastructure renovation initiative is part of a larger project under the Architect of the Capitol to replace the mechanical system infrastructure of the Senate Office Buildings. The Sergeant at Arms' portion of the project is to upgrade the mission-critical telecommunications wiring infrastructure in the buildings with modern category five copper and fiber optical cable to support all current and anticipated future communications requirements with state of the art infrastructure. In fiscal year 2001, $1,100,000 is requested to perform rewiring of the Dirksen Senate Office Building. This amount is consistent with the amount expended in fiscal year 1999 and fiscal year 2000, and is based on the Architect's current schedule. Some additional funding may be required in fiscal year 2002 to complete the Dirksen renovation. The estimated total funding for the Sergeant at Arms' portion of this project is $3,410,000.

The network upgrade initiative will increase network capacity to the desktop in Washington, D.C. from the current shared 10 Megabits per second (Mbps) to a dedicated 10 Mbps or 100 Mbps, as needed. It will also double the bandwidth of the "backbone" to 1 Gigabit in fiscal year 2001. This will enable the network to accommodate the expected volume of data from the convergence of voice, data and video flowing through the Internet, World Wide Web (including Web-based applications) and e-mail. This initiative will fund the purchase of high speed switches to replace the current network of routers and hubs. There is $360,000 requested in fiscal year 2001 for the network upgrade which is expected to be completed in the same year.

The wide area network for state offices initiative will increase the capacity of the local area network bandwidths within the 400 state offices to as much as 500 Kilobits per second, as needed. State offices currently have access to a relatively modest bandwidth of 56 Kbps that must be shared by all users in an office and must be expanded. The narrow bandwidth compounded by the multiple user architecture slows network performance considerably. There is $2,660,000 requested in fiscal year 2001 to buy and install the necessary equipment to increase the bandwidth by a factor of 10.

The data network engineering initiative will install firewalls for the Senate Fiber Network and upgrade the reliability, transmission speed and capacity of the Internet service providers. The fiscal year 2001 budget request is $1,040,000.

The Electronic Printing and Document Archiving projects, with a fiscal year 2001 budget request of $5,114,000, consist of initiatives to create an electronic printing network that will connect Senate PCs to the Printing & Graphics' copy centers; replace offset presses with electronic digital presses; replace the obsolete binding machine; and enhance document archiving capability with document imaging equipment that could produce CD–ROMs or DVDs.

The objective of the electronic printing network is to connect Senate PC's to the copiers in the various Printing and Graphics copy centers so that Senate staff will be able to send electronic files directly to the copiers much as they send documents to in-office printers. Currently, most copiers do not have networking capabilities and original hard copy documents must be physically delivered to the copy centers for duplication. There is limited networking capability in the main copy center and none in the remote centers, a condition that must be relieved. This project will create a modern high speed network between all copy centers and Senate desktop workstations by connecting the equipment to the Senate Data Communications Network, thus reducing labor requirements throughout the Senate and the Sergeant at Arms. Digital electronic printers will replace copiers and enable all "copies" to be laser originals, eliminating the normal degradation associated with photocopy technology. The digital printers will have other advanced automated features that will improve quality and efficiency, and reduce turnaround time. The fiscal year 2001 budget request is $2,164,000 and the project would be completed in the same year.

An upgrade to the graphics (chart production) computers is also included in the electronic printing network initiative. This will replace five year old equipment that does not have enough disk space or memory to handle the demand for charts that are being requested today. This equipment must be replaced immediately. The new equipment will speed up the chart making process and thus improve turnaround time.

The digital printing press initiative will replace the offset web presses with multicolor digital presses. The digital presses will save labor and materials and improve turnaround time by eliminating much of the pre-press work, such as making and developing negatives and plates, and the use of chemicals. Instead, documents will be sent directly to the presses from a PC, similar to the way Senate employees send documents from their PC to their local printer. The digital presses will be more flexible in their use of paper and color and more reliable because the process will

be electronic rather than mechanical. The fiscal year 2001 budget request for the digital presses is $500,000 and the project will be completed in that year.

The binding equipment upgrade initiative will acquire a new soft-cover book binding machine to replace nine year old equipment. This machine produces "perfect binding", i.e., flat sided spines that are glued to a paperback cover. The current machine cannot handle the volume of work required and has book thickness and other limitations that do not enable it to accommodate many requests. In addition, some parts are no longer available and the maintenance is very expensive. This equipment must be replaced as soon as possible. The alternative to perfect binding is to fold and staple ("saddle stitch") the document, which is neither practical nor professional looking for large documents. The budget request for this initiative is $620,000 in fiscal year 2001 and will be completed by September 2001.

The document imaging initiative will acquire electronic scanning and optical character recognition equipment to archive hard copy Senate documents. This technology will provide critical enhancements that existing microfilm technology does not offer. The new technology will produce searchable and editable CDs that Senate staff can use on their desktop PCs and eliminate the need to go to a microfilm reader away from their desks. Documents on microfilm must be searched sequentially, like an audio or video cassette, rather than by direct access that CDs allow. In addition, the CDs have a storage capacity that is three times greater than microfilm and take up one-fifth of the physical space of microfilm cartridges. The microfilm readers in the Senate could be eventually eliminated. The fiscal year 2001 budget request for this project is $1,800,000 and will be implemented by September 2001. Maintenance will be approximately $30,000 per year.

The Information Security project, with a fiscal year 2001 budget request of $3,639,000, will plan, test and acquire devices to tighten access to Senate computer workstations and servers. Currently, the primary means of secure access to Senate computer systems is through the use of passwords and Secure ID's (for dial-up access). Two separate approaches are being taken: enhanced user identification and authentication (I&A) through the use of smartcards (such as Secure ID's) or biometric devices, and the establishment of a public key infrastructure (PKI) to enable the encryption, validation and verification of documents transmitted electronically. We must enhance our information security infrastructure to prevent break-ins and possible loss of or corruption of information.

In fiscal year 2001, $75,000 is requested for test equipment and services to develop requirements, select a strategy, and plan the deployment. There is $1,200,000 for the acquisition of the I&A devices, and $1,800,000 for servers, workstations, and software for the PKI infrastructure. Examples of biometric devices include fingerprint readers and retina scanners. The project will take about two years to complete.

In fiscal year 2001, there is $564,000 requested to develop a security architecture and strategy for ensuring that the Senate network and information systems are protected from internal or external intrusion. Tools will be acquired to enhance intrusion detection, threat emergency response, and counter measure initiatives.

The Messaging Infrastructure and Microsoft Windows 2000 projects, with a fiscal year 2001 budget of $3,256,000, will upgrade our current electronic messaging system to Microsoft Exchange 2000. This will lay the foundation for an upgrade of the Senate's Microsoft Windows 98 (workstation)/Windows NT 4.0 (server) operating system to Windows 2000. The projects are estimated to be finished in fiscal year 2002. It is worth noting that our current messaging infrastructure software is being phased out by the vendor and must be replaced.

The Microsoft Exchange 2000 messaging infrastructure is a modern, enterprise-class system with functionality which goes well beyond electronic mail. This architecture supports enterprise-wide calendaring, scheduling, task tracking, workflow, and work collaboration. This is a continuation of a project started in fiscal year 1999.

During fiscal year 1999, phase 1 of the Messaging Infrastructure project was executed. In this phase, the systems requirements were determined and analyzed, alternative system architectures were developed and assessed, and alternative products were evaluated. Microsoft Exchange was selected as the foundation for the Senate's new messaging infrastructure. During fiscal year 2000, implementation was begun. Funding is included in this budget to complete implementation of Microsoft Exchange 2000 throughout the Senate.

The Windows 2000 operating system will offer improved security, reliability, stability and functionality. Servers and workstations will use the same software and will be better integrated, unlike Microsoft's current architecture of Windows 98/Windows NT. Windows 2000 will feature technology to allow it to be integrated with the Microsoft Exchange messaging system. In fiscal year 2000, test equipment hard-

ware and software will be acquired to begin implementing Windows 2000. We expect that deployment will be completed in fiscal year 2002. Funding is included in fiscal year 2001 for licenses for all workstations and servers and for installation Senate-wide.

The Voice and Paging Infrastructure project, with a fiscal year 2001 budget of $2,879,000, consists of several initiatives to upgrade the main Senate telephone switch, the voice messaging system and paging system. This project also includes a pilot project for nationwide paging.

The voice and RF systems initiative will upgrade the software of the 15 year old main telephone switch so it can accommodate new multimedia services. Although the switch has been incrementally upgraded for hardware and annually for software, it has reached its technological limit and must be replaced. The fiscal year 2001 budget request of the upgrade is $1,000,000 and will be completed in fiscal year 2002.

The voice messaging system will be replaced because of age, additional required functionality, greater capacity and interoperability with other communications and information systems. The fiscal year 2001 budget request is $1,000,000 and the project will be completed in fiscal year 2001. The current mission essential system does not meet the Senate's requirements and must be replaced.

The Senate's Washington, DC paging system transmitter infrastructure will be replaced to improve reliability and functionality. The new transmitter will include a microwave broadcast facility for simulcast capability. In fiscal year 1999, the paging system terminals and desktop interfaces were replaced to make them Y2K compliant. In fiscal year 2000, the transmitter's infrastructure is being upgraded to extend its life by two years and increase its transmitting radius from 35 to 50 miles from the Capitol. The Senate operates its own private paging system to ensure security, flexibility and reliability. There is $379,000 requested for this initiative.

In fiscal year 2001, a nationwide paging service pilot project will be conducted to determine the best approach to implement this service. Nationwide paging cannot be provided with the current privatized system because of cost and licensing issues. The fiscal year 2001 budget request for the pilot project is $500,000. Nationwide paging is a critical new service required by the Senate.

The Office Productivity Tools project, with a fiscal year 2001 budget request of $1,745,000, consists of two initiatives to develop Web-based IT tools and applications to help the Senate with its personnel, financial, legislative, and press operations. This project is critical to the efficiency of the Senate.

The electronic document management system (EDMS) will provide the Senate with an electronic document management system for storing, organizing, and retrieving electronic, hard copy, and multimedia documents. This capability will make information more immediately accessible to Senate staff; reduce labor costs of storing, organizing, and retrieving information; and provide a mechanism for archiving historical material. There is $1,620,000 requested in fiscal year 2001 for this initiative to acquire the hardware and software for the Senate. Deployment will begin in fiscal year 2001 and be completed in fiscal year 2002.

The electronic workflows technologies initiative will support the acquisition of hardware, and software to develop the requirements and begin implementation of the tools. There is $125,000 requested in fiscal year 2001 for this initiative and is ongoing.

The Enterprise Computer Operations project, with a fiscal year 2001 budget request of $692,000, consists of several initiatives to upgrade the mainframe computer and enterprise servers. The initiatives are to purchase new mainframe tape drives to double capacity, purchase a multifunctional console to monitor the mainframe and 40 servers simultaneously, acquire mass storage to be shared by the mainframe and enterprise servers, acquire equipment to automate the tape handling function, and develop a disaster recovery plan for the enterprise servers. This project is critical to the efficiency and effectiveness our Enterprise operations.

The new mainframe tape drives initiative will increase the number of tracks from 18 to 36. The benefits include increased storage capacity, faster read/write of data, reduced number of tapes that must be mounted and dismounted, reduced tape usage and offsite storage expenses, and increased reliability. The fiscal year 2001 budget request is $120,000 and the installation will be completed then.

The multifunctional command console initiative will allow the Enterprise Operations staff to centralize monitoring functions for all 40 enterprise servers and the mainframe computer system. The new console monitor will support the viewing of multiple systems from one location, which will result in more efficient staff utilization, and an improved ability to manage network and systems performance. In fiscal year 2001, $70,000 is requested for this initiative, which will be completed then.

The advanced mass storage network initiative will enable the sharing of mass storage between the mainframe computer and the 40 enterprise servers. Through shared storage, data may be moved between systems more easily, which will reduce storage costs and simplify storage management activities. Currently, each enterprise server requires staff to configure and manage the mass storage attached to it. If data must be moved between servers—such as in a system backup—staff must often perform formatting or conversion operations to facilitate the exchange of data. This operation can be reduced with the sharing of mass storage. This initiative is also necessary to accommodate the increased number of servers that are projected in the future. The fiscal year 2001 budget request for this initiative is $112,000 and it will be completed in fiscal year 2002.

The auto tape library (ATL) will automate some of the tape handling functions by automatically mounting, loading, unloading, dismounting and filing tapes used by various applications and in maintenance procedures, such as tape backups. An automated tape library houses its own input and output tapes, and is designed to run unattended. The fiscal year 2001 budget request is $250,000 and the initiative will be completed in fiscal year 2002.

The enterprise-server disaster recovery plan initiative will develop a plan to quickly restore the functionality of enterprise-level servers with mission critical applications in the event of a disruption. During the past two years, many of the Senate's mission-critical applications have migrated from the mainframe computer to enterprise-level servers. The current disaster recovery plan and support contract does not encompass enterprise-level systems. The enterprise server plan will complement and extend the disaster recovery plan for the mainframe system. The fiscal year 2001 budget request is $140,000.

The IT Requirements project will fund the requirements study for future technology initiatives. The fiscal year 2001 budget request is for $475,000.

The Internet E-Mail Processing project, with a fiscal year 2001 budget request of $275,000, consists of two initiatives to upgrade the Internet e-mail processing system. The initiatives will be to deploy the Echomail e-mail filtering system in the Senate and refine the acceptance/rejection criteria; and then feed the messages to the correspondence management systems (CMS) for long term archiving and integration with hard copy constituent mail. This project is critical to the Senate's ability to respond to constituent e-mail in a timely manner.

The first initiative, Internet E-Mail Processing, began in fiscal year 1999 when the servers and software for the Echomail product were installed in the Enterprise Operations Data Center. In fiscal year 2000 a pilot project is being conducted in member offices to assess the performance of the system and refine the installation procedures. In fiscal year 2001, this product will be deployed Senate-wide. The fiscal year 2001 budget request for the initiative is $125,000. The second initiative, Internet E-Mail CMS Integration, will ensure that Internet e-mail can be accepted by the CMS. The fiscal year 2001 budget request for this initiative is $150,000. The two initiatives will be completed in fiscal year 2001.

The Internet Video and Audio project, with a fiscal year 2001 budget request of $175,000, consists of videoconferencing and streaming media initiatives. Videoconferencing allows live two-way audio and video transmission from a desktop workstation; streaming media are pre-recorded audio and video that are sent from desktop workstations to external consumers.

The videoconferencing initiative will expand the current pilot project, which began in fiscal year 1999. During fiscal year 2001, additional desktop videoconferencing equipment will be deployed to selected Senate workstations. The capacity of the Meeting Point videoconferencing servers will also be increased. At the conclusion of the pilot project, a decision will be made regarding full deployment of videoconferencing starting in fiscal year 2002. Full deployment of videoconferencing will be contingent on the upgrade of the data communications network to a dedicated 10 Mbps at the workstation. The fiscal year 2001 budget request for the pilot is $100,000 and it will be completed by the end of fiscal year 2001.

The streaming media infrastructure initiative will continue the current pilot project which began in fiscal year 1999. This service will enable the Senate to send video and audio from its desktop workstations. The existing streaming media equipment will be enhanced and updated. The fiscal year 2001 budget request for the pilot is $75,000 and will be completed by the end of fiscal year 2001.

There are several Other Projects in the fiscal year 2001 budget. They are: a software upgrade to the mail sorter to process constituent response mail at the lowest postal rates, an upgrade of the newswire platform to replace a product that has been discontinued by the vendor, the acquisition of a Web-based budget system to replace the current system of spreadsheets, and the installation of video monitors in the Parking Office to facilitate improved parking lot management.

The mail sorter upgrade will consist of the purchase of a software package called Sabre and a magnetic address reader. Sabre is a software-based optical character address recognition system that identifies an envelope's outgoing address, selects lowest available postage rate based on the volume being sent to the destination, and bar codes it. Outgoing mail is then sorted by zip code, bundled and mailed at a bulk rate. The software will be able to recognize a wider range of fonts and sort this mail for discounts. Records for the first quarter of fiscal year 2000 indicate that 20 percent of the constituent mail processed on the mail sorter was sent out at single piece rates, 33 cents. By using the new reader, the postage could be reduced to at least 23.5 cents. This translates to a potential annual savings of $99,000. The Sabre software would also reduce the sorting time and labor because fewer letters will be rejected, thus avoiding resorting. The fiscal year 2001 budget request for the sorter upgrade is $100,000 and it will pay for itself in cost savings in the first year. The initiative will be completed in fiscal year 2001.

The newswire platform replacement initiative will replace the current platform, NewsEdge Insight 4.1, because it has reached the end of its service life and will no longer be supported by the vendor. The next version, Insight 5.0, will not meet the Senate's news research requirements and will not interoperate with other Senate systems. It will also require extensive customization to deploy. The fiscal year 2001 budget request includes $100,000 to fund the initial steps in replacing the NewsEdge platform.

The budget preparation system initiative will replace the existing network of more than 100 spreadsheets with a Web-based centralized database structure enabling remote access for budget preparation, consolidation, validation, analysis, review and electronic approval. The system will improve accuracy and efficiency by eliminating the transmission of data files via e-mail and the constant reconstruction of formulas and formats when users accidentally change or override the templates. The system will also allow for better control and validation of budget data, allow for better analysis, classification and reporting using database tools; enable comparisons with prior year actual results; and allow for better information security. There is $150,000 requested in fiscal year 2001 for this initiative which will be completed within that fiscal year.

The parking video monitors initiative will provide video monitors in the Parking Office to supplement the U.S. Capitol Police video surveillance system to facilitate improved parking lot management, security, and safety. There is $75,000 requested in fiscal year 2001 for this initiative.

NONDISCRETIONARY ITEMS

Non-discretionary items will increase by $1,736,000 or 58.2 percent to $4,719,000. These items consist of Senate-wide legislative, financial and public information initiatives that are managed by non-Sergeant at Arms entities but funded by the SAA. The increase is due to follow-on projects for the Legislative Information System/Document Management System ($789,000), operational support for the Financial Management Information System ($495,000), and development of a Web reporting capability for the payroll system ($210,000). Also included is a $177,000 increase in the Capitol operators salary budget for two new operators and a manager. The Capitol Operator Exchange is managed jointly by the Senate and House.

Mr. Chairman, that completes my formal submission to the Subcommittee. I appreciate the opportunity to be here and I look forward to working with you and other members of the Subcommittee to develop a budget that will best serve the needs of the Senate.

BIOGRAPHICAL SKETCH OF SARAH ELIZABETH MCALHANY

Elizabeth McAlhany was appointed as the Sergeant at Arms' Administrative Assistant March 1, 2000.

From June 1997 to March 2000, Ms. McAlhany was the Director of Customer Relations for the United States Senate Sergeant at Arms. The Customer Relations Department's mission was to ensure that all Sergeant at Arms services are provided to the Senate in a manner that is consistent with the SAA's high service standards. These services included researching and fulfilling the information technology needs of the Senate offices.

Ms. McAlhany has also served as both an Assistant Director and the Acting Director of the Senate Computer Center, where she was responsible for the overall operational management responsibilities, including planning, organizing, directing and controlling of all its personnel, budget, and program activities. Responsibilities also included managing the Education and Support Services Division of the Computer

Center which provided Senate staff with comprehensive training and support for all the Senate-approved computer systems.

During the mid-1980's, Ms. McAlhany worked as the Special Assistant for Information Systems for Secretaries of the Senate, the Honorable JoAnne L. Coe and the Honorable Walter J. Stewart. In this job, Ms. McAlhany was responsible for coordinating all the automation activities for the twenty offices under the jurisdiction of the Secretary of the Senate.

In January 1977, Ms. McAlhany started her Senate career as a staff assistant for the Honorable John C. Danforth, United States Senator from Missouri. She was responsible for maintaining the automated files for the constituent records within the office and for selected casework initiation and follow-up.

Ms. McAlhany has been employed in the Senate since 1977 in various positions that utilized her knowledge of information technology systems, as well as her knowledge of the U.S. Senate. She has over twenty years of management experience within the Senate. Originally from Missouri, Ms. McAlhany is a graduate of the University of Arkansas with a degree in English and did graduate studies in Communications at the American University in Washington, D.C.

Senator BENNETT. Well, thank you very much.

I agree absolutely that it is important that Government gets it and has the latest and best technology to deal with the rest of the world. You remind me of an old experience now, but it struck me at the time and it has stuck with me ever since. At one point in my career I was hired as a consultant to NASA. This was in the beginning of the Reagan Administration and I was very excited about going to the world's absolute number one top technology outfit, and was a little distressed when I found out they had dial telephones. They had still not gone to the touchtone telephone at NASA and there was a touchtone everyplace else in the world. But they said for budget considerations they still have dial telephones at NASA. It kind of took the sheen off of the image of that particular agency.

Mr. ZIGLAR. Good first impression.

Senator BENNETT. Yes.

5-YEAR BUDGET

I am delighted to see your operations and maintenance numbers begin to come down. As you do your 5-year budget, could you share with us any projections as to the return on the investment in technology? And is that number going to continue to come down because the technology gets better, or are you going to justify the technology investment on the statement that, well, gee, we got to do it, but we are not going to be able to get any financial implication of it later on?

Mr. ZIGLAR. Well, we certainly will do that analysis. As you know, it is an iterative kind of thing, so you are never quite sure where you draw the line. But hopefully we will continue to do things in the personnel area that will incentivize our folks to do a better job and a more productive job. But in order for them to do that, we need the technology to allow them to do it.

So we for sure will make those projections and that analysis, absolutely.

Senator BENNETT. You are right, you have no choice on the digital technology. This is not the Commerce Committee, but the costs you are facing are similar to the costs that every broadcast facility in the country is facing, and there are some members of the Commerce Committee who say we are giving away spectrum and allowing these people to move to the digital spectrum without paying for

it and it is worth billions. They do not recognize it is going to cost billions to make the transition, and if we do not show a degree of understanding of that we will be in real trouble.

So you do not have to worry about purchasing spectrum because you are not in the broadcast business, but some of those who are are facing exactly the same costs you are focusing on here, plus the requirement or at least request on the part of some Members of our body who insist, well, they should pay for the spectrum, too, so they are paying for the upgrade twice.

Mr. ZIGLAR. Well, we know ultimately who pays for that.

ELECTRONIC PRINTING AND DOCUMENT ARCHIVING

Senator BENNETT. Sure, sure. There is no free lunch.

I appreciate your prioritizing these. The numbers below the line are, by comparison with those above the line, relatively small numbers. But you have got arguably your second largest number up there, or tied with, electronic printing and document archiving. Do you want to talk about that as to why that is below the line and exactly what that involves? I did not catch that as you went through.

What do you mean when you say "electronic printing and document archiving"? Are we trying to get away from a paper society as soon as possible?

Mr. ZIGLAR. It is important. It also has to do with the ability of, for example, in your office to actually put together a document that you are going to mass produce, for example, and have it go directly to our printing and graphics area. It would print out on a high quality machine that gives you a laser-quality document as opposed to taking it, putting it on a Xerox machine, and running it off that way. It is a very efficient way of printing. It saves personnel and time, and obviously it is one less step in the whole process.

Document archiving again has to do with, for example in your own office, where you can start keeping the documents from your own term as a Senator electronically and organize them and allow you to retrieve them in a much more efficient way. So those are two elements of the document printing and archiving project.

It is a large project that has many facets to it, and I have Rick Edwards here who can talk about that if you are interested in more detail in terms of the elements of it. But by and large, it is electronic storage and being able to print high quality documents very efficiently.

The other thing, by the way, let me point out, is that we have printing presses that we use to print these documents, and that will alleviate some of that capital cost going forward. Not that we do not need them, but we will not have as much need.

Senator BENNETT. Well, is there any duplication between the equipment you supervise and that at the GPO?

Mr. ZIGLAR. No, sir.

Senator BENNETT. None at all?

Mr. ZIGLAR. Duplication in the sense of we could be using their equipment?

Senator BENNETT. Yes.

Mr. ZIGLAR. I do not believe so. The GPO does do some printing for the Senate, as you know, but it is more of the high volume, heavy duty stuff.

Senator BENNETT. Okay. Well, I have—well, the standard question now. You cannot come before this committee without being asked this question: When will the Senate phone books be available?

Mr. ZIGLAR. Shoot, I thought you were asking me about the barber shop.

Senator BENNETT. I understand the barber shop is under control.

Mr. ZIGLAR. It is doing better. I do have a report for you on the barber shop, though.

When will the telephone directory be done?

Mr. WINN. We expect to send it to GPO either late this week or early next week, and it should be available to Senate offices the first week in April. We are delayed because we have had twice as many changes to the phone book this year as we have ever had before.

Senator BENNETT. I cannot resist telling you a story because you remind me of it. I have forgotten which Senator is responsible for this, but this is a standard story around here. He said: Government is like the shoe repair. You are going through your old clothes getting ready to decide what you are going to throw out and what you are going to give to Goodwill Industries and so on, and you come up with a claim check for a pair of shoes that you had completely forgotten about. It is 2½ years old.

So you go down to the shoe repair shop with the claim check to see if anything has happened and you hand it to them and they look at it and said: They will be ready next Tuesday.

I wonder if we had asked this question on the 7th of March if we would be told that the phone books would be ready next week. I am sorry, that is unfair.

That is unfair, but it is a great story. We will look forward to the phone books. Thank you very much for your efforts on that.

COMMERCIAL INFORMATION SYSTEM

Now, last year Senator Craig raised some concerns about the commercial information system and I understand your office has done a remarkable job of expanding that program to cover more Senate employees with no additional cost. I think for the record a few sentences about your success and performance there would probably be a good way to conclude the hearing.

Mr. ZIGLAR. Mr. Chairman, I am glad you asked me that question.

Senator BENNETT. I thought I would give you one softball across the middle of the plate.

Mr. ZIGLAR. Because that really is one of the real success stories from this year. We have without any additional cost to Senate offices, been able to take what was a situation where you had to choose from a short menu of options of information services that you could use and get them in only one place in your office, to a huge menu of information services and you have access to all of them. And not only that, but you now have access to them on each desk in your office.

This was done without any additional cost to the Senate. In addition, we are now supplying this service to committees at no cost. So it has been expansion of information sources, and in effect a reduction in cost to the Senate to provide them. The folks over at Postal Square that worked on this project did a great job. I would not mind having those folks work for me in the private sector negotiating deals with vendors, because they squeezed blood out of a turnip. They did a great job and I am real proud of them.

I might add that Senator Craig has been very pleased with the result. I got a very nice letter from him, and we worked with his staff to make sure that his concerns were addressed. So I appreciate your asking the question and we are real proud of that.

Senator BENNETT. Very good. Thank you. We are delighted that the Senate directory is coming out as early as it is.

Mr. ZIGLAR. Mr. Chairman, I have to make——

Senator BENNETT. We would not want anybody to misinterpret my comment.

Mr. ZIGLAR (continuing). One final comment. Last year you asked me why it was that the Majority Leader paid the same thing for a haircut that you did, and I have been looking into that this year and I want you to know that, as much as we would like to, we cannot cut you a deal. You are going to have to cut the deal with your individual barber.

Senator BENNETT. I have long since given up trying to understand that, but the Majority Leader is sufficiently blessed with follicle adornment and I am not and I will just have to pay tribute to him for his wisdom in choosing the genes that he did that got him to that situation.

ADDITIONAL COMMITTEE QUESTIONS

Mr. ZIGLAR. And we appreciate the extra money in effect that you pay in order to support the barber shop.

Senator BENNETT. On a per hair basis——

Mr. ZIGLAR. That is right.

Senator BENNETT (continuing). I guess I am subsidizing him.

[The following questions were not asked at the hearing, but were submitted to the Office for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

Question. The Technical Capital Investment category has increased dramatically (353.7 percent). This appears to be quite a big jump—a significant increase in spending over last year. Your table on page 333 of your testimony shows a total request of $31,124,000 for fiscal year 2001, but the total cost for those technology capital investments you want is $75,348,000. The Recording Studio upgrade is a five-year project, and some of the other items in that list might be upgraded on shorter or longer cycles.

Can you break this down for us into a more digestible form?

Answer. Presented below is a table outlining expenditures for Technology Capital Investments through fiscal year 2005.

FINANCIAL PLAN FOR FISCAL YEARS 2001–2005—TECHNOLOGY CAPITAL INVESTMENT

[In thousands of dollars]

Description	Prior Year Expenses	Fiscal year—					Total
		2001 Budget	2002 Budget	2003 Budget	2004 Budget	2005 Budget	
Operations Division:							
Senate Recording Studio Digital Technology	.....	7,289	4,454	4,800	4,906	3,799	25,248
Communications Infrastructure	12,388	5,160	1,166	.....	.....	.....	18,714
Electronic Printing and Document Archiving	.....	5,114	.....	.....	.....	.....	5,114
Information Security	6	3,639	50	.....	.....	.....	3,695
Messaging Infrastructure and Windows 2000	4,308	3,256	300	.....	.....	.....	7,864
Voice and Paging Network Infrastructure	2,923	2,879	2,438	.....	.....	.....	8,240
Office Productivity Tools	54	1,745	125	.....	.....	.....	1,924
Enterprise Computer Operations	.....	692	.....	.....	.....	.....	692
Internet E-mail Processing	1,578	275	125	.....	.....	.....	1,978
IT Requirements	100	475	475	.....	.....	.....	1,050
Internet Video and Audio	104	175	125	.....	.....	.....	404
Other Projects	.....	425	.....	.....	.....	.....	425
Total Operations Division	21,461	31,124	9,258	4,800	4,906	3,799	75,348

Question. Can you give us some overall idea about how much we might be spending in technology upgrades in the next three to five years?

Answer. At this time we are not able to provide this kind of information. However, in my testimony, I did address the need for this information. We plan to initiate a five-year "evergreen" budget plan which we will provide to the Committee upon its completion. We expect to have the plan completed by the fall of 2000.

This five year plan will enable us to manage our technology assets more effectively and schedule asset upgrades and replacements in a more predictable manner. It will also enable better long range planning for the appropriation cycles that the Committee must manage.

CONCLUSION OF HEARINGS

Senator BENNETT. Thank you very much. The hearing is recessed.

[Whereupon, at 11:10 a.m., Tuesday, March 21, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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