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GPO

OVERSIGHT HEARING ON THE GOVERNMENT PRINTING OFFICE

HEARING

BEFORE THE

COMMITTEE ON HOUSE ADMINISTRATION
HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

HEARING HELD IN WASHINGTON, DC, APRIL 28, 2004

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GOVERNMENT PRINTING OFFICE

WEDNESDAY, APRIL 28, 2004

HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOUSE ADMINISTRATION,
Washington, D.C.

The committee met, pursuant to call, at 10:05 a.m., in Room 1310, Longworth House Office Building, Hon. Robert W. Ney (chairman of the committee) presiding.

Present: Representatives Ney, Linder, Larson, Millender-McDonald, and Brady.

Staff present: Jeff Janas, Professional Staff Member; Maria Robinson, Policy Director; Fred Hay, General Counsel; George Shevlin, Minority Staff Director; Charles Howell, Minority Chief Counsel; and Michael Harrison, Minority Professional Staff Member.

The CHAIRMAN. The committee will come to order. And we will begin today by welcoming Congressman Brady. Other Members, I am sure, will be joining us. I wanted to start by introducing—we have a special guest in the audience—Karim Sayed. If you could stand up, Karim. Karim is with the Parliament in Egypt. He is over here today. So welcome to the United States and to the U.S. Capitol.

The committee is meeting today to hold an oversight hearing on the Government Printing Office. I think it is important that we bring to light the many changes that have been taking place at the GPO.

The purpose of this committee hearing is to discuss the ways in which GPO has been improving its operations; the recent General Accounting Office, or GAO as we all know it, report examining Federal printing, information dissemination; and the progress of the Office of Management and Budget.

For nearly 150 years, the Government Printing Office has provided invaluable service to the American people by producing, procuring and disseminating printed and electronic publications produced in the legislative and executive branch so that every citizen has access to the wealth of information that is produced on our behalf.

I want to welcome our Ranking Member, Congressman Larson of Connecticut.

Historically, as advancements in technology have altered the means for meeting its mission, the GPO has embraced these new technologies to more efficiently deliver information to the American public. The GPO disseminates more than 35 million documents per month on line via GPO Access, one of the Federal Government's largest and most heavily used Web sites.

We once again are at a crucial juncture requiring a vast transformation of the ways in which GPO does business. When electronic distribution of documents over the Internet arrived in the early 1990s, few in the printing industry anticipated the sweeping publishing revolution that would occur inside of 10 years. Few at GPO imagined the day when print media would become secondary to or even potentially replaced by documents created digitally by authors and distributed electronically from their source.

However, this is now a reality. Under the authority of the Joint Committee on Printing, (JCP) and the stewardship of the Public Printer, Mr. Bruce James, GPO has worked to meet this new reality, maximizing cost-effectiveness across all of its operations.

With JCP approval, the GPO last year carried out an initial round of a very successful voluntary retirement incentive program which has generated an annual savings, I want to repeat savings, of 21.7 million to the taxpayers of the country. Due to the success of this buyout, the JCP subsequently authorized a second round of buyouts for this year aimed at achieving an annual cost savings of 16.5 million.

In addition, the JCP authorized the GPO to close several areas of its business that were consistently losing money. In 2003, the Government Printing Office closed their remaining 13 retail book stores, one of which was in the State of Ohio where I am from, with a cost savings of 1.5 million, and their ink shop where GPO was still making its own ink. Through their inspector general, they determined it was cheaper to buy ink elsewhere, resulting in 1.1 million in savings over the next 5 years. With JCP approval, Mr. James has been cutting costs at the GPO while maintaining a high level of service.

To realize its vision of a primarily digital future, GPO will need to look at what type of facility will fully support this type of operation. With JCP approval, GPO has begun the information-gathering process with respect to the possibility of relocating their headquarters from their oversized facility on North Capitol Street to a more modern and efficiently manageable facility that will meet the emerging and future needs of the agency.

I look forward to hearing testimony today from Linda Koontz, Information Management Issues Director of GAO, who has just concluded an extensive and thorough examination of GPO operations and is making recommendations on how GPO can transform to keep up with general trends in the printing industry.

GAO concluded that GPO's print procurement business has seen a loss in revenue in at least 3 of the last 5 years. Although the printing work that GPO traditionally did is in decline, the good news is that the agencies are generally satisfied with GPO's products and services. Most responded that they knew more about what GPO has to offer and that they need to expand their electronic dissemination programs, which fall in line with Mr. James' strategic planning for the organization.

I look forward to hearing testimony from the panels. Before I turn over to our Ranking Member, I also want to say something that needs to be addressed publicly, and I have said this before, when we were over at a Congressional Research Service (CRS) event. I came here in 1994 and started serving in 1995. We went

from shut it down, take it apart, dismember it, to different ideas people had, to throwing our hands up in the air and not knowing particularly what to do. And I think under your stewardship, Mr. James, as the Public Printer—and I know from the phone calls that you have made and your staff—you have taken the right approach to test ideas, to think outside of the box, to see what works or what doesn't work. So I think that personally, after 9 years of dealing with this issue, I believe that we are on the right track due to your stewardship. So I just want to publicly commend you, and all of your staff because I know you always speak about the people that work there and you always compliment them.With that I will turn to our distinguished Ranking Member Mr. Larson.

Mr. LARSON. Thank you, Mr. Chairman, and welcome to the panelists. We thank you for availing yourselves today for this important hearing. This is the first oversight hearing on the Government Printing Office since July of 2002.

Much has happened since July of 2002. A new Public Printer, Bruce James, has taken office. He has appointed a new inspector general, Marc Nichols, who we had the pleasure of meeting yesterday, and who joins us here today. Both gentlemen come to the GPO directly from the private sector, Bruce after a successful career in the printing industry in California, Marc Nichols from a law practice in Colorado.

Since taking office, as the Chairman has pointed out, Bruce has reorganized the GPO's top management and has accrued significant savings. He has embarked on a strategic planning process and made other changes in direction that are laudable. This hearing offers Bruce an opportunity to provide this committee with better understanding of his vision for the GPO of the future.

This is a normal part of our process, and, again, I commend the Chairman for holding this hearing. And we welcome it, as I trust all of the panelists welcome it as much as we do. This hearing offers us the opportunity to hear from others interested in these matters, including the General Accounting Office, organized labor, the printing industry, and the library community, panels that we will hear from later.

Yesterday we had an important memorial service that took place at the Library of Congress. They memorialized a former Librarian of Congress, Daniel J. Boorstin. And I was struck at that service, again, and I am most interested in hearing from the library community, because you are the protectors of knowledge and of the historic record. The Chairman and I happened to be at a CRS-sponsored class last evening that was conducted by Judith Schneider at the Smithsonian Institute. And I mentioned this last night about Boorstin's remarks, talking about libraries and the principal responsibility that all of them share both from the GPO's perspective, but most importantly from the library's perspective. They are the cathedrals or the only place where one still has the opportunity to ask the unimagined question and receive unwelcome answers.

That indeed is a tremendous responsibility and one that should be cherished. It is one that makes our government unique from every other government in this pursuit of knowledge and this important keeper of the records.

And so, again, I laud the Chairman, and I look forward to hearing from the printing industry and organized labor, who I know have concerns, as we project out into the future and look at what Bruce James' vision for that future is going to be. But I am heartened by the fact that we have the ability and capability to move forward into that future collectively, and with the support that is necessitated to continue to keep the public records and that knowledge there for access to the general public.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank the gentleman for his comments.

[The statement of Mr. Larson follows:]

Submit for record

OPENING STATEMENT OF
THE HONORABLE JOHN B. LARSON
RANKING MINORITY MEMBER
COMMITTEE ON HOUSE ADMINISTRATION

OVERSIGHT HEARING ON
APRIL 28, 2004
THE GOVERNMENT PRINTING OFFICE (GPO)

Mr. Chairman, thank you for scheduling this important hearing. The last oversight hearing examining GPO issues took place in July 2002 in the Joint Committee on Printing, when our distinguished colleague Senator Mark Dayton chaired the JCP. Much has happened since then, notably the appointment of the 24th Public Printer, Mr. Bruce R. James, of Nevada. Mr. James brings to the position of Public Printer an extensive background in the private-sector printing industry. We are grateful that he is willing to serve in this unique and challenging period.

Since taking office, Mr. James has appointed a new top-management team. He has also appointed a new Inspector General, Marc Nichols, who joins him at the witness table this morning. The Public Printer has reorganized GPO's top management, and has also reduced the size of GPO's workforce by more than 10% through an initial round of employee buy-outs. He has embarked on a strategic planning process and other changes in direction. This hearing offers Mr. James an opportunity to provide this committee with a better understanding of his vision for the GPO, and offers us an opportunity to evaluate and question him about what he's doing. This is a normal and, in fact, essential component of the process, for both the Congress and the Public Printer. I trust he welcomes it as much as I do.

This hearing also offers us, and Mr. James, an opportunity to hear from others interested in these matters, including the General Accounting Office, who has been looking into GPO management-related issues at the behest of the Appropriations Committee, and three important groups with direct stakes in the success of the GPO. We, and he, will hear from organized labor, representing the hardworking men and women who, in every sense of the word, enable the Public Printer to deliver goods and services to his customers every day. We will hear from the private printing industry, a critical GPO partner that is invisible to many Americans, who do not realize that roughly 3/4 of all printing ordered through GPO is printed not in GPO's plant, but by private printers across the country.

Finally, I am especially eager to hear from the group who exemplify what all this is about and who are here to remind us why all this matters, which is America's library community and the American people they serve. Libraries and librarians in every state of this Union are the cornerstone of a system, created by Congress in 1813, during the administration of James Madison, the architect of the Constitution, and are the guardians of Americans' right to know. Librarians are here to ask that this Congress, like its predecessors, reaffirm our national commitment to the core principle enunciated in 1813, chief among them that all Americans will forever enjoy free, permanent public access to the basic information about what our government is doing. We will assure that government information is disseminated widely and available to all citizens, whether rich or poor, urban or rural, Republicans, Democrats or independents, or

Opening Statement of
Rep. John B. Larson

anything in between. The collection, dissemination and preservation of government information make democracy possible. In that framework, librarians will offer their views on how we and GPO can protect and improve the Federal Depository Library Program in an electronic environment, and make democracy possible in the 21st Century and beyond.

I look forwarded to the dialogue.

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The CHAIRMAN. With that we will begin with the first panel, which consists of, Mr. Bruce James, the Public Printer of the United States, GPO; Marc Nichols, Inspector General, GPO; and Linda Koontz, General Accounting Office. Welcome to all three. We will start with the Public Printer, Mr. James.

STATEMENTS OF BRUCE JAMES, PUBLIC PRINTER OF THE UNITED STATES, GPO; MARC NICHOLS, INSPECTOR GENERAL, GPO; AND LINDA KOONTZ, GENERAL ACCOUNTING OFFICE

STATEMENT OF BRUCE JAMES

Mr. JAMES. Thank you, Mr. Chairman, Members of the Committee. I am pleased to be here this morning as you conduct this oversight hearing of the GPO and our plans to transform it to meet the demands of the 21st century. I will be happy to summarize my prepared statement, which has been submitted for the record.

The GPO is one of the Nation's oldest and most venerable agencies within which the official version of every great American state paper since President Lincoln's time has been produced. I can't begin to tell you what an incredible honor it is to head this distinguished institution.

The GPO's employees, in my view, are the most talented and dedicated group of professional men and women in the Federal Government. They perform demanding tasks under demanding schedules, and they are committed to providing Congress, Federal agencies, and the public with the best products and services possible. I have nothing but the highest regard for them, and for their representatives in organized labor.

The support and guidance that we have been getting from Congress has been simply amazing. Your leadership of the Joint Committee on Printing, Mr. Chairman, with the able assistance of the Joint Committee's staff director Maria Robinson, has been invaluable to us.

Equally invaluable has been the support and guidance we have been getting from the appropriations committees and other Members, officers and staff with the House and Senate, with whom we work closely every day.

Just as gratifying has been the strong support we have been getting from our customers throughout the Federal agencies, from the public that uses Government information, and from our long-standing partners in the Government information community, including the printing equipment industries, the library community, and the information and technology industries. Their advice and input has been extremely helpful. Without their input, Mr. Chairman, we would be lost.

We need their support now more than ever, because the fact is that GPO is at the very epicenter of technological change that is upending virtually every aspect of Federal information policy. There is no time for us to rest on our laurels from the successes achieved long ago. The 19th century is not coming back. Printing, once the world's only mass communications medium, has been eclipsed by revolutionary changes in electronic information technologies, principally the Internet. While printing will not disappear

in our lifetime, its role in our lives and in the lives of those who depend on our products and services has been forever changed.

Technological change has made it necessary to rethink what the GPO is and what it does. It is forcing us to think about how we can lead the way to an information policy that is relevant to and necessary for the demands of the Federal Government and the public in the 21st century. Our stakeholders, our employees, Congress, our customers, and our partners all know that. They are ready for change, and they are ready for the GPO to lead the way. Over the past 16 months, with the help of the General Accounting Office and others, this is the essential task we have been confronting.

I am strongly encouraged by the outcome of the GAO's study of Federal printing and information dissemination, which is nearing completion. Their findings, which I have summarized in my prepared statement, and which they will discuss this morning, underscore the strategic direction we are headed. That direction is based on a straightforward and uncomplicated conclusion.

The time has come for the GPO to fully assume its responsibilities as the Government's primary resource for gathering, cataloging, producing, providing and preserving its published information in all forms. This is the GPO's historic mission, tracing its beginning to 1813, when the amendment for Federal Depository Library Program was first enacted. But to fully assume it, the GPO must embrace its historic mission using the technology of the 21st century, not the past. This is the central concept of the strategic vision that we have begun presenting to our stakeholders throughout the Government and the private sector.

The implications of this vision are clear. First, the GPO needs to take the lead in creating digital standards for official documents of the United States Government. The GPO must deploy the technology needed by its agency customers and the public to gather and produce digital documents in a uniformly structured database in order to authenticate documents disseminated over the Internet, and to preserve the information for permanent public access.

The GPO needs to work with its library partners to develop a new model for no-fee access through the FDLP, which must include a fully digital database of all past, present, and future U.S. Government documents, augmented database search and retrieval tools, and increased training to enable librarians to better serve the 21st century information needs of their patrons.

The GPO needs to develop a customer service model that partners with its agency customers at the program level in order to provide a range of support and solutions for their publishing needs and responsibilities, from creation to dissemination, whether digital or printed publications.

The GPO will need to make significant investments in workforce development in order to train its existing employees in the skills required for 21st century printing and information processing.

Finally, in order to efficiently and effectively meet the continuing in-house printing needs of Congress and its agency customers, and to provide for a modern information processing environment, the GPO will need to relocate to a facility sized and suited for its present and future requirements.

We are getting sound positive feedback from our stakeholders as we present this vision. Our stakeholders are excited by the prospects this vision represents, and they want to work with us to carry it out. We look forward to that collaborative process. After fully consulting with them, we will make the necessary adjustments to our plan and move forward. We expect to have a plan in place later this year.

In the meantime, we haven't waited to begin making changes at the GPO. We are fixing things that needed fixing and putting in place the organization and systems that will help carry out our plan.

The past 16 months have been a period of outstanding accomplishment for the GPO resulting in significant improvements and savings. These accomplishments could not have been achieved without the support and guidance of the Joint Committee on Printing, and we deeply appreciate that, Mr. Chairman.

Among those achievements is the very positive reception we have had from our appropriations committees on both the House and the Senate side. In fact, we are appearing before Chairman Kingston's legislative subcommittee this afternoon at 1:00. We are extremely fortunate to have received their full support for our funding request for fiscal year 2004, including investment funds for the buyout we conducted that eased the way for more than 300 staff to retire last year. That action, along with another buyout we are currently conducting with our own finances, will reduce overall staffing by more than 500 positions, or 20 percent, and achieve cumulative savings of more than $38 million annually. Baring any inforseen circumstances, these savings will position us to complete this fiscal year at or near the break-even point, ending a period of sustained losses in the GPO's finances.

We are seeking the support of the appropriations committees again in fiscal year 2005. We are able this year to propose appropriation requirements for our congressional Printing and Binding and Salaries and Expenses appropriations that are actually less than the amounts we received for this fiscal year.

In addition to those requests, we are seeking investment funds for essential technology improvements that will generate future savings, as well as an independent appropriation for our Inspector General. We understand the limits of available funding, however, and depending on the decision of the Committees, we are committed to do our part to help meet funding targets for the legislative branch this year.

Mr. Chairman, I understand that you have a full slate of witnesses before you, and I don't want to use up any more of the Committee's time. Once again, I have the distinct honor to serve one of the Federal Government's finest agencies, and I am blessed with a superb staff.

We have a tough job ahead of us to map out GPO's future. We have already achieved a great deal with the support of the Joint Committee and the appropriations committees. With your continued help, and with the guidance and support of our stakeholder community, we will achieve fundamental change in the GPO that will provide lasting benefits to the American people. This concludes

my remarks. And I will, of course, be happy to answer any questions the committee may have.

The CHAIRMAN. Thank you, Mr. James.

[The statement of Mr. James follows:]

BRUCE R. JAMES
Public Printer Of The United States

PREPARED STATEMENT BEFORE THE
COMMITTEE ON HOUSE ADMINISTRATION
U.S. HOUSE OF REPRESENTATIVES

ON THE

TRANSFORMATION OF THE
U.S. GOVERNMENT PRINTING OFFICE
TO MEET THE DEMANDS OF THE 21ST CENTURY

WEDNESDAY, APRIL 28, 2004
1310 LONGWORTH HOUSE OFFICE BUILDING
10:00 A.M.

Mr. Chairman and Members of the Committee—

I am pleased to be here this morning as you conduct this oversight hearing on the U.S. Government Printing Office (GPO) and our plans to transform its operations to meet the demands of the 21st century.

There are few posts in the Government and few Federal agencies that have stood the test of time as well as that of the Public Printer and the GPO. My objective is to uphold the tradition of the office while providing the leadership required to guide the GPO into a new era, to ensure that it remains as relevant and necessary to the information needs of Congress, Federal agencies, and the public in the 21st century as it was for the first 140 years of its existence.

The GPO's Mission. The GPO is one of the Nation's oldest and most venerable agencies, within which the official version of every great American state paper since President Lincoln's time has been produced. However, our name gets in the way of our true mission, which is ***keeping America informed*** by distributing the official information products of the Government, thereby sustaining one of the keystones of our 200-year old experiment in freedom: an enlightened public. As James Madison said:

> A popular Government without popular information, or the means of acquiring it, is but a Prologue to a Farce or a Tragedy; or perhaps both. Knowledge will forever govern ignorance: And a people who mean to be their own Governors, must arm themselves with the power that knowledge gives.

Congress moved early to establish the "means of acquiring" information that Madison spoke of, acting in 1813 to provide for the distribution of congressional and other Government documents on a regular basis to libraries and other institutions in each state for that Congress and "every future Congress." This farsighted act was the antecedent for our Federal Depository Library Program, which today serves millions of Americans through a network of some 1,200 public, academic, law, and other libraries located in virtually every congressional district across the Nation.

Along with that program, the GPO today provides access to official Federal information through public sales served by secure online ordering, phone, fax, and mail orders, through various statutory and reimbursable distribution programs, and—most prominently—by posting more than a quarter of a million Federal titles online on ***GPO Access*** (**www.gpoaccess.gov**). This award-winning Web site, which provides official and permanent access to information products generated by all three branches of the Federal Government, is now a mainstay of the Federal Depository Library Program, and is used by the public to retrieve more than 35 million documents free of charge every month.

New Strategic Direction. Just as our middle name gets in the way of understanding our true mission, the nature of what we do—printing, once the world's only mass communications medium—has been eclipsed by revolutionary changes in electronic information technologies, principally the Internet. While printing will not disappear in our lifetime, its role in our lives—and in the lives of those who depend on our products and services—has been forever changed.

/e are now in a period where we need to sort out what continues to belong in print and what best belongs in electronic information retrieval systems. We need to design those systems to allow the public to define their own information needs, then search against databases of information that we build to retrieve only what they need, only when they need it. Therein lies the challenge currently facing the GPO. Like every other manufacturing business in America, the GPO must reinvent itself if it is to remain relevant and viable for the future.

General Accounting Office Study. Since taking office, I have been closely involved with the conduct of the GAO's study of Federal printing and information dissemination that was ordered by the Senate in the Legislative Branch Appropriations Act for FY 2003. The findings of that study, which have been released as input to our strategic planning process preliminary to final publication in June 2004, are extremely interesting. In my view, they make three central points that underscore the need for the actions we have been taking over the past year and the direction of our planning for the future.

First, the GAO has confirmed that the GPO today is in a precarious financial position. Over the past 5 years, we sustained significant financial losses (from reductions in printing procurement revenue and revenue from documents sales and from major accounting adjustments, some of which—such as changes in future liabilities for Federal workers' compensation—have been from sources beyond the GPO's control). These losses have virtually depleted our retained earnings that ordinarily would be available for technology modernization so that additional appropriations from Congress would not be required. Coming at this juncture in the GPO's history, the modernization that is vital to our ansformation is imperiled by our financial position.

To counter this development, last year we asked Congress to invest in the GPO by appropriating $10 million to cover the costs associated with necessary workforce restructuring under retirement incentive authority established by law. This investment, which was approved in the Legislative Branch Appropriations Act for FY 2004, enabled us to carry out a buyout program that resulted in annual savings of approximately $21.7 million from a reduction of more than 300 positions. (A second retirement incentive, funded through our revolving fund, is currently underway and will result in the reduction of approximately 250 positions, for an annual savings of an additional $16.5 million). For FY 2005, we are requesting Congress to make an investment in the GPO of $25 million to support technology modernization. As with last year's investment, this plan will generate increased efficiency and measurable savings.

Second, the GAO survey of 33 Federal departments and agencies found that the respondents—representing more than half of the dollar volume of the GPO's printing procurement work for the executive branch, and including the departments of Agriculture, Commerce, Education, Energy, Housing and Urban Development, Justice, Labor, State, Transportation, the Treasury, and Veterans Affairs; major elements of the departments of Defense and Interior; and several key independent agencies including the General Services Administration, NASA, the Social Security Administration, the Office of Personnel Management, and others—"were generally satisfied with GPO and its services." The GAO found that the respondents "were also generally satisfied with the individual GPO] organizations that provide the print products and services." (We will work with the GAO to omplete a similar survey of our congressional customers.)

While suggesting some areas for improvement that we are committed to providing, the survey clearly demonstrates the value and strengths of the service capabilities upon which we intend to continue building. Already, we have augmented those capabilities with a new package of services available under the OMB/GPO printing compact, which is nearing readiness for government-wide deployment later this year. Equally as important, the GAO survey highlights a lack of agency awareness of our ability to provide Web-based information services—including design, development, hosting, and associated digital asset management services—and to link those services with a standardized, authenticated, permanently accessible system of online public access. This finding indicates a significant growth opportunity for the GPO, one that is tied directly to our transformation to meet Government information product requirements in the 21st century.

Third, as part of its overall study, the GAO convened a panel of experts on printing and publishing technologies to discuss trends in printing, publishing, and dissemination, and the future role of the GPO. The panel recommended that the GPO develop a business plan that would focus our mission on information dissemination as our primary goal, rather than printing; demonstrate to our customers—including Federal agencies and the public—the value we can provide; improve and extend partnerships with agencies to help establish the GPO as an information disseminator; and ensure that our internal operations—including technology, how we conduct business, management information systems, and training—are adequate for the efficient and effective management of core business functions and services. All of these recommendations are part of the strategic direction we are pursuing for the GPO. The panel's work independently highlights the need for us to move in this direction. I look forward to the final publication of the GAO's study in June.

The Planning Process. The facts supplied to us by the GAO study are a valued addition to the facts we have been gathering over the past year through analysis and consultation with key stakeholders in Congress, Federal agencies, the printing and information technology sectors, the library community and the information industry, and from our employee representatives. Using all of these facts, we have begun to develop a new vision for the GPO: an agency whose primary mission will be to capture digitally, organize, maintain, authenticate, distribute, and provide permanent public access to, the information products and services of the Federal Government.

We recently began presenting this vision to our stakeholders, to date providing it to management and employee representatives at the GPO and to the library and information communities at the Spring 2004 meeting of the Depository Library Council last week in St. Louis, MO. Additional presentations will be made to our other stakeholder groups in the coming weeks.

Our strategic vision is uncomplicated and straightforward. Because of changes in information technology, the way the Government keeps America informed has changed. The GPO must not simply react to these changes, but must help lead them. This requirement has significant implications for our transformation, including the following:

- The GPO needs to take the lead in creating digital standards for official documents of the United States Government.

- The GPO must deploy the technology needed by Federal agencies and the public to gather and produce digital documents in a uniformly structured database in order to authenticate

documents disseminated over the Internet and to preserve the information for permanent public access.

- The GPO needs to work with its library partners to develop a new model for no-fee public access through the Federal Depository Library Program. The model must include a fully digital database of all past, present, and future United States Government documents, augmented database search and retrieval tools, and increased training to enable librarians to better serve the 21st century information needs of their patrons.

- The GPO needs to develop a customer service model that partners with its congressional and agency customers at effective working levels, to provide a range of support and solutions for their publishing needs and responsibilities from creation through dissemination whether in digital or printed formats.

- The GPO will need to make significant investments in workforce development in order to train its existing employees in the skills required for 21st century printing and information processing.

- In order to efficiently and effectively meet the continuing in-house printing needs of Congress and Federal agencies, and to provide for a modern information processing environment, the GPO will need to relocate to a facility that is sized and suited for its present and future requirements.

Once the presentations on our strategic vision are concluded, we will incorporate the input we receive through consultations with stakeholders and issue a final strategic plan, to be completed this summer. Then we will move to the tactical planning process, establishing timetables, budget targets, staffing requirements, equipment configurations, measurable goals, and recommended legislative changes to put our vision into action, with overall implementation scheduled for a three-to-five year time frame.

Transformation Process Begun. As critical as the strategic planning process is to our future, we have not waited to begin making essential changes at the GPO that will help move us forward. Over the past year we:

- Successfully resolved the longstanding controversy with OMB over executive printing by proposing a new compact that will enable Federal agencies to choose their own printers, using technology and support services provided by the GPO. Our hope is that the volume of printing paid through the GPO will increase at lower costs while still providing all documents for cataloging and entry into the Federal Depository Library Program. As noted earlier, we are completing the demonstration phase of this project and plan to deploy it government-wide at the beginning of FY 2005.

- With support from the Joint Committee on Printing and the appropriations committees, reduced the GPO's employment rolls by more than 20%, or more than 500 positions, adjusting our staffing levels to meet existing requirements. When FY 2005 begins, total savings from the two retirement incentive programs we conducted in 2003 and this year

will exceed $38 million. With these achievements and related savings, we anticipate we wi. complete FY 2004 at or near the breakeven point, ending the pattern of losses sustained by the GPO in recent years.

- Carried out a major reorganization to streamline management and bring the GPO into line with current business practices. The reorganization was accompanied by active recruitment of a top-level executive team composed of both GPO veterans and outside experts. Along with the reorganization, we created an Office of Innovation and Technology to identify new technologies and practices that will help us move forward. The office is also working to develop associations with other public and private sector entities to carry out our mission.

- Joined with the National Archives and Records Administration (NARA) in a partnership to ensure permanent public access through ***GPO Access***. This is the kind of partnership we will pursue to carry out our mission.

- Initiated the modernization of the GPO's product service lines with new offerings such as Public Key Infrastructure technology to be used in the authentication of Government documents.

- Released a new logo for the GPO that replaces the 1907 image formerly in use and conveys the modern, innovative services we provide.

- Closed the GPO's ailing retail bookstores nationwide in recognition of the public's growing preference for accessing Government information products via the Internet. This action will save the GPO $1.5 million in the first year. We also shuttered GPO's single remaining regional printing plant, in Denver CO, due to a declining workload. The work that remains can be procured effectively through our printing procurement program.

- Began a process that we expect to culminate by 2007 in the relocation of the GPO from our aging, oversized quarters on North Capitol Street to modern, efficient facilities—preferably in the District of Columbia—that are sized and equipped to meet our needs in the 21st century. Rather than burden the taxpayers with this project, we will investigate opportunities to finance it through the redevelopment of our current structures.

- Modernized our payroll system through the National Finance Center, which included establishing email accounts for employees who never had them and setting up kiosk stations around our buildings to give everyone access to computers. With the kiosks, employees are able to manage their NFC accounts, use the intranet or Internet, and receive emails and employee listserv messages via Web mail.

- Implemented the first new employee incentive program at GPO in over a decade to reward creativity, dedication, and initiative; expanded our workforce development budget to $3 million—just 1.5% of our overall budget, but 5 times the amount previously allocated—to ensure that no one is left behind as we transform our operations; and altered our workforce

development policy to emphasize training that is mission-related, not simply job-related. We have also expanded the use of digital communications internally, and created a new Employee Communications Office to provide employees with the information they need to do their jobs effectively.

- Developed a contingency planning effort dedicated to emergency preparedness, protection of our employees, and continuity-of-government operations in concert with similar planning efforts in Congress, Federal agencies, the District of Columbia, and elsewhere. We are working directly with the House and Senate to ensure continuity of operations in the event of an emergency, and we are finalizing operational improvements funded through the FY 2002 emergency supplemental.

These and other actions, in which we have had the support and guidance of the Joint Committee on Printing, the House Administration Committee, the Senate Rules and Administration Committee, and our appropriations committees, have enabled us to move ahead at a rapid pace with the changes necessary to ensure a viable future for the GPO.

GPO's Appropriations. The support of our appropriations committees has been especially helpful to our transformation process during the past year. For FY 2004, the committees recommended full funding of our request, including funding to carry out our retirement separation incentive program. For FY 2005, we are requesting appropriations for the:

- Continuation of our congressional printing and binding operations at required levels;
- Continuation of our document dissemination services at required levels;
- Investment in GPO's future as a 21st century digital information processing facility;
- Separate funding for the GPO's Office of Inspector General; and
- Modernization of business practices through appropriate legislative changes.

Our requests for the Congressional Printing and Binding Appropriation and the Salaries and Expenses Appropriation of the Superintendent of Documents represent reductions of 2% and 3.6%, respectively, from the levels of funding approved for FY 2004. The reductions in these two appropriations have been made possible by reduced printing workloads, our continued application of cost-saving digital information technologies, and increased efficiency in operations, including savings from the buyout conducted this past year.

The centerpiece of our request for FY 2005 is the proposal for an investment of $25 million to be made to our revolving fund, to be used to carry out our multi-year plan for information technology transformation at the GPO. We are also requesting funding for our Office of Inspector General to alleviate that cost burden on Congress and agency customers and make GPO services more competitively priced, and to provide greater independence for the IG and his staff to monitor GPO operations.

Our FY 2005 proposal is accompanied by a request for specific legislative changes to support ou transformational efforts and further our mission:

- Extension of our early retirement and separation incentive authority, which expires at the end of FY 2004. Utilized in 2003 and again this year, this authority has been extremely useful in achieving orderly reductions in staffing that are providing significant savings to GPO operations.

- Authorization to use up to $500,000 to contract for expert services to assist us in our effort to relocate the GPO from our outdated, oversized facilities to another location in the Washington, D.C., metropolitan area, and to finance this project through redevelopment of our existing structures. We have posted an advertisement in FedBizOps seeking these services and expect to make an award in the Spring of 2004.

- Authority to accept contributions of property and equipment to support and enhance the work of the GPO. We have improved the language we submitted last year by adding additional reporting requirements to ensure full accountability. This authority will allow us to accept the placement of prototype equipment for beta-testing and systems trials, and work with the private and non-profit sectors to develop programs that increase the visibility of the GPO, such as the creation of a printing museum.

- Elimination of the current, long-outdated limit of 25 percent on discounts for our sale publications, to enable us to match current sales discount practices in the private sector and improve our documents sales practices.

- Authorization to use up to $10,000 in our Revolving Fund to support the activities of the Benjamin Franklin Tercentenary Commission, established by P.L. 107-202. The Commission is working on ways for the Federal Government to appropriately observe the tercentenary of Benjamin Franklin's birth in 2006. The GPO's support for this important work could involve printing, mailing, travel, or associated expenses. We are deeply committed to supporting the work of the Commission and its private sector counterpart, the Benjamin Franklin Tercentenary Consortium.

- An increase in our representation allowance to $15,000 to support activities promoting the GPO.

Mr. Chairman and Members of the Committee on House Administration, thank you for the opportunity to present you with our vision for the future of the GPO and describe the progress we have made to date. This past year has been one of unparalleled accomplishment at the GPO, and with your support we can continue that record of achievement. I look forward to working with you and this Committee as we continue to move our plans forward. This concludes my prepared statement, and I would be pleased to answer any questions you may have.

The CHAIRMAN. Mr. Nichols, welcome.

STATEMENT OF MARC A. NICHOLS

Mr. NICHOLS. Mr. Chairman and members of the committee, I appreciate the opportunity to appear before you today. As you know, GPO is on the threshold of transforming into a 21st century digital facility under the leadership of Public Printer James. The Office of the Inspector General is dedicated to facilitating this transformation. The OIG offer an independent and objective means of keeping the Public Printer and Congress fully informed about problems and deficiencies relating to the administration and operations of the GPO. To meet these responsibilities, the OIG conducts audits, evaluations, investigations and inspections.

My office is dedicated to partnering with the Public Printer to help the GPO improve its efficiency and effectiveness as the GPO transforms. As the GPO becomes a more technology- and content-driven agency, I expect the OIG universe to grow and the responsibilities associated therewith to increase significantly. As GPO's reliance on contractor support grows, the need for more advanced skill sets within OIG will be necessary to ensure that public assets are protected and used effectively. OIG human and other resources are critical to adequately monitor this increasingly complex and technical universe.

My written comments highlight some pressing issues that the Public Printer and I agree face GPO. These include the headquarters building, workforce needs and training, information technology vulnerabilities, contracting processes, and internal controls.

As GPO undergoes unprecedented changes, the OIG must adapt its resources to facilitate the transformation while continuing to meet the current and evolving obligations. Through new management initiatives and an improved cooperative relationship with GPO management, my office has provided substantive recommendations and has identified more than $19 million in audit, investigation, and inspection findings in the last reporting period. I attribute these results to a better focus on higher-priority matters affecting GPO programs, operations, and the financial bottom line.

Let me summarize some key programs and initiatives that my office has undertaken recently. Through ongoing partnership with the Public Printer, the relationship between my office and GPO management has improved considerably. I have initiated a liaison program wherein senior members of my staff have been assigned responsibility for major GPO divisions to enhance the relationship between my office and GPO management in order to identify cost savings and efficiency opportunities.

The Office of Audits conducted audit-related activities resulting in 14 recommendations for improvements that represent between $1 million and $2 million in potential cost savings per year, and identifying $100,000 in funds put to better use.

The Office of Investigations has closed or referred 56 matters to GPO management, and active cases are questioning more than $8 million.

The Office of Administration and Inspections issued a report on GPO's network security, monitored security concerns in passport production, and aided GPO in confirming the approximately

$542,000 in outstanding receivables for Federal Register work, and highlighted $9.6 million in additional receivables past due more than 90 days, recommending a new process that should help GPO recover payments from its customer agencies faster.

I have spent much of the past year identifying unique opportunities and characteristics of the potential inspection, audit, and investigation jurisdiction over which I have responsibility. There are several examples that highlight the uniqueness of GPO's OIG.

The OIG has a nonpersonnel audit universe of nearly 75 percent of GPO's overall agency dollar responsibility. The OIG has jurisdiction over more than 16,000 contractors, almost 2,300 of which are active at any given time, and who together generate more than 100,000 contracts per year.

Additionally, there are considerable taxpayer dollars at stake. These include printing contracts totaling more than $650 million annually, approximately $75 million in open GPO procurements, over $89.5 million in workers' compensation liability for the next decade.

For fiscal year 2005, the OIG will have responsibility for monitoring a nearly $800 million GPO financial universe. Let me also note that the Public Printer has requested annual funding for the OIG by direct appropriation for fiscal year 2005. I believe direct appropriation will provide the OIG with the necessary independence and flexibility to monitor and evaluate GPO's rapidly changing operations.

I believe the success of GPO depends not only on a clear vision and executable plan by the Public Printer, but also on a strong partnership between GPO and my office. This partnership depends on two-way communication based on mutual respect for the role that both the GPO and the OIG play. This communication will ensure that current and future needs of Congress will be met, as well as ensure the success and vitality of GPO. I am confident we are well on our way to achieving our goals.

I will be happy to answer any questions. Thank you.

The CHAIRMAN. Thank the gentleman for his testimony.

[The statement of Mr. Nichols follows:]

MARC A. NICHOLS

INSPECTOR GENERAL

PREPARED STATEMENT BEFORE THE
COMMITTEE ON HOUSE ADMINISTRATION
U.S. HOUSE OF REPRESENTATIVES

FOR THE

U.S. GOVERNMENT PRINTING OFFICE
OVERSIGHT HEARING

WEDNESDAY, 28 APRIL 2004
1310 LONGWORTH HOUSE OFFICE BLDG
10:00 A.M.

Mr. Chairman and members of the Committee:

I appreciate the opportunity to appear before you today. As you know, GPO is on the threshold of transforming into a 21st century digital information processing facility under the leadership of Public Printer Bruce James. This transformation will enhance GPO's ability to meet the needs of Congress and the Federal Government for information products and to distribute those products to the American People and the world. GPO intends to fulfill its mission more efficiently and cost effectively by incorporating state-of-the-art technologies and best practice methodologies for producing, procuring and disseminating Government information products in a wide range of formats, including print, CD-ROM, and online. GPO's electronic and traditional technologies enable it to facilitate the re-engineering of information products to satisfy the Government's changing information requirements, and to preserve and protect public access to Government information.

The Office of the Inspector General is dedicated to facilitating this transformation. The mission of the OIG is to provide leadership and coordination, to recommend policies to prevent and detect fraud, waste, abuse and mismanagement, as well as to promote economy, efficiency, and effectiveness in GPO's programs and operations. The OIG offers an independent and objective means of keeping the Public Printer and Congress fully informed about problems and deficiencies relating to the administration and operations of the GPO. To meet these responsibilities, the OIG conducts audits, evaluations, investigations, and inspections. My office is dedicated to partnering with the Public Printer to help the GPO improve its efficiency and effectiveness as the GPO transforms into a 21st century digital information processing facility.

As the GPO becomes a more technology and content-driven agency, and increasingly partners with other agencies and new contractors, I expect the OIG universe to grow and the responsibilities associated therewith to increase significantly. As GPO's reliance on increasingly sophisticated and larger contractor support grows, the need for more advanced skill sets within a larger OIG staff will be necessary to ensure that public assets are protected and used effectively. OIG human and other resources are critical to adequately monitor this increasingly complex and technical universe.

SUMMARY OF IMMEDIATE ISSUES FACING GPO

I would like to take this opportunity to highlight some of the most pressing issues that the Public Printer and I agree are facing GPO. Addressing these issues will support GPO's mission and transformation operations and initiatives, to help GPO prepare for necessary budget and operational decisions related to programs and services, and ensure that GPO's funds and resources are utilized most effectively.

Headquarters Building

Our central office located on North Capitol Street is antiquated, too large, and too expensive to maintain for GPO's immediate and foreseeable needs. While the office originally housed nearly 10,000 employees, it now houses about 2,500 and this number is likely to decrease as GPO improves its efficiencies. Additionally, the GPO headquarters is significantly lacking in physical security, especially given post-September 11 security concerns. Costs for upgrading the physical security will be very expensive.

Workforce Needs and Training

It has become apparent that the transformation of GPO will require new skill-sets and experience to meet the challenges of 21st century technology. A greater emphasis on "change management" will be needed to achieve successful transformation; and, expanded training and developmental opportunities are needed for current employees.

Information Technology Vulnerabilities

Several systemic vulnerabilities in GPO's IT security systems were identified during a recent annual testing. IT issues have been a long-standing "reportable condition" in GPO's annual financial audit reports. The OIG is working in partnership with the IT department to address these issues. Moreover, planned IT upgrades are a critical part of GPO's 21st century transformation, and, will require monitoring and collaboration to ensure these developments are not vulnerabilities for the GPO.

Contracting Processes

Internal controls over GPO's contracting processes and systems need improvement to help reduce the opportunities for waste, fraud, abuse and mismanagement.

ROLE OF THE OFFICE OF THE INSPECTOR GENERAL

As GPO undergoes unprecedented changes, the OIG must adapt its resources to facilitate the transformation process while continuing to meet the current and evolving obligations. To that end, I have undertaken to transform the OIG. Through new management initiatives and an improved cooperative relationship with GPO management, my office has provided substantive recommendations and has identified more than $19 million in audit, investigation, and inspection findings in the last reporting period. I attribute these results to a better focus on higher priority matters affecting GPO's programs, operations, and the financial bottom-line. Let me summarize some key programs and initiatives that my office has recently undertaken:

LIAISON PROGRAM

Through ongoing partnership with the Public Printer, the relationship between my office and GPO management has improved considerably. I have initiated a liaison program, wherein senior members of my staff have been assigned responsibility for major GPO divisions to enhance the relationship between my office and GPO management in order to identify cost savings and efficiency opportunities.

OFFICE OF AUDITS

The Office of Audits has shown increased cost savings to the GPO in the last reporting period. The Office of Audits conducted audit-related activities resulting in 14 recommendations for improvements that represent between $1 million and $2 million in potential cost savings per year, and identifying $100,000 in funds put to better use. Management agreed with or is considering all of these recommendations. For example the Office of Audit completed an evaluation of GPO's Uniformed Police Branch and assessed options for contracting with a third-party vendor, or merging with the U.S. Capitol Police. My office concluded that contracting for uniformed security police with a commercial vendor could realize savings of at least $1 million per year. Additionally, a white paper I issued suggested ways for GPO to improve its efficiency and effectiveness regarding the potential acquisition of a facility in St. Louis. GPO subsequently elected not to acquire the facility.

OFFICE OF INVESTIGATIONS

The Office of Investigations opened 19 new cases during the last reporting period in response to 38 new complaints received. Through diligent investigative efforts, the Office of Investigations closed or referred 56 matters resulting in a reduction in open cases of two-thirds, recoveries of $20,187, cost savings of $84,023, and amounts questioned or under questioning totaling more than $8 million.

OFFICE OF ADMINISTRATION AND INSPECTIONS

During the past year, the Office of Administration and Inspections issued a report on GPO's network security, which identified several vulnerabilities (GPO has corrected a majority of these and is actively completing corrective actions the remaining identified problems); monitored security concerns in passport production; issued a report in response to a request by this Committee regarding the National Aeronautics and Space Administration Columbia Accident Investigation Board report which was not published by GPO; issued a "Revolving Funds" white paper; provided advice and assistance services to GPO's Chief Information Officer; is implementing a process to monitor

Executive Branch compliance with Title 44 requirements; and aided GPO in identifying persistent overdue accounts receivables in connection with Federal Register Billings, confirming approximately $542,000 in outstanding receivables for Federal Register work and highlighted $9.6 million in additional receivables past-due more than ninety days, recommending a new process and policy that should help GPO timely recover payment from its customer-agencies. GPO agreed to implement these recommendations. As a result of the Federal Register work, OIG will be performing reconciliation audits with all of its customer-agencies.

FUTURE PLANS

As Inspector General, I have spent much of the past year identifying the unique characteristics of the potential inspection, audit, and investigation jurisdiction over which I have responsibility at GPO. There are several examples that highlight the uniqueness of GPO's OIG:

- The OIG has a non-personnel audit universe (percent of real dollars of an agency's total budget subject to potential for waste, fraud, abuse, or mismanagements concerns) of nearly 75 percent of GPO's overall agency dollar responsibility.

- At the beginning of fiscal year 2004, the OIG had jurisdiction over more than 16,000 contractors, of which about 2250 are active at any given time, who together generate more than 100,000 contracts per year.

Additionally, there are considerable taxpayer dollars at stake. These include:

- External and internal printing contracts totaling more than $650 million annually;

- Approximately $75 million in open GPO procurements (internal procurements to support GPO's infrastructure that are separate and apart from printing procurements);

- GPO's workers' compensation liability estimate was $89.5 million, over ten years, as of 30 September 2003; and,

- An investigation against one contractor has questioning costs of more than $5 million was presented to and accepted by the U.S. Attorneys office for civil prosecution.

As a result of this work, I estimate that for fiscal year 2005, the OIG will have responsibility for monitoring a nearly $800 million GPO financial universe, monies or

products resulting from those monies that at some point in the process GPO bears responsibility, and therefore accountability, for.

Let me also note that the Public Printer has requested annual funding for the OIG by direct appropriation for fiscal year 2005. Direct appropriation will provide the OIG with the necessary independence and flexibility to monitor and evaluate GPO's rapidly changing operations.

Additionally, it is my understanding from the Public Printer that OMB wants to hear from GPO and its OIG on all Title 44 violations by Executive Branch agencies.

CONCLUSION

The complexity and diversity of the OIG universe will increase as the Public Printer leads GPO through a period of unprecedented change and transformation. In response, the OIG must adapt and upgrade its operations, not only to meet current and evolving obligations, but also to facilitate this transformation process in a manner that ensures that the public is protected from waste, fraud, abuse, and mismanagement, and monitor the results to assure that changes are necessary, useful, and implemented in a cost-effective manner.

I believe the success of GPO depends not only on a clear vision and executable plan by the Public Printer, but also on a strong partnership between GPO and my office. This partnership depends on two-way communication based on mutual respect for the role that both the GPO and the OIG play. This communication will ensure that the current and future needs of Congress will be met, as well ensure the success and vitality of GPO. I am confident we are well on our way to achieving our goals.

Thank you again for the opportunity to speak with you today.

Respectfully submitted,

Marc A. Nichols
Inspector General
United States Government Printing Office

The CHAIRMAN. And now Linda Koontz of the General Accounting Office, GAO.

STATEMENT OF LINDA KOONTZ

Ms. KOONTZ. Mr. Chairman and members of the committee, I am pleased to be here today to participate in this hearing.

As you know, technological advances during the past decade have significantly changed the nature of printing and dissemination. This changing environment, in turn, is creating challenges for GPO.

Specifically, the agency has seen declining print volumes, printing revenues and document sales. At the same time, more and more government documents are being created and downloaded electronically, many from its Web site, GPO Access. The agency's procured printing business, once self-sustaining, has experienced losses in 3 of the last 5 years, showing a net loss of about $16 million. The sales program lost about $77 million over the same time period. In addition, these changes are creating challenges for GPO's long-standing structure for centralized printing and dissemination and its interactions with customer agencies.

The Public Printer recognizes these challenges and in response has embarked upon an ambitious transformation effort. To assist in this effort, we have been working with GPO leadership on a wide variety of issues. First, we convened a panel of printing and dissemination experts who provided suggestions for GPO to consider as it transforms itself. The panel suggested that GPO develop a business plan focused on information dissemination as its primary goal, rather than printing; collect data to demonstrate that the services it provides, printing and publishing as well as information dissemination to the public, add value; improve and extend partnerships with other agencies, particularly those with an information dissemination role; and ensure that its internal operations, including technology, how it does business with its customers, management information systems and training, are adequate for efficient and effective management of core business functions and for service to its customers.

GPO officials have responded positively to these results, commenting that the panel's suggestions dovetail well with their own assessments. In addition, these officials stated that they are using the results of the panel as a key part of their strategic planning effort. In addition, in October of 2003, we reported that under the Public Printer's direction, GPO had taken several steps that recognize the important role that strategic human capital management plays in this transformation, including establishing and filling the position of Chief Human Capital Officer.

At that time we made numerous recommendations to GPO on the further actions it could take to strengthen its human capital management. In response, GPO has begun to address these recommendations. For example, it has reorganized its human resources offices into teams responsible for each of its divisions, serving as a one-stop shop for all of its divisions' human resource needs. It also plans to conduct a skills assessment of its workforce and is initiating a pay for performance pilot.

Finally, GPO is taking steps to put greater emphasis on customer needs. Agency responses to surveys we conducted indicated that overall, agencies were generally satisfied with GPO's products and services and with the performance of the individual organizations that provide them; however, they furnished responses that did identify a number of suggestions for action to GPO. Again, GPO has responded positively through several initiatives, including taking a new direction regarding sales by establishing national account managers who work directly with customers to identify their needs and offer solutions.

In summary, GPO leadership recognizes the challenges that the agency faces and has made the commitment to transform to function effectively within this changed environment. As part of this effort, the Public Printer has taken important steps by establishing a strategic planning process which in part will consider changes to the agency's future mission and focus.

Further, in realizing the importance of effective human capital management, he is establishing the foundation needed to successfully transform GPO. In addition, by placing new emphasis on its customers, the agency is focusing on a key characteristic of high-performing organizations. Fulfilling this commitment, however, will require sustained attention from GPO leadership as well as clear-sighted analysis of the challenges and the actions required in response. In the coming months, we look forward to continuing to work with these leaders cooperatively as they make further progress on their transformation.

That concludes my statement. I would be happy to answer any questions you may have.

The CHAIRMAN. Well, thank you.

[The information follows:]

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Attachment 2

Government Information: Results of Panel Discussion on the Future Role of the Government Printing Office

Briefing for Staff of the Legislative Branch Subcommittee, Senate Committee on Appropriations

February 27, 2004[a]

[a]The briefing slides have been amended to include oral comments from the Government Printing Office that were obtained in a meeting on March 12, 2004. These comments are summarized on pages 27 and 28 of the briefing slides.

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Agenda

Introduction

Objectives, Scope, and Methodology

Summary

Results in Brief

Background

Trends in the Printing and Dissemination Industries

Options for GPO's Future Role

Introduction

The Government Printing Office (GPO) is entering a new era and faces major challenges.

- First, technology advances such as desktop publishing and e-dissemination are significantly changing the state of printing and dissemination of documents within the federal government.
- Second, significant financial losses (from lower procured printing revenue, reduced document sales, and major nonrecurring accounting adjustments[1]) have placed GPO in a precarious position. Between fiscal years 1998 and 2003, GPO's retained earnings have been completely depleted, going from a surplus of about $100 million to a deficit of about $19 million.

To meet these challenges, GPO's Public Printer has begun a multiyear effort to transform the agency. Decisions made over the next few years will significantly affect how government information is printed and disseminated to the public.

To assist in addressing these issues, Senate Report 107-209 mandated that GAO conduct a comprehensive review of the current state of printing and dissemination of government information and report on strategic options for GPO to enhance the efficiency, economy, and effectiveness of its printing and dissemination operations.

[1] These reflect changes in future liabilities for workers' compensation, a retirement incentive program in 2003, and the direct write-off of a major obsolete system.

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Objectives

This briefing is one in a series of products that addresses questions concerning the printing and dissemination of government information. Our objectives were to determine:

- trends in printing, publishing, and information dissemination; and
- options for GPO's future role.

To address these objectives, we contracted with the National Academy of Sciences to convene a panel of experts to discuss (1) trends in printing, publishing, and dissemination, and (2) the future role of GPO.

In working with the National Academy to develop an agenda for the panel sessions, we consulted with key officials at GPO, representatives of library associations including the Association of Research Libraries and the American Library Association, and other subject matter experts.

The National Academy assembled a panel of experts on printing and publishing technologies, information dissemination technologies, the printing industry, and trends in printing and dissemination. This panel met on December 8 and 9, 2003. A list of panel members follows.

Scope and Methodology
Panel Members

Prudence S. Adler
Associate Executive Director
Federal Relations and Information Policy
Association of Research Libraries

Jamie Callan
Associate Professor
School of Computer Science
Carnegie Mellon University

Bonnie C. Carroll
President and Founder
Information International Associate, Inc.

Gary Cosimini
Business Development Director
Creative Pro Product Group
Adobe Systems Incorporated

John S. Erickson
Principal Scientist
Digital Media Systems Lab
Hewlett-Packard Laboratories

Michael Jensen
Director of Web Communications
National Academies Press

P. K. Kannan
Associate Professor
Robert H. Smith School of Business
University of Maryland

Nick Kemp
Senior Vice President of Operations
Nature Publishing Group

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Scope and Methodology
Panel Members

William C. Lamparter
President and Principal
PrintCom Consulting Group

Craig Nevill-Manning
Senior Staff Research Scientist
Google Inc.

Barbara Kline Pope
Executive Director
National Academies Press

MacKenzie Smith
Associate Director for Technology
MIT Library

Scope and Methodology

During the session, a series of informational briefings were provided to panel members.

- GAO summarized its work to date on GPO's printing and dissemination operations.
- Officials representing GPO provided a brief summary of its plans for the future.
- Officials from 6 organizations representing government agencies and GPO's user community discussed their relationships with GPO and their organization's methods of printing and disseminating information.

Summary

The federal printing and dissemination environment is changing and creating both challenges and opportunities for GPO. To address these challenges, the panel suggested that GPO

- develop a business plan to focus its mission on information dissemination as its primary goal, rather than printing;
- demonstrate to its customers—including agencies and the public—the value it can provide;
- improve and extend partnerships with agencies to help establish itself as an information disseminator; and
- ensure that its internal operations—including technology, how it conducts business with its customers, management information systems, and training—are adequate for efficient and effective management of core business functions and for service to its customers.

Current trends indicate that, both for private industry and the public sector, the volume of printed material is diminishing and will continue to diminish. Entities are making their information available electronically, bypassing the costs and time associated with printing paper documents.

GPO, like other printing organizations, has seen a reduction in the volume of printed material it produces as well as decreased sales of its printed documents. To address this trend, the panel suggested that GPO needs to do the following:

- Develop a business plan focused on information dissemination as its primary goal, rather than printing. The panel stressed that GPO should envision itself as a disseminator of information and place greater emphasis on direct electronic dissemination methods, using the GPO Web site, *GPO Access,* and "pushing" items out electronically to groups and individuals that are known to have an interest in these products.

Results in Brief (cont'd)

- Establish that the services it provides—printing and publishing as well as information dissemination to the public through the Federal Depository Library Program and *GPO Access*—add value. GPO should collect the data to show that it can, in fact, provide the "best value" for the government print dollar. GPO could also demonstrate the use of the depository libraries as an intermediary to ensure full public access to government documents in an electronic world.
- Establish partnerships with other agencies and enhance the partnerships that it already has. These partnerships can be used to assist GPO in establishing itself as a disseminator of information and to expand agencies' use of GPO in that role.
- Ensure that its internal operations—including technology, how it does business with its customers, management information systems, and training—are adequate for efficient and effective management of core business functions and for service to its customers.

Under 44 U.S.C. 501, GPO is the principal agent for printing for the federal government. All printing for the Congress, the executive branch, and the judiciary—except for the Supreme Court—is to be done or contracted by GPO except for authorized exemptions.

GPO also is responsible for classification and bibliographic control of tangible and electronic government publications. The Superintendent of Documents, who heads the Information Dissemination organization, disseminates these government products to the public through a system of 1,200 depository libraries nationwide (the Federal Depository Library Program), *GPO Access*, telephone and fax ordering, an online ordering site, and its bookstore located in Washington, D.C.

Background (cont'd)

GPO's Public Printer has initiated efforts to modernize and prepare GPO for the 21st century. The Public Printer has initiated a reorganization with a chief executive officer (Public Printer), chief operating officer, and managing directors in addition to the Superintendent of Documents. The Public Printer and his management team also reorganized GPO into three customer-focused functional areas (Customer Services, Information Dissemination, and Plant Operations) and three support areas (Information Technology and Systems, Finance and Administration, and Human Resources).

According to GPO, this interim restructuring will be used during a 2-year transitional phase. During this time, further decisions will be made about GPO's future and organizational alignment.

Background: GPO Strategic Planning

The Public Printer has also initiated efforts to develop a strategic plan to guide its transformation efforts:

- fact-finding activities are ongoing to support development of the plan,
- top management is participating in meetings intended to document the "as-is" state of the organization, and
- GPO expects to have an outline of a strategic plan available for comments by December 2004.

In addition, in early 2003, GPO established an Innovation and New Technologies Directorate (INT), which now has a director and several high tech experts working to find technologies which can help it with the future challenges of acquiring, authenticating, versioning, disseminating, and preserving digital information. In January, GPO held a management summit involving 40 of its senior personnel to bring them up to speed on what the INT staff had found, what they were looking for, and why. According to GPO, each of these related functions regarding digital asset management is crucial to its future.

According to the panel, current trends show that the total volume of printed material has been declining for the past few years and that this trend is expected to continue. Further, the panel indicated that the volume of printed material is declining primarily because of the use of electronic media options. More organizations are creating electronic documents for dissemination or publishing their information directly to the Web, thus bypassing the costs and time associated with using a printing shop to print copies of paper documents.

According to the panel, the reason for this switch to electronic publishing and dissemination is that, once a document is created, the costs associated with distributing paper copies of it are greater than the costs of providing online access to it. Therefore, many organizations are making information available electronically and printing fewer documents.

The panel suggested that the future of the publishing industry is moving away from print-centric processes. Several panel members explained how their organizations have changed or are in the process of changing from a print to an electronic focus.

- Previously, organizations prepared a printed document and then converted the print layout to electronic form. This supported a focus on printing rather than dissemination. However, according to the panel members, organizations are in the midst of changing their focus to providing information—and not necessarily providing the information on paper. For example, one panel member's organization now employs computer generation of plates used for printing and also generates electronic files for dissemination. In the future, this organization plans to move to paperless generation of documents. The goal is to create only an electronic representation of the information and to produce a printed version of that document only upon request. This also will allow the information to be provided through various media, including Web sites and in printed form.

In addition, new technologies are creating new ways of printing and disseminating information. For example:

- Desktop publishing—through personal computers and newer computer software packages—allows users to work with images as well as text and do things that formerly would have required large systems or hand work.
- Computer-to-plate printing eliminates film from the process and thus allows printing to be done anywhere in the world. E-mail and attachments also support printing at any location.
- Finally, the Web and the Internet have expanded electronic access to information.

These new technologies have brought about economic and industrial changes to the printing industry. They simplify the printing process, but they also allow the customer to take responsibility for more of the work, thus diminishing the value that printing organizations like GPO add to the printing process.

The volume of material provided to GPO to print has diminished in recent years. According to GPO, at one time federal agency print jobs done by GPO generated close to $1 billion a year. In fiscal year 2003, the amount was just over half of that—$570 million. Federal agencies are publishing more items directly to the Web—without creating paper documents at all—and are doing more of their printing and dissemination of information without using GPO services. This reduction in demand has resulted in GPO's procured printing business, once a profitable part of GPO, sustaining losses in 3 of the past 5 years.

Further, the panel indicated that similar changes have affected GPO's sales program. The introduction of *GPO Access*, which allows downloading and printing of documents at no cost, has caused major losses to the sales program in recent years.

In view of this changing environment, the panel suggested that GPO first needs to create a new vision of itself as a disseminator of information, and not only a printer of documents. One panel member said that GPO should end up resembling a bank of information rather than a mint that stamps paper.

To do this, according to the panel, GPO needs to develop a business plan that emphasizes direct electronic dissemination methods over distribution of paper documents.

The panel identified several elements that could be included in a business plan:

- **Improving *GPO Access.*** *GPO Access* should be upgraded and particular emphasis should be placed on improving the search capabilities.

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Options for GPO's Role: Focus on Dissemination (cont'd)

- **Investigating methods to disseminate information directly.** For example, GPO could develop additional services to "push" data and documents into the hands of those who need or want them. To become more active in disseminating data, GPO could provide information to public interest and/or advocacy groups that are interested in tracking government information on certain subjects. These groups require something like a news clipping service, and this is one way in which GPO could provide "value-added" service for which it could collect fees.
- **Moving toward production processes that will allow it to prepare a document once for distribution through various media (print or electronic).** In the past, most organizations have focused on printing paper documents that are then turned into electronic ones. According to the panel members, the strategy for the future is to publish electronically and print only when necessary.

Options for GPO's Role: Focus on Dissemination (cont'd)

- **Supporting the use of metadata—descriptive information about the data provided that is carried along with the data—across the federal government as a requirement for electronic publishing.** This will improve the usefulness and accessibility of the information in the future.
- **Providing increased support to the depository libraries.** According to the panel, the depository libraries will continue to play an important role in providing access to electronically disseminated government information—through *GPO Access* and other tools—to that portion of the public that does not have access to the Internet. To support this role, GPO will have to ensure that the depository libraries receive training in electronic search tools, especially in *GPO Access*.

Options for GPO's Role: Demonstrate Value

The panel also agreed that, while GPO appears to provide value to agencies because of its expertise in printing and dissemination, it is not clear that agencies and the general public realize this. Therefore, GPO should focus on demonstrating its value to federal agencies and to the public. Areas that GPO could emphasize include the following:

- **Providing competitively priced printing that meets customer needs.** GPO should collect the data to show that it can, in fact, provide the "best value" for the government print dollar. GPO should demonstrate its capabilities by assisting agencies to select optimal alternatives for obtaining their printing.
- **Providing expert assistance in electronic dissemination.** Given GPO's major role in providing information dissemination, one panel member suggested that GPO provide their expert advice on electronic Web site dissemination to agencies. Once again, GPO could develop information that demonstrates how it can add value in this area.

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Options for GPO's Role: Demonstrate Value (cont'd)

- **Disseminating government information to the public.** GPO should focus on demonstrating the usefulness of agencies sharing information with GPO for public dissemination. In addition, the depository libraries and *GPO Access* should be made better known to the public. GPO could demonstrate its value to the public as a trusted source of authentic government information.

Options for GPO's Role: Establish Partnerships

According to the panel, GPO should establish partnerships with other agencies and enhance the partnerships it already has. These partnerships can be used to assist GPO in establishing itself as a disseminator of information and to expand agencies' use of GPO in this role. Specifically, the panel suggested that GPO do the following:

- **Establish partnerships with the other information dissemination agencies with whom it has overlapping responsibilities.** Through ongoing dialogue with these agencies, GPO will be able to (1) coordinate standards and best practices for digitizing documents and (2) work with agencies to archive documents in order to keep them permanently publicly available. GPO could be successfully marketed as *the* source of government information for public use.
- **Improve and expand its partnerships with other agencies.** Most agencies consider GPO a resource for printing documents; however, it now has the capability to assist in the collection and dissemination of electronic information.

Options for GPO's Role: Improve Internal Operations

The panel also suggested that GPO would need to improve its internal operations to compete successfully in the very competitive printing and dissemination marketplace. Panel members suggested that GPO consider the following strategies.

- **Emphasize the use of technology to address future needs.** The panel members suggested that GPO hire a chief technology officer (in addition to its chief information officer), who would focus on bringing in new printing and dissemination technologies while maintaining older technologies.
- **Improve how it conducts business with its customers.** An electronic means for submitting printing requests would streamline the printing process for GPO customers. One panel member noted that when his organization started an electronic submission system for manuscripts, the number or requests it received increased dramatically because such systems made it easier for the user.

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Options for GPO's Role: Improve Internal Operations (cont'd)

- **Improving management information systems.** GPO should overhaul its outdated management information systems and acquire new ones that can provide management with the information it needs to effectively monitor operations and to make good business decisions.
- **Enhance employee training.** GPO's transformation should include significant improvements to employee training. GPO customer service employees should have the knowledge they need to effectively assist customers not only in printing publications and creating electronic documents, but also in advising customers on the best form of dissemination (paper or electronic) for their jobs.

In a meeting on March 12, 2004, GPO officials, including the Chief of Staff, provided oral comments on a draft of this briefing. These officials agreed with the characterization of the issues facing GPO and welcomed the recommendations. According to these officials, they are taking actions that respond to these issues, some of which will be addressed in GPO's strategic plan, which is expected to be finalized by December 2004.

According to these officials, GPO has established an Office of New Business Development that is to develop new products and service ideas that will result in increased revenues. GPO officials stated that they are using the results of the panel discussion to categorize and prioritize their initial compilation of ideas and, in this context, plan to assess how these ideas would improve operations and revenue.

Further, according to GPO officials, its Office of Sales and Marketing is also taking a new direction, including hiring an outside expert and establishing nine National Account Managers, who spend most of their time in the field building relationships with key customers, analyzing their business processes, identifying current and future needs, and offering solutions.

Regarding GPO's mission to disseminate information, GPO officials stated that the Office of Innovation and New Technology is leading an effort to transform GPO into an agency "at the cutting edge of multichannel information dissemination." A major goal in this effort is to disseminate information while still addressing the need "to electronically preserve, authenticate, and version the documents of our democracy." In addition, the Public Printer has been added to the oversight committee of the National Digital Information Infrastructure and Preservation Program (NDIIPP), a national cooperative effort to archive and preserve digital information, led by the Library of Congress.

Further, to address the adequacy of its internal functions, a GPO official stated that they are in the process of searching for a chief technology officer, with the intention that the current chief information officer will focus primarily on internal business processes, and the chief technology officer will focus primarily on the technology mission support.

The CHAIRMAN. I want to thank all three witnesses on the panel.

The first question I have would be of Mr. James. Is there anything else that Congress needs to do to help GPO with the transition in the sense of trying to be, as everybody says, more business-like? Are there things that the Congress needs to act upon?

Mr. JAMES. Yes, sir. We will be coming to Congress with some proposals for changing Title 44 of the U.S. Code in regard to the policies that govern GPO. And we are in the process right now of consulting with our stakeholders, as you know, as we develop the strategic plan, and at the appropriate time, Mr. Chairman, we will be coming to you and asking you for help. At this point, I can tell you that we have received help from every Member of Congress whom we have asked. I just cannot be more pleased with the support of Congress.

The CHAIRMAN. Thank you.

Have you had any type of ways that you have reached out to, what I would call customers of GPO, to ask them how things need to change or information and feedback? You have undertaken, I assume, efforts like that?

Mr. JAMES. That is a very good question. And you bet we have, beginning with me. I spend a considerable portion of my time out visiting with our customers and talking to them about what they are doing, how their missions are changing, what kinds of additional support that we can provide to them.

I have talked to more than 100 of our customers. In addition to that, our management team is out regularly meeting with customers and have talked with hundreds more of our customers. And as Ms. Koontz indicated, we also have established a team of nine what we call National Account Managers who I am not even sure that they have desks. Their office is their car. And their job is to be out in front of our customers every day talking to them about what we can do to support their programs, and their mission.

The CHAIRMAN. Thank you. I have a question for Mr. Nichols. As the role of GPO changes, do you see the role of the inspector general also adapting, changing, or having to look in different directions due to technology?

Mr. NICHOLS. Yes, I do. And I think the office has to change. We have to be just as adaptable as we are asking GPO, and I think the Public Printer has identified that GPO needs to transform itself. As we become more of a technology- and content-driven agency, as I said in my remarks, I believe that we have to make sure that we have the skill sets to understand the change that is ongoing for GPO.

I believe that we need to make sure that we are working with the agency to have a better understanding of exactly where they are going, and I think the Public Printer has indicated to me in personal conversations, as well as publicly, that he does support the transformation not just within GPO, but the transformation that I am trying to bring to the inspector general's office as well.

The CHAIRMAN. Thank you.

Final question I have is for Ms. Koontz. The Web site, GPO Access, what kind of feedback have you had on surveys involving that. Or, have you had any feedback on the Web site?

Ms. KOONTZ. We did surveys of the executive branch agencies, but I don't believe we asked specifically about GPO Access. I think in our upcoming surveys that we have agreed to do with GPO on the legislative branch customers, that is an issue that we will be asking about.

The CHAIRMAN. We look forward to getting some feedback on that.

Mr. Larson.

Mr. LARSON. Thank you, Mr. Chairman.

Let me start first by asking Mr. James, in your testimony you cite the need to establish digital standards. Could you elaborate on what the criteria would be, what process you have set in place?

Mr. JAMES. I would be pleased to, Mr. Larson. To build a database that will allow us to authenticate documents, identify versions, and preserve digital databases in perpetuity, which I believe I am required to do, we need to have a uniform structure to the databases. And there are basically three components that need to be taken into consideration. The first is the character set, the alphanumerics. I think the Government is pretty well agreed on what that character set is.

The second issue is the coding of the information to impart values to it, such as a headline or a paragraph. We have a number of schemes in play throughout Government. There is no agreed-upon scheme.

And the third aspect is what has come to be called metadata. That is the information that identifies a document, who the author was, what the purpose of creating the document was, what version it is, and so forth.

And while there are various views of what it is going to take to be able to save this information in perpetuity—some people think that computers will be big enough and powerful enough in the future that it won't make any difference how we structure databases—I think we would be foolish to rely on that. I think we as a Government would be well served by having a uniform set of standards for all three of those areas I outlined.

As GPO in the past published a Style Manual which covered how Government documents are created for printing, I think GPO needs to introduce a 21st century Style Manual, which would indicate the preferred way of coding data and of adding metadata to databases. Not only will we suggest what those standards should be in consultation with other people in Government who are interested in this, but we also will develop a group of our own people who can train agencies in how to apply these standards, and then we will have filters at our end that check all of this information coming in to make sure that it conforms to these uniform standards.

Mr. LARSON. I am also interested in, and applaud you again, as was noted by Linda as well, for the efforts that you have made in the human capital area. More than half of your current workforce is retirement-eligible, and only 5 percent are under age 30. Though the world clearly is moving away from ink on paper and towards electronic dissemination, we aren't there yet.

Are you satisfied with the direction that we are moving in in this transformation? And what do you see your workforce needs as we move forward?

Mr. JAMES. I think you have identified perhaps the biggest challenge that we have as an agency. That is, how do we take people that have devoted their lives to producing printing and supporting the producing of printing at the GPO, and how do we retrain them with the skills that are necessary to operate in a digital world?

There are basically three steps that we are doing. The first was to take a look and assess what our training policies are. When I arrived on the scene, what we had was an interesting policy that said that GPO would pay to train people in the job they hold today, but we wouldn't train for future jobs. Well, we have changed that training policy. And the GPO training policy now is to train for mission.

The second thing we had to do was put in place an organization that had the ability to lead in a workforce development program, and I have done that. We have hired a Chief Human Capital Officer, who is one of the most experienced people in the country. He has been through transformations in other industries and knows what is required.

The third thing we need to do—once we create a strategic plan and we are able to define exactly the direction we are going—is define what skills will be required of our workforce, and then implement a program to retrain certainly the part of our workforce that will need those skills in the future.

Mr. LARSON. This question is for both you, Mr. James, and Ms. Koontz. With respect to the amount of money that the GAO cited that is being lost or not being taken in, and in surveying a number of agencies, many of whom would say that without the Printer doing their specific tasks, their costs would rise, and inasmuch as there is still a considerable number of agencies that outsource their work currently, does it make economic sense for us to look at having OMB having more agencies who are currently outside of the norm doing their work through the Printer's office?

Mr. JAMES. Would you like me to answer that first? Title 44 of the U.S. Code basically says that all printing shall come to the Public Printer, unless it is specifically exempted from that requirement by Congress.

Over the years Congress has given permission—the JCP has given permission—for some agencies to establish their own in-house printing capabilities. Other agencies chose to go forward and build what they call duplicating capabilities that they didn't believe necessarily fell within the requirements of Title 44.

What we have seen is there is a proliferation of printing and duplicating plants in agencies that need to be addressed and looked at. We have had a discussion with OMB about this. OMB has indicated a great interest in working with us to help identify all of the plants that exist in Government, and to develop a program to assess whether or not there is any reason to continue these plants.

As far as the printing that is bought and GPO goes, we have looked at this, and we have determined that there is a significant amount of printing that is being procured directly by agencies in violation of Title 44 of the U.S. Code. We, of course, have no real mechanism to enforce the buying of printing through GPO, but what we find is that it isn't necessarily an enforcement problem, it is an education problem. And what I found as I have gotten into

this, and I have had discussions with Cabinet-level Secretaries, and I have had discussions with directors of agencies, is that frequently the agency or the personnel involved do not understand the responsibility under Title 44 to send the work to us, and furthermore don't understand what the capabilities are that GPO has to perform in their behalf.

So I think that we have to take responsibility for at least part of the problem, and we need to vastly improve our education program of agencies. The way we are going about doing this is we have reorganized GPO's customer service organization. Instead of having just a group of 500 people that sort of at random deal with customers, we are reorganizing our customer service group by department.

For instance, the Department of Agriculture will have a group of four or five or six GPO specialists that are devoted 24 hours a day, 7 days a week to providing service to them. As I tell the folks in these groups, I want them reading more Department of Agriculture publications than anybody at the Department of Agriculture. And any time the Department of Agriculture announces a new program, I want them in there working with the program manager to define what the information requirements are going to be at the very beginning.

So I think that you will see over the next 2 or 3 years, and certainly over the next 5 years, that this lack of agencies understanding their responsibility will go away. It is our responsibility to——

Mr. LARSON. The Chairman had asked earlier, is there something that Congress could do? I ask again from GAO's perspective and from the inspector general's perspective, inasmuch as this is an educational issue, or is it an enforcement issue? And I would be interested in your response.

Ms. KOONTZ. As to the issue of enforcement, our work indicated also that there were agencies who, when we surveyed them, stated that they did do in-house printing. Now, some of this is the printing that has been approved by the Congress. And last summer we did a briefing on this and found that there were as many as 240 approved printing plants.

And I agree. This is something to take a look at, as you have an overall decline in printing, that there could be all kinds of adverse consequences associated with an overcapacity of government printing chasing less and less demand for that resource.

But I think in terms of the other printing that is going on, some of it is an inevitable consequence of the changes in technology. Agencies do not have to have large-scale printing equipment in order to produce small runs of printed documents, and they are doing that very thing.

What we suggested to the Public Printer, and I think what he articulated to you, is that this was a place where, as our panel said, GPO can demonstrate its value by having closer relationships with customers, and if indeed they can provide this more efficiently and effectively, I think the business should come their way.

It is also an educational issue, I believe. And I think that, in truth, enforcement of Title 44, trying to find all of this, would be very, very difficult under any circumstance, and that a more

proactive approach on the part of GPO would be much more effective in the long term.

Mr. LARSON. Does the inspector general agree?

Mr. NICHOLS. I would agree with the Public Printer that it is largely an educational issue in terms of trying to work with agencies to make sure that they understand what GPO can do and how we can go about doing it.

I would also, however, say that I think it is—we shouldn't undervalue that it is also, in part, an enforcement issue. As the Public Printer also said, since we don't really have a mechanism to enforce Title 44, it becomes more apparent that if somebody doesn't want to work with GPO for——

Mr. LARSON. If you had the necessary capability to enforce it through the approach that you have taken, the proactive capability of a very capable printer, the recommendations of the panel from the GAO, and as in your capacity—as my grandfather Norman would say, trust everyone, but cut the cards capacity, come in and have not only the logic and the information that comes from a panel, and the proactive marketing on behalf of the Public Printer, but it would seem from your perspective that this also would be able to close that gap in revenue, and especially since it seems that there are so many agencies that aren't rightfully going through the Public Printer, and that would only serve to enhance your capability and be more economically efficient.

Mr. NICHOLS. I would certainly agree with that. One of the ways in which we have gone about trying to help the Public Printer and GPO in terms of its enforcement is dealing with Inspectors General's offices at the various customer agencies, when there is an example of a Title 44 issue that comes up where there is an agency that is not coming to GPO, is to actually work with the IG's office and say there are things that your agency is doing that may be not cost-effective, and work in tandem or in a joint operation to try and figure out how we can help make sure that the agency does that.

Mr. LARSON. I have one quick question for the Inspector General. Should we do something to disabuse people of what your role is, and that, in fact, it is there to help and to look at these things and not—one thing the Chairman and I agree on is that the mentality of "got you" in government is just bad policy, and that what we need to do is focus on the constructive means of making sure that we are working in a collaborative venue, with the end result being a better product, more efficiently delivered at the best cost to the taxpayer. Do you agree?

Mr. NICHOLS. I couldn't agree with you more. I think the Public Printer and I have, from the outset, tried to ensure that we led from the top down in making sure that both of our respective agencies or entities had that same understanding. That cooperation has been ongoing. I expect it to continue.

Mr. JAMES. May I make one additional comment? The issue over the bypass of the Government Printing Office on the procurement of printing really falls to the heart, I think, of what the responsibilities of the Public Printer are. That is to collect in one place and to catalog and identify publications of the United States Government, and make them widely and broadly available to the public.

We do that through the Federal Depository Library Program. And what we find is that when people procure documents directly themselves, if they know they are in violation of the law, there is not a single chance they are going to tell us about those publications so we can get them in the system.

Mr. LARSON. Good point.

Mr. JAMES. If they are doing this inadvertently, again, they don't know their responsibilities under the law. So I think the issue here is we are losing part of the history of the American Government, and that is the real key issue here.

As I have discussed this with the management of OMB, they absolutely understand this. Mitch Daniels was there when I arrived and if you recall, we had a controversy when I walked in the door, and we were able to resolve the controversy because Mr. Daniels understood the nature of this. And I can absolutely tell you that Mr. Bolten and Mr. Johnson understand this and are working closely with us to help us close the gap and get these publications to the GPO. And I think that probably, at the end of the day, is going to be the best enforcement mechanism we have is to have a close working relationship with OMB.

Mr. LARSON. Our staff would also like to join with you. I know, as the Chairman indicated, his willingness to work to see what we can do. We share a love of history and the importance of its preservation. I think you are right-on in your comments and look forward to working with the triumvirate assembled here today, because I think that you have three unique and appropriate approaches to this problem-solving that needs to go on. And we would like very much to be a part of that to assist you in this. I think it in the long run will help everyone.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Linder had to leave. He has another meeting that he has to attend. But I think he will have a question to submit, I believe, in writing for you.

[The information follows:]

COMMITTEE INSERT—COMMITTEE PLEASE SUPPLY

Ms. MILLENDER-MCDONALD. Thank you, Mr. Chairman. Let's see here.

Mr. James, it is mentioned that GAO has indicated that GPO has initiated positive changes in the human resource management of GPO. And if that is the case, how does this positivity, the positive changes, result in 2,700 full-time employees not being affected; or if they are going to be affected with this positive change, how are they going to be affected in the short and long run, especially given the fact that you are reducing printing, and you have—there is a loss—you have a loss of—you have lost money in publication sales? Given all of these variables in your agency, how—what steps are you going to take in collecting the loss of revenue, and how does this affect the changes in your human resources?

Mr. JAMES. You have just asked the question right at the heart of everything. You are correct that we are losing revenues in many of our traditional areas, but you have to understand that we don't create the revenue. We simply respond to the needs of our agency customers. And what we find is that they are moving away from

printing as the answer to their communication needs, and moving more to digital documents.

Now, we are providing some services to these agencies in regard to digital documents and to constructing databases and Web sites, but I think we have a long way to go. There is much more that we can do, as the GPO has pointed out, and I think those are the jobs of the future. So as the information needs of our customers change, I think it is incumbent upon the management of GPO to prepare our labor force to be able to do things in the style that is preferred by our customers. That is what we are intending to do.

Ms. MILLENDER-MCDONALD. Well, that is indeed correct.

Now, this Chief Human Capital Officer, of course, does that have anything to do with the training of these employees for the new types of jobs that you are referring to?

Mr. JAMES. The GPO has been around a long time. We have been around nearly 150 years. And as I go back and look at particularly the 20th century, what I see is that there have been several technological changes that occurred in the printing industry in the 20th century, and GPO has been at the forefront of each of those technological changes. Through history, we have changed completely the responsibilities of many of our employees, and time after time our employees have been able to rise to the challenge and to embrace new technology and move forward.

My guess is that our employees once again will rise to the technological challenge, and will embrace the new technology, and will prepare themselves in conjunction with the help that we give to be able to continue to serve you and continue to serve our agency customers.

Ms. MILLENDER-MCDONALD. So in this whole newfound ambiance that we are in, and your trying to change, given the high technology, given the reduction in publications and all of the other variables, are we suggesting that these 2,700 full-time employees will either go by attrition, or they will step up to the plate and be ready for the newfound technological changes that you are going to make?

Mr. JAMES. I think the issue that I hear most of from our employees is that they are ready for change. They want to embrace this change. They want to be retrained. They are ready to move ahead, and want to know how come we are moving so slowly. I think I hear that more than anything else.

However, I cannot begin to retrain employees until after we have defined what it is we are going to be doing.

At the same time, there are some basic things we are beginning to prepare for. We are doing a study of the skills, called a "skills assessment," of our existing employees so we know where each employee is. Once we determine that and once we determine where we are going, then we will see how successful we are.

I think we will lose some employees, but there will be a place for those who want to move ahead with us.

Ms. MILLENDER-MCDONALD. Will you lose them to attrition or just that they are unable to adapt to the new technological changes?

Mr. JAMES. I think there are going to continue to be lots of jobs in the GPO that looked like they did yesterday. Not every job will

change. I think we will have 3-, 4-, 500 of our jobs that dramatically change. My guess is that our workforce will rise to that challenge. I have every reason to believe that they will.

Ms. MILLENDER-MCDONALD. And they will continue to be as diverse as this country is?

Mr. JAMES. I absolutely believe that.

Ms. MILLENDER-MCDONALD. One other question or comment.

I see that FDLP, the Federal Depository Library Program, which many libraries in my district are in, has seen a decline from 1,400 to 1,300. Can you tell me why this change has occurred and, hopefully, if you are going to reduce others, they will not be in my district?

Mr. JAMES. It is interesting. The FDLP program is changing and it is being driven by technology. You know, 20 years ago, or 25 years ago, the FDLP was the source of information for people that couldn't afford to buy it themselves. If you couldn't afford to buy a printed publication from the GPO, you could go to your depository and find the publication there and use it—not only find the publication, but find people that were skilled in the use of Government information, librarians who had studied and been trained in this.

What we see today is that the change is so dramatic that as much as two-thirds of all new Government publications coming into the FDLP are now on the Internet. So you don't need any longer to visit a depository library to have access to the information. I think what that is doing is causing some of the depository libraries to reconsider whether they are invested in the program to question whether they want to continue or not, whether or not it is really necessary to their community or their constituency to continue. And we are addressing this on a regular basis.

Two weeks ago I was in St. Louis meeting with 500 depository librarians to discuss some of these issues and begin to look at what the future will be. I believe we need to digitize the entire bank of Government documents going back to the Federalist Papers so everyone has access to those documents at their home or office or wherever they are.

And, of course, not everyone will have a computer, and so——

Ms. MILLENDER-MCDONALD. That is just what I was going to refer to.

Mr. JAMES. Not everyone will have a computer. So this is where libraries will come into play.

Ms. MILLENDER-MCDONALD. And there is such a connection to the Federal Government so far away. And so, to me, it gives pause to ensure that as you are downgrading or eliminating some of those, that you don't—that you remember that there are some who still do not and have not become part of the digital age. There is a lot of digital divide, and so we need to recognize that.

I did want to speak, but if Ms. Koontz—I have to go to another meeting that I am late for, but you are saying that you have recommended that GPO hires the national something managers—I will see it when I put my glasses on—but I need to know, just how do they play into the whole scheme of things in the restructuring of GPO, hiring of national account managers?

Ms. KOONTZ. The national account managers I mentioned in my statement, this is really just one small part of what GPO is doing to put a new emphasis on their agency customers; and they have a number of initiatives that are ongoing that we have been working with them on. This is one way they have chosen to expand their capability in this area.

Ms. MILLENDER-MCDONALD. Seems like a positive step. Thank you, Mr. Chairman.

[The statement of Ms. Millender-McDonald follows:]

CONGRESSWOMAN JUANITA MILLENDER-MCDONALD COMMITTEE ON HOUSE ADMINISTRATION STATEMENT RE GOVERNMENT PRINTING OFFICE (GPO) OVERSIGHT HEARING APRIL 28, 2004 10:00 A.M.

Mr. Chairman, Mr. Ranking Member and my fellow committee members, it is my pleasure to meet with you all today as we review issues pertaining to the Government Printing Office or GPO. I am particularly concerned about

several items which could impact both GPO's fiscal health as well as the agency's ability to continue offering Americans from all walks of life access to free information published by the federal government.

We must take a close look at the expenditures of GPO with regard to the salaries of senior staff to ensure that lower level and mid-range agency employees are not being shortchanged in favor of a few well-paid executives. In the

interest of balancing budgets, let us not jeopardize the employment status of mid and lower level federal workers.

Also, I would like more detailed information about GPO's plans to increase its revenues given that it has lost money in several areas of its operations.

In regards to the distribution of information through the Federal Depository Library program to library users nationwide, I am most concerned that with the growing

reliance on the Internet and the creation of electronic documents, many of our library users are losing the ability to access federal publications. For several years I have been engaged in efforts to bridge the "digital divide" which adversely impacts residents of rural and urban communities across the country, and I do not want to see our most vulnerable citizens prevented from obtaining information about the federal government. I certainly do not

wish to see libraries put in the position of having to charge library users for information which has historically been offered to the public free of charge.

We are all well aware of ongoing funding constraints, but let us not cut costs at the expense of either our rank and file federal workers, or deprive our most needy citizens of their right to access information about the actions of the federal government. Thank you.

The CHAIRMAN. Thank the gentlelady.

Mr. Brady.

Mr. BRADY. Yes. Thank you, Mr. Chairman.

I understand that you have 2,700 employees.

Mr. JAMES. We may be down a little under that now. I think we are under 2,500 employees, Mr. Brady.

Mr. BRADY. Roughly, how many are bargaining, nonbargaining?

Mr. JAMES. Roughly 50–50.

Mr. BRADY. And I am for buyouts and drop programs. I wish to have one around here. How does that work when you have buyouts? Is it longevity? Is it an age factor?

Mr. JAMES. When I came in the door, we took a look at the workforce composition, just so I could understand who worked for us, what were their skills, where did they come from, how long did they work for the GPO; and I was amazed to discover that most of the people at GPO, it was their first and only job. In many cases, their fathers and mothers had worked before us and, in some cases, their grandparents before that. So there is a great tradition of the craft of GPO and loyalty to the agency.

But 52 percent of the folks that worked for us were age eligible for retirement, that means they reached the correct years of service and age. And it was necessary for us to substantially reduce our expenses—we have been losing about $35 million a year—and Congress seemed unwilling to continue to fund that, and my job was to figure out how to deal with it.

So we figured the easiest thing would be to tell our employees what we are going to do, how we were going to modernize the GPO, and then give people an opportunity—and we offered the opportunity to 300 people—to retire now. They were age eligible to retire, and we offered a $25,000 incentive to do it.

We had 600 people that applied. We accepted a little over 300 of those; and then decided, well, if there are that many people that are interested, perhaps we ought to go back and do a second round of this. And we went back and did a second round and a few—over 200, I think by the time we finished the program, it will be close to 250—elected to do that.

There are a couple of reasons that I see that people have elected to do it. One is, they feel they are entitled to retire. They spent a life working for the GPO and they would just like to enter retirement. The second is that some people just don't want to go through the struggles of having to learn a new job or learn a new way of doing things. I think this gives them an opportunity to opt out. So what we have left, as I see it, is a whole bunch of people that are very anxious to get on with the future.

Mr. BRADY. Well, those people that apply for this, is that still around 50–50, bargaining to nonbargaining? Was it offered to both?

Mr. JAMES. We had it open to both. And I would be happy to supply that information for the record. I don't know it.

Mr. BRADY. My concern is—and you can probably see where I am going, and I am just worrying about an organization that is fundamentally sound with bargaining unit people and then all of a sudden, they are the ones that usually get hurt. They are the smaller end, and you wind up putting—hiring management people with senior positions or whatever you want to call them, and re-

placing them with, you know, taking out the small bargaining unit people.

And I am not against that either. I really believe, especially in your case, when you come on board for a new agency, you should be able to run that agency the way you see fit or else we are going to blame you or praise you. But I don't want to see the smaller guy get hurt; I would like to see a protection factor.

And, again, like I said, hiring other people or whatever senior positions is fine as long as we don't hurt the core people that have been there and offer them in-house or out-of-house, whatever training they need to do their job. It is real easy to say you can't do this, we have to have a reduction in force and hire who you want to hire in a nonbargaining capacity and let them do their job also. We need to protect those people.

I don't want to see top heaviness. I want to see you work with our unions and make sure that doesn't happen and continue to have a happy family there.

The CHAIRMAN. I want to thank the panel. I also want to mention something.

I happen to know that the Inspector General and Printer were stuck out in traffic, got out, and kind of semi-jogged over here. So that is pretty good.

Also I wanted to mention, I recognize two staff, Mike Harrison—Mike has worked on these issues with Congressman Larson, and Maria Robinson. And this is Maria's last hearing with us; she is from Belmont County where I am from; she is truly a coal miner's daughter. She is a coal miner's daughter; her father is a coal miner. And Maria is going on to great things. We are going to miss her.

She started, her first 2 months out of high school, with us in the Ohio senate and worked her way up and became an LD out here and then a policy person. So this is Maria Robinson's last official day with us. Just wanted to note that—half a day.

Mr. LARSON. I just wanted to ask one more follow-up question on this, and again—and to all three of the panelists, but specifically directed to Mr. James.

In your opening statement, you talked about what you are intending to do to help close that revenue gap as we move forward. The DOD is, number one, your largest customer, but also sometimes problematic in not, shall we say, necessarily going through the GPO.

What are your ideas on improving that? And if all three of you can answer that, what are some of the things you think we can do, and whether legislation is needed in any of those areas.

Mr. JAMES. It is a very good question. I certainly spent my first year in determining how we could best cut expenses. As you know, we have to put points on the scoreboard to win the game.

We are now in a position to be able to focus on increasing revenues. And almost all of my time is now spent on how are we going to replace the revenues we have lost, how we can expand future revenues; and I think that you ought to give us a chance. I mean, I think this does not require a sledgehammer. I think this requires just operating our unit, our business, if you will, in a professional way. I think we can get the job done, and I say that based on my

experiences in talking with employees throughout Government. I think that, by and large, people want to cooperate if they understand.

Mr. LARSON. How long a time frame would you say that was?

Mr. JAMES. We will see results in the next fiscal year, 2005. We will see results from this. Within 3 years, we should be doing what we need to be doing.

Mr. LARSON. Ms. Koontz.

Ms. KOONTZ. First of all, GPO, as it intends to do, needs to look at its mission and what it is doing and to make sure that what it is doing fits currently what customer needs are and what the needs of the public are. So that is sort of first and foremost.

There are opportunities, I think, for GPO that were indicated by our executive branch customer surveys that they are going to follow up on. For example, we found there were some agencies who were not aware of some of the emerging electronic services that GPO provides, and they were less likely to use those services. We pointed out that we thought that was an opportunity for perhaps GPO to grow its business in that way; and I think there are probably other opportunities like that as they reexamine what they are doing.

They have to look at their expenses and to look at their people. And I think they are moving forward on all fronts in order to determine how to stem the losses that have occurred over the last years.

Mr. LARSON. And you wouldn't think legislation is needed either?

Ms. KOONTZ. At this time, I wouldn't be able to make any recommendations in that area.

Mr. NICHOLS. I would agree with what the Public Printer and Ms. Koontz have said and just reiterate that, from our vantage point, when there are problems dealing with customer agencies, it is to deal with the Inspector General at the Defense Department.

I know that OMB has indicated a willingness to hear from us, as well, on any Title 44 problems. So we can use them as a resource as well.

Mr. LARSON. Thank you all very much.

The CHAIRMAN. I want to thank you and I appreciate your testimony. We will call the second panel and will begin in about 3 minutes.

[Recess.]

The CHAIRMAN. I want to thank you. We will start with Panel 2. Let me introduce the panel.

First, we have Mr. Ben Cooper, who is the Executive Vice President of the Printing Industries of America; also, Mr. George Lord, Chairman of the Joint Council of Unions at the GPO; Mr. Bill Boarman, President of the Printing, Publishing and Media Workers section of the CWA; and finally, Janice Johnston, President of the American Association of Law Libraries.

STATEMENTS OF BEN COOPER, PRINTING INDUSTRIES OF AMERICA; GEORGE LORD, CHAIRMAN OF THE JOINT COUNCIL OF UNIONS, GOVERNMENT PRINTING OFFICE; WILLIAM BOARMAN, COMMUNICATIONS WORKERS OF AMERICA; AND JANIS JOHNSTON, UNIVERSITY OF ILLINOIS AT CHAMPAIGN-URBANA

The CHAIRMAN. Thank you and welcome to the panel, and we will begin with Mr. Cooper.

STATEMENT OF BEN COOPER

Mr. COOPER. Thank you, Mr. Chairman. I appreciate the opportunity to appear before you today, and I want to thank you for the work you have done in this committee, and the members of this committee. You have provided a great deal of leadership.

And also want to pay special thanks to Bruce James, who came out of our industry. We certainly expected Bruce to be a leader in the Government Printing Office, and he has not disappointed us to that extent.

And also want to acknowledge and appreciate being with Mr. Lord and Mr. Boarman today. We have been involved in Government Printing Office issues for more years than any of us would care to recollect. Bill and I go back to 1978; we were just reminiscing about that. It is fun to be with my friends and to appear before the committee.

Contrary to published reports, print is not dead. The printing industry this year will exceed $155 billion in sales, and we are expecting a growth rate this year of upwards of 4 percent.

These are challenging times. There has been a tremendous growth in electronic communication; nevertheless, people still prefer to get their communication by print. And we find that—as other forms of technology arise, we find that print still serves an enormous market in this country.

In addition to the substantial role of print in the private sector, print is also a very big part of the public sector. I would like to point out that in the Federal budget, the print sector in 1996 was $1.75 billion. We are expecting $2.1 billion in print in the Federal budget in fiscal year 2004. So while GPO volume in print may be declining, the growth in print in the Federal Government has not declined and, in fact, is continuing to grow.

Our objective, and I think the objective of most of the witnesses here, is to figure out ways to more effectively move that print volume into the GPO so the GPO can continue to provide that work more efficiently and more effectively.

Why is print still relatively strong in the face of new technologies? It is simply because for many private sector and government communications, print is the most effective and reliable way to reach the end user. It is very interesting that the challenges we face in the private sector are not very different from the challenges faced by the Government Printing Office.

Our industry has always managed information. Our output has historically been on paper and a good portion is still on paper. But modern printers are now creating, managing and distributing information in all formats for their clients. Also, printers are managing files, storing and distributing print information for their customers

as well. For the GPO to remain viable, it will have to change to these kinds of technologies as well; and from what we have heard from the Public Printer today and watching his actions over the last 16 months, we are confident he is moving rapidly in that direction.

There are some changes needed, however, and we have been talking to GPO about these changes, as well as with people from the Office of Management and Budget and a number of folks on Capitol Hill.

Over time, we have had three fundamental issues that have been consistent in all of our testimonies and all of our efforts to reform government printing. Those three issues are that Federal agencies other than the Government Printing Office should not be in the printing business other than providing routine office copying.

Secondly, the GPO must modernize the way it buys printing for its agency customers to conform to the rules used throughout the rest of the Federal Government and by GPO to make some of its own purchases.

And third, the Federal Government should implement a planning process which determines printing and information needs for the coming fiscal year.

We had hoped that many of these issues would have been resolved in 2003 by what became known as the OMB–GPO Compact. Regrettably, despite apparent universal agreement on the need for these changes, little progress is being made in these areas. While all three are important, I want to focus today on the planning process and the need to modernize GPO procurement regulations.

The planning process that we have proposed for some time has been to simply require agencies or subagencies to develop, in conjunction with their budget submission, a plan for the coming year and their printing and information needs. An officer in that agency could be designated for this purpose. Agencies are required to have a chief information officer; whether that person is appropriate or not, I would leave that to the judgment of Congress and the Federal agencies.

But it would seem to us that if an agency had to lay out its plan for printing and information and communication to the Congress as part of its budget planning process, then the GPO would better be able to understand what it needed, how to use its people more effectively. We would also be able, in that process, to have the agencies identify what its printing capacities are and what its needs are so that, in looking at the larger picture, we might be able to more effectively plan the process.

We know that this is somewhat of an undertaking for Federal agencies, but one presumes there is some planning process that is already in place and that printing and information is not whimsically decided at the last minute.

The next area of concern that I want to address is the reform of procurement. GPO's Federal agency customers have the same need for flexibility in selecting solutions in print and related services as our private sector customers. Given the technology changes, all customers need to hear new ideas to take advantage of new technologies, methodologies and solutions. Unfortunately, under current GPO regulations, if a printing company proposes an exciting

new alternative, even when it reduces overall costs, its bid can be declared nonresponsive and rejected.

In this new environment, GPO's classic "low price wins" methodology and rigid procurement methods are simply too restrictive. Purchases of all other products and services throughout the Federal Government can be made using a variety of purchasing methods under the Federal acquisition regulations. This flexibility allows the contracting officer and his customers to structure a procurement based on the complexity of the project and the needs of the government while still obtaining competition. It not only allows, but also encourages, creative, cost-saving solutions.

Ironically, when GPO buys products and services for itself, it uses a materials management acquisition regulation which mirrors the Federal acquisition regulation and provides it with a variety of purchasing options, including the option to consider not only price, but quality, experience, delivery service, et cetera, when awarding contracts. But none of these modern purchasing methods is applied to print and related purchases GPO makes for its agency customers.

I should note that some believe that the electronic procurement system being developed under the OMB–GPO Compact will solve this problem. That is not the case for three reasons:

First, whether procurement is done on paper or on the Web, the system will continue to decline if the underlying procurement regulations are not brought in line with the rest of the government and best practices.

Second, based on agency decisions since the Compact, most print purchases will not go through the new GPO Direct program because agency print procurement departments do not have the contracting authority to use that future GPO buying vehicle.

Finally, GPO Direct has a $100,000 limit, so the larger, critical jobs will still go through the traditional GPO procurement system. The solution is for GPO to adopt the current MMAR regulations as the procurement regulations applicable to purchases for its agency customers, not next year, but next month.

I would like to talk about simplified purchase agreements. In the summer of 2000, GPO launched a new simplified purchase agreement contract vehicle. Under these agreements, GPO sets up a blanket purchasing agreement with multiple vendors whose quality, service and pricing meet government requirements and allow Federal agency buyers to purchase printing directly from the approved vendors. This saves the agency time and administrative costs and allows them to have direct contact with a vendor. At the same time, GPO provides its contracting authority in full support of the agency buyer when needed.

This is in contrast to the OMB–GPO Compact electronic model where agency contracting authority is used and GPO charges extra for support services. Under this program, agencies can make the purchase decision based on price and other factors. Other factors include responsiveness, business practices, convenience, courtesy, attention to detail and elements of past performance, including work quality, reliability and schedule compliance. This flexibility is in contrast to GPO's traditional "low cost wins" methodology.

This program offers agencies a flexible, full-service, alternative option to the Compact electronic purchasing model that is fully compliant with the goals of the Compact. It is very popular with agencies and vendors. It has spread from GPO central office in Washington to regional offices throughout the country. The only complaint about the program has been, the $2,500 purchase limit was too low.

In June, 2003, after talking to agency customers and printers, PI requested that GPO increase the purchase limit to at least $10,000. In support of that request, we surveyed 150 agency print buyers and managers in August, 2003. Nine out of 10 respondents wanted the limit increased. Over half wanted the limit at $10,000 or more. We have included a copy of that survey for your information.

Based on the survey and their own analysis, GPO management agreed to raise the limit to at least $10,000, but the limit today remains at $2,500. We now believe that the limit should be increased to $25,000.

Mr. Chairman, that concludes my testimony. And I would like to say just in conclusion, the printing industry is changing dramatically. One of the primary ways it is changing is in the growth of what we call ancillary services.

One of the fastest growing areas of ancillary services is in distribution and fulfillment. Many of our print—many of the members of our organization would enjoy talking to agency customers about providing that level of service. We want to do this under the context of GPO procurement authority. We firmly believe that if we will address this agency plan issue, be more flexible in contracting, that the net result will be to bring a significant amount of business back into the GPO and provide work not only for the folks represented by the gentleman sitting next to me, but serve the taxpayers well.

Thank you very much.

The CHAIRMAN. Thank you.

[The statement of Mr. Cooper follows:]

Statement of Benjamin Y. Cooper
before the Joint Committee on Printing, April 28, 2004

Mr. Chairman, the Printing Industries of America appreciates this opportunity to provide our views on the status of the Government Printing Office, federal printing and information programs, and the activities of the Joint Committee on Printing. PIA and its partner, the Graphic Arts Technical Foundation, comprise the largest printing and graphic arts association in the world, with over 11,000 members. The members of PIA produce the overwhelming majority of print in the United States. We also have 28 state, local, and regional affiliates throughout the United States.

Before addressing specific issues, I want to express to you our appreciation for your service as chairman. You and your staff have always been available to discuss new ideas to improve federal printing and information dissemination.

I also want express our appreciation to Bruce James for his service as Public Printer. Having known Bruce for many years, I had no doubt that he would be one of the great leaders of the GPO. In talking to Bruce before he accepted the assignment, I knew his goal was to prepare the federal government for technology changes that have an impact on federal information policy. He has tackled that challenge, and in the process, has restored the image of the GPO, and created a sense of pride and direction which many felt was lacking.

To paraphrase Mark Twain, "The reports of the death of print have been greatly exaggerated." Like all industries, we have been, and will continue to be affected by new technologies. As a vital part of the technology-driven information industry, we are particularly sensitive to the impact of new technology, and the need to plan for, and quickly adjust to change. I believe we are meeting that challenge. Despite the growth electronic document/information communication methods, private sector print sales will exceed $155 billion this year. We are forecasting a roughly four percent growth rate. In the government sector, federal expenditures on print have gone from $1.75 billion in 1996, to $1.818 in 1999, to $1.99 billion in 2002.[1] In FY 2004, we are on target to hit the US Budget estimate of $2.1 billion. In short, while GPO volume may have declined over the last 7 years, federal print expenditures increased.

Why is print still relatively strong in the face of new technology? It is simply because, for many private sector and government communication needs, print is still the most effective and reliable way to reach the end user. As further evidence, I have attached a summary of research by the U. S. Postal Service indicating that direct mail continues to enjoy an advantage over others forms of media.

Unfortunately, those of us who may be technologically proficient and accustomed to electronic communication do not always appreciate that people still generally prefer to receive information by print. The use of electronic communication is often for the convenience of the sender, not the receiver.

[1] Source: US Budget, prior year actual expenditures

But our industry recognizes that change is here, and more changes will arrive daily. It is interesting that the challenges we face are not very different from the challenges faced by the Government Printing Office and in federal information in general.

As information production and dissemination methods have changed, so has the printing industry. Our industry has always managed information. Our output has historically been on paper. A good portion is still on paper. But modern printers are now creating, managing, and distributing information in all formats for their clients. We use software, the internet, and computer-driven equipment to provide the services the customer needs. And we have become much better at listening to the customer.

To remain viable, we have had to broaden our range service offerings, bundle related services, look for cost savings from project planning to delivery to the end user, and provide the customer with flexible, cost effective ways of doing business.

In the change-is-constant environment, GPO, with its centralization and expertise is a better choice to provide efficient service in the printing and information world than a decentralized, agency-based system. That said, for GPO to remain viable, it will have to adopt the same or similar methodologies that the printing industry has embraced.

For a number of years, we have been attempting to convince the GPO and this Committee that change was needed in the way the government produces and buys printing. Our concerns are as follows:

1. Federal agencies should not be in the printing business other than providing routine office copying;
2. The GPO must modernize the way it buys printing for its Agency customers to conform to the rules used throughout the rest of the federal government, and by GPO to make its own purchases.
3. The federal government should have a planning process which determines its printing and information needs for the coming fiscal year;

We thought that many of these issues were resolved in May 2003 by what is known as the OMB-GPO compact. Certainly, the content and spirit of that agreement was that executive agencies would close agency plants, and that the GPO would modernize its procurement system by providing the agency customers with options and choice. The idea was that GPO would consider not only price, but also quality, experience, timely delivery, etc when awarding print jobs. Regrettably, despite apparent universal agreement on the need for these changes, little progress is being made in these areas.

While all three areas are important, I want to focus on the GPO procurement regulation changes for two reasons:

1) It is a critical area to us and to that too often overlooked stakeholder, the federal agency customer; and
2) The path to a solution is short and simple.

GPO Print Procurement Regulations. GPO's federal agency customers have the same need for flexibility in selecting solutions for print and related services as our private sector customers. Given the technology changes I have mentioned, all customers need to hear new ideas to take advantage of new technologies, methodologies, and solutions. Unfortunately, under current GPO regulations, if a printing company proposes an exciting new alternative—even one that reduces overall costs—its bid is declared non-responsive and rejected.

In this new environment, GPO's classic low-price-wins award methodology and rigid procurement method are simply too restrictive. Purchases of all other products and services throughout the federal government can be made using a variety of purchasing methods under the Federal Acquisition Regulations (FAR). This flexibility allows the contracting officer and his customer to structure a procurement based on the complexity of the project and the needs of the government, while still obtaining competition. It not only allows, but also encourages creative, cost saving solutions.

Ironically, when GPO buys products and services for itself, it uses its MMAR regulations, which mirror the FAR, and provide it with a variety of purchasing options, including the option to consider not only price, but also quality, experience, delivery, service, etc., when awarding contracts. But none of these modern purchasing methods is applied to print and related purchases GPO makes for its agency customers.

Parenthetically, I should note that some believe that the electronic procurement system to be developed under the OMB-GPO Compact will solve this problem. That is not the case for three reasons. First, whether procurement is done on paper or on the web, the system will continue to decline if the underlying procurement regulations are not brought in line with the rest of the government and best practices. Second, based on Agency decisions since the Compact, most print purchases will not go through the new GPODirect program (formerly IPub), because agency print procurement departments do not have the contracting authority to use that future GPO buying vehicle. Finally, GPODirect has a $100,000 limit—so the larger, critical jobs will still go through the traditional GPO procurement system.

The solution is for GPO to simply adopt its current MMAR regulations as the procurement regulations applicable to purchases for its agency customers. Not next year, but next month.

Simplified Purchase Agreements. In the summer of 2000, GPO launched a new Simplified Purchase Agreement (SPA) contract vehicle. Under an SPA, GPO sets up a blanket purchasing agreement with multiple vendors whose quality, service and pricing meet government requirements, and allows federal agency buyers to purchase printing directly from the approved vendors. This saves the agencies time and administrative cost, and allows them to have direct contact with the vendor. At the same time, GPO provides its contracting authority and full support to the agency buyer, when needed

(this is in contrast to the OMB-GPO Compact electronic purchasing model, where agency contracting authority is used, and GPO charges extra for support services).

Under the SPA program, agencies can make the purchase decision based on "price and other factors." Other factors include "responsiveness, business practices, convenience, courtesy, attention to detail and elements of past performance including work quality, reliability, and schedule compliance."[2] This flexibility is in stark contrast to GPO's traditional low-price-wins award methodology.

The SPA program offers agencies a flexible, full service, alternative option to the OMB-GPO Compact electronic purchasing model (GPODirect) that is fully compliant with the goals of the Compact.

The SPA program has been very popular with both agencies and vendors. It has spread from GPO's Central office in Washington to Regional offices throughout the country. The only complaint about the program was that the $2,500 purchase limit was too low.

In June 2003, after talking to agency customers and printers, PIA requested that GPO increase the SPA purchase limit to at least $10,000. In support of that request, we surveyed 150 agency print buyers and managers in August 2003. 9 out of 10 respondents wanted the SPA limit increased. Over half wanted the limit at $10,000 or more. I have attached a copy of that survey for your information.

Based on the survey and their own analysis, GPO management agreed to raise the SPA limit to at least $10,000. But the limit today remains at $2,500. PIA recommends the SPA limit be raised to $25,000.

The lack of a Planning Process. I also referenced our recommendation for a federal agency printing and information planning process. While this seems quite logical to me, I have not had very enthusiastic reaction to the proposal over the years. It seemed to us that if the agencies were required to plan their needs for the coming year as part of their budget planning, the GPO could better plan. Likewise, agencies could have an ability to determine their internal and external needs. The combined plan may enable the GPO and the executive branch to better group contracts for maximum benefit to the government.

It would ideal to have an individual in each federal agency tasked with this project whether it is the Chief Information Officer or some other senior person. In truth, this should be part of the planning fabric of an agency just as marketing and communications is part of business planning.

Thank you for the opportunity to express the industry's thoughts. PIA and its members are available to assist the Committee and GPO meet current and future challenges.

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[2] GPO PPR Chapter VII, Section 9.6.

The CHAIRMAN. Mr. Lord.

STATEMENT OF GEORGE LORD

Mr. LORD. Good morning, Mr. Chairman and to all members of the committee. I want to say how honored I am to appear before this committee to share with you the hopes and dreams and fears of the men and women whom I represent, that are employed at the U.S. Government Printing Office.

We have served the Congress, the executive and judicial branches for well over 100 years. During that time, the employees have served and served well. We have fulfilled our mission year after year, no matter what, with honor and distinction. We take enormous pride in those accomplishments.

These employees that I have represented have a high sense of duty and they have willingly met every challenge, whether the challenge was technological or financial. We have mastered the technology. We have made changes that saved the GPO and the American taxpayer huge amounts of money when warranted and legitimately needed. This history is why I am before you today. These employees over the years have given their sweat and labor for the survival of this fine institution.

We believe some of GPO's financial resources have been wasted, thereby reversing those sacrifices I have mentioned. Some of the wasteful spending items we consider are huge expansion of GPO's overhead costs because of the creation of additional executive positions; increased expenditures for offices for those executives; and the wholesale reduction of employees that have chargeable hours, thereby reducing the revenue; finally, increased travel expenses for those executives and support staff.

We believe the Public Printer needs to be more committed to the GPO mission and not squander scarce Federal dollars that should be used to plan for, enter into the new electronic age, including the impact of the new technology on ink-on-paper printing, which is still, even today, our greatest source of revenue.

Earlier. In testimony, there were questions fielded about the human capital office and the programs. While we are still waiting for the skills assessment and the skills needs to be done, GPO has placed people into key positions, and has changed our job series, which is a job classification standard which allows people to compete for the job that I have been doing for 25, 30 years. We believe that is wrong and we believe that it needs to be resolved because, by the time these programs and evaluations are in place, jobs, critical jobs, jobs for growth—and everybody wants to grow for any employer that they devote their career to—will be filled and they will be left with a lower paid job and a lower skill.

We also mentioned about the new technology. As I said in my written statement, GPO employees have had a fine record and tradition of being retrained for whatever the technology is. I say to you today that if you survey the current employees in IT occupations within the Government Printing Office, you will find probably at least half, if not more, of those employees working in IT fields today came out of the craft areas of yesterday. So GPO put forth a challenge the employees have met every time.

We also have a concern because of the shifting of ink-on-paper to electronics that GPO gets its resources still, to this day, by the printed product. As we are doing the typesetting and the coding for the Congressional Record and we complete and create that digital file, it is nothing to take that file and put it out on the Web. So the revenue that is generated are—the hours that our people work on that are charged back to the revolving fund.

In conclusion, I don't want to leave you with the overwhelming impression that Mr. James and organized labor is not getting along or are battling over the various items, because on a lot of issues we are, in fact, in agreement. This is, however, a concern that the employees have been communicating to me over the last 14 months, and I appreciate the time and the opportunity to express them to you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

[The statement of Mr. Lord follows:]

TESTIMONY OF GEORGE E. LORD
CHAIRMAN, JOINT COUNCIL OF UNIONS
BEFORE THE
COMMITTEE ON HOUSE ADMINISTRATION

My name is George Lord. I am the Chairman of the Joint Council of Unions, an organization that unites for collective bargaining purposes ten labor organizations representing over a thousand employees who work for the Public Printer of the United States of America. Union labor has played a decisive role at GPO almost from its inception. In the nineteenth century, GPO sought out the most skilled printers it could find and to get them hired union workers and paid union wages. The Keiss Act, 305 of Title 44, enacted in 1924, was one of the earliest examples of federal labor legislation. It recognized GPO's reliance on highly skilled tradesmen by providing for wage conferences between representatives of workers and the Public Printer to fix their compensation.

We are proud that many of our members have devoted most, if not all, of their working lives to GPO. We are proud also of the crucial role we perform in printing and distributing information collected and produced by the federal government not only to the millions of citizens we all serve but to the members and employees of the Legislation, Executive and Judicial Branches that together constitute the government of the United States.

We have wholeheartedly and repeatedly supported past efforts to make the government, including GPO, as efficient as possible. In that support, we have raised concerns that cost cutting efforts not be pursued so single-mindedly that the baby is thrown out with the bath water and that the task of keeping the government efficient be performed intelligently and not be viewed through the distorting prism of ideological blindness or a short sighted view that treats the price of new

equipment and the training of employees as a one-year cost instead of a multi-year investment.

We believe that the electronic revolution expands rather than contracts the role of GPO, the Public Printer and the Congress should be performing in federal information. In effect the GPO, its bookstores and mail order facilities, and the depository libraries, together constitute an information storage and retrieval system that new technology can emulate through the use of electronic data bases and computer terminals. In fact, new technology gives us an increased variety of options. However, the increased variety of options available does not argue against careful tailoring of available means to desired ends. As we see it, the technological revolution changes the form, but not the substance of GPO's mission. Revolutionary changes have taken place in technology in the past, and Congress has equipped GPO to deal with those changes and thereby to continue to fulfill the critically important roles that the statutes assign to it.

As we see it, the impact on GPO employees because of the new technology is difficult to weigh with any accuracy until we know what new equipment and to what extent it will be purchased. Most importantly, what will be GPO's mission in this twenty-first century? However, I can assure this Committee that the employees we represent do not resist the introduction of the new technology; we stand ready to master the skills required to install, operate, and maintain it, just as we have sought and obtained training-----occasionally at our own expense and on our own time---to maintain and operate new, electronically operate printing and data storage

equipment. We have and continue to be totally interested in deepening our understanding and our capacity to utilize the new technology.

The Joint Council of Unions is keenly aware of GPO's need to serve its customers effectively. The Council vigorously supports any step that can be made to improve GPO's printing, procurement thereof and information dissemination processes. The Committee would be surprised, we suspect, if it were aware of how conscious not only the Joint Council of Unions but also the members of our organizations are of the necessity that GPO compete effectively for the government's printing business. Despite disinclination on the part of some GPO managers to listen to employees on this subject, we have repeatedly sought to persuade GPO to take steps that would make it more effective and more efficient. We welcome every investment, which the Congress has authorized in new equipment that will enable us to do our jobs more effectively and more efficiently. And we are very proud that the Government Printing Office is one of the most sophisticated printing and information dissemination establishments in the world. We very much want to keep it that way.

We also think that the wholesale reduction of employees is a bad policy. The workforce has been allowed and encouraged to leave to a point which we believe is now counter-productive. But the most important consideration, we believe, is that the Public Printer needs to be committed to the GPO mission and not squander scarce federal dollars that should be used to plan for and enter the new electronic age---including the impact of the new technology on ink-on-paper printing.

The CHAIRMAN. Mr. Boarman.

STATEMENT OF WILLIAM BOARMAN

Mr. BOARMAN. Thank you, Mr. Chairman and good morning. And good morning to members of the committee. Thank you for holding this hearing and thanks for the invitation to my organization to appear and to give our views.

My name is Bill Boarman and I am Vice President of the Communication Workers of America, over 730,000 members, including a broad spectrum of workers in the communications industry and the printing and publishing industry as well.

Our union's history within the Government Printing Office reaches as far back as the Civil War. That history provides us with an intimate insight into GPO's operations and its evolution. My own experience with GPO goes back 30 years, first as an employee, later as a local union representative, and today, as a national Vice President of the CWA. I think over this period, I have testified at least a dozen times before either the Joint Committee on Printing, the Senate Rules Committee, House Administration and various committees on the appropriations side. And I also, as Ben Cooper has mentioned, served on an ad hoc committee back in the late 1970s along with a member of your staff, Charlie Howell—I think we are the three survivors—where we were appointed by Congress to look at major changes and overhaul to GPO.

It is notable that, through the years, GPO's talented personnel continue to meet their grueling daily deadlines in producing the Congressional Record, the Federal Register and thousands of other complex and significant documents and records of our government's work. The most important role that GPO plays is in the maintenance of our Nation's commitment to participatory democracy and accountability by the government. That is GPO's fundamental mission, to ensure universal citizen access to the products of their Federal Government.

By collecting and distributing government research and reports through its network of 1,300 libraries, GPO serves a unique role for the Nation. Perhaps because GPO has been so effective at this function, the average citizen may not be aware of just how important it is.

Some 20 years ago, GPO began a profound transition from a traditional ink-on-paper operation into a state-of-the-art information entity. That transition presaged changes that many other major publishers have followed, first in digital composition and pagination and currently in the masterful use of the Internet to enhance information flows throughout the Nation and the world.

When I worked in the GPO, I might note there were 8,000 employees. And today, there are probably less than 2,500. And that has been done because of technology that allows us to do a lot more than we could before with a lot less people, and it has been done basically through attrition. And unfortunately, there has been some work loss because some Federal agencies are seeking other places to have their work done.

GPO's leadership and achievement have been widely recognized with a prestigious number of awards and honors. Today, however, we are concerned about a different problem for this venerable agen-

cy, an issue of management philosophy that we believe could lead to a serious divergence unless it is addressed analytically.

Our unique perspective with experience in the information industry both in the private and public sector—as you know, CWA represents people who work for General Electric, Verizon, ABC and Disney, just to name a few of our large employers that employ CWA members—that unique perspective tells me that any information enterprise depends upon the productive capacity of the organization, not the number of highly paid executives it has on its plan to analyze. We are frankly concerned that the GPO is heading in another direction along the lines of an organizational structure that is top heavy with management officials whose costs cannot be absorbed and whose presence may not add to the productive capacity of the agency.

As those costs grow, we are fearful that GPO will not be able to maintain its efficiency. This could and may result in cuts to the workforce and/or pay and benefits.

As the members of the committee know, GPO by law must recover all of its costs. Historically, GPO has operated on a traditional pyramid structure, a strong, broad foundation of productive personnel at the primary level holding up the strong, lean management layer dealing with the administration. We have noticed that there appears to be a new layering of management positions with highly paid executive salaries, virtually inverting the pyramid. That change, we believe, imperils GPO's capacity because it results in a reapportionment of the agency's resources away from productive capacity.

Given GPO's costs and accounting structure, any diversion of resources away from productive and billable positions could force the agency to choose between investment and additional productive capacity or growing executive salaries.

We encourage this committee and other committees in the House and Senate with jurisdiction over GPO operations to remain vigilant. Sustaining this national treasure and preserving its vital function won't earn you headlines and sound bites on the 6 o'clock news.

I can assure you as a parent, citizen and elected leader of an organization which seeks to advance the economic well-being of working families, a fully functional Government Printing Office enriches our Nation's wisdom and awareness in ways that are immeasurable on a balance sheet. Your oversight is critical in making certain that GPO is never forced to retrench or cut corners, compromise quality and efficiency or lose productive personnel in order to maintain a management layer.

Mr. Chairman, thank you again for the opportunity for CWA to give its views on these issues. And I would be happy to answer any questions that you or members of the committee may have.

The CHAIRMAN. Thank you.

[The statement of Mr. Boarman follows:]

Statement of

William J. Boarman, Vice President

Communications Workers of America

Before the Committee on

House Administration

April 28, 2004

Good morning Mr. Chairman, and members of the committee. Thank you for holding this hearing and thank you for the invitation to appear. On behalf of the Communications Workers of America, we appreciate this opportunity to offer our views on the Government Printing Office.

My name is Bill Boarman. I am president of the Printing, Publishing & Media Workers Sector of the Communications Workers of America. Our 730,000 members include a broad spectrum of workers in the communications industry, including workers employed by major information and media companies—ABC, NBC, CNN, the Washington Post, New York Times and the Government Printing Office, as well as thousands of lesser known, but equally important communications entities in print, broadcast and telecommunications, transportation, public service, law enforcement and manufacturing.

Our history within the Government Printing Office reaches back more than 150 years. Our predecessor, the International Typographical Union, represented the first employees of GPO from as far back as the Civil War.

That history provides us an intimate insight into GPO's operations and its evolution.

We are indeed proud of what GPO has become and proud of the role we have played in its development. We are among the large universe of public interest organizations—along with academics, librarians, journalists and concerned citizens—who consider the Government Printing Office to be a national treasure.

My own experience with GPO goes back 30 years, first as an employee; later as a local union representative; today as the national vice president of the Communications Workers of America.

Probably the most enduring and intractable problem that I have dealt with during my tenure has been a series of persistent threats to shrink, close down, starve out or disperse the GPO.

Just about two years ago, we faced a White House plan that would have taken away GPO's procurement function and handed it over to individual federal agencies. That plan was based on a faulty premise and bad accounting, as well as questionable authority. Ultimately, an agreement was reached between the OMB and GPO and today we are all hopeful that GPO will continue to be the centralized source for Government Information.

However, I am concerned that many agencies will feel the pressure to bypass the GPO and the agreement may not be as promising as we once hoped.

That was only the most recent effort to curtail GPO's capacity. During my 30-year association with the agency, I have seen countless others. It is notable that

throughout those assaults, GPO's talented personnel continue to meet their grueling daily deadlines in producing the Congressional Record, the Federal Register and thousands of other complex and significant documents and records of our government's work.

GPO's financial viability is important to our nation, not because of the role it plays in sustaining a huge network of private printers nationwide; not because of the 2,300 decent jobs it provides to CWA members and other federal employees who work directly for the agency. Believe me, those issues are important and significant. But, the most important role that GPO plays is in its maintenance of our nation's commitment to participatory democracy and accountability by government. That is, GPO's fundamental mission: to ensure universal citizen access to the products of their federal government. By collecting and distributing government research and reports through its network of 1,300 libraries, GPO serves a unique role for the nation. Perhaps because GPO has been so effective at this function the average citizen may be unaware of just how important it is.

Some 20 years ago, GPO began a profound transition from a traditional ink-on-paper operation into a state-of-the-art information entity. That transition presaged changes that many other major publishers have followed—first in digital composition and pagination and currently in the masterful use of the Internet to enhance information flows throughout the nation and the world.

GPO's leadership and achievement in digital publishing and information flow has been widely recognized with a prodigious number of awards and honors.

Today, however, we are concerned about a different problem for this venerable agency—an issue of management philosophy—that we believe could lead to a serious divergence unless it is addressed analytically.

Today in Washington there are more than enough problems to go around. All those problems come with price tags attached. Members of Congress might be forgiven in the short run for focusing on the big picture issues—Iraq, the war on terror, Afghanistan, the economy—while problems such as those of GPO that lurk in the shadows are overlooked. But, the GPO and issues related to government information flow are vital matters that ultimately affect the wellbeing of our nation and how we respond to the bigger picture. And, Congress ultimately has the responsibility for overseeing the information function.

My unique perspective, with experience in the information industry in both the public and the private sector, tells me that any information enterprise depends upon the productive capacity of the organization, not the number of highly paid executives it has to plan and analyze.

We are frankly concerned that the Public Printer is taking GPO in another direction, along the lines of an organizational structure that is top-heavy and larded with management officials whose costs cannot be absorbed and whose presence may not add

to the productive capacity of the agency. As those costs grow, we are fearful that GPO will not be able to maintain its efficiency.

As the union representing a proportion of GPO's productive personnel, we are not privy to the management organizational structure, nor to the plans for future organizational changes. But, this committee has not only the right but also the responsibility to look into those plans to determine if there is a pattern of management growth that is unwarranted and unnecessary. We encourage you to do so.

Historically, GPO has operated on a traditional pyramid structure: a strong, broad foundation of productive personnel at the primary level, holding up a lean, strong management layer dealing with administration.

We have noticed under the new leadership that there appears to be a new layering of management positions—with concomitant highly paid executive salaries, virtually inverting the pyramid. That change, we believe, imperils GPO's capacity because it results in a reapportionment of the agency's resources away from productive capacity. Those positions, and those salaries, may or may not contribute to the attainment of GPO's basic missions. However, given GPO's cost and accounting structure, any diversion of resources away from productive and billable positions could force the agency to choose between investment in additional productive capacity or growing executive salaries.

We encourage this committee and other committees in the House and Senate with jurisdiction over GPO operations to remain vigilant. Sustaining this national treasure and preserving its vital function won't earn you headlines and sound bites on the 6 o'clock news. I can assure you that as a parent, citizen and as an elected leader of an organization, which seeks to advance the economic wellbeing of working families, a fully functional Government Printing Office enriches our nation's wisdom and awareness in ways that are immeasurable on a balance sheet.

Your oversight is critical to make certain that GPO is never forced to retrench and cut corners, compromise quality and efficiency or lose productive personnel in order to maintain a management layer that adds nothing to its output.

Mr. Chairman, thank you again for this opportunity to give you CWA's views and I would be happy to answer any questions that you or members of the committee may have at this time.

The CHAIRMAN. Ms. Johnston.

STATEMENT OF JANIS JOHNSTON

Ms. JOHNSTON. Good morning. I am Janis Johnston, Director of the Law Library and Associate Professor of Law at the Albert E. Jenner, Jr., Memorial Law Library, University of Illinois at Urbana-Champaign. I am President of the American Association of Law Libraries.

I am very pleased to appear before you this morning on behalf of the American Association of Law Libraries, the American Library Association, the Association of Research Libraries, the Medical Library Association and the Special Libraries Association. Together, we represent more than 90,000 librarians, as well as the more than 1,200 libraries that participate in the Federal Depository Library Program.

We commend you, Chairman Ney and Ranking Member Larson, for holding this important oversight hearing on the Government Printing Office. Our communities have a very strong interest in Federal information policy, a fervent commitment to public access to government information and a Federal robust library program for the 21st century. I ask that you please include my long statement in the record of today's hearing.

The CHAIRMAN. Without objection.

Ms. JOHNSTON. I would like to summarize a few key points from that statement.

First, we commend Public Printer Bruce James for bringing energy and enthusiam to the GPO as he works with Congress and all stakeholders to make its operations more efficient and to strenthen the FDLP. During his first year as Public Printer, Mr. James has accomplished several important initiatives to improve the public's access to government information.

Last June, he and then-OMB Director Mitch Daniels announced an historic compact for government printing that allows agencies flexibility to select their own printers through the GPO procurement system. Printers will not be paid until they provide GPO with one electronic version of each document ordered and two print copies, thus ensuring improved public access to agency publications.

We applaud Mr. James for his many successful outreach efforts, including the equally important MOU signed last August with the National Archives and Records Administration.

Second, we believe strongly that the FDLP and depository libraries will continue to be crucial access and service points for the public in the 21st century, and we are committed to our role in this important partnership with Congress.

The FDLP is a very successful partnership not just between GPO and participating libraries, but also with Congress, Federal agencies, the courts and the American public. Librarians know firsthand on a daily basis the importance and impact that access to government information has on the health and lives of all Americans, our Nation's economy and on public participation in government.

The more than 1,200 Federal depository libraries come in all shapes and sizes—public, academic, law, special, Federal agency, research and medical libraries. Depository libraries spend millions

of dollars annually for staff, space and, increasingly, for the technological infrastructure, the hardware, software, training, expertise and other services necessary to effectively connect users to electronic resources. In addition, we purchase costly commercial indexes, software and access to networks to make government publications more accessible to your constituents.

Some depository libraries are dropping out of the FDLP for a number of different reasons. GPO has decreased significantly the number of print titles distributed to programs over the past several years, mostly as a result of the increased amount of born-digital information.

We are pleased that GPO has begun to recognize that different types of libraries have different needs and different users. We believe GPO should strive to provide documents to depository libraries in the most suitable format to meet their users' needs.

For example, the users of legal government information often require access to authenticated legal materials. Important legal titles available electronically through the Internet, whether through GPO access or on agency, congressional or Web sites are not authenticated. Note the following disclaimer for the electronic version of the U.S. Supreme Court slip opinions on the Court's own Web site, quote:

"these electronic opinions may contain computer-generated errors or other deviations from the official printed slip opinion pamphlets," end of quote.

Last year I was very pleased that GPO responded to a request from the AALL executive board to reinstate print distribution of the slip opinions to law and regional depository libraries. AALL has also proposed an expanded list of essential titles for law libraries that would ensure that core legal titles would be distributed to law libraries in authenticated print versions.

Today, only the largest of the Nation's map libraries have the ability to provide full-sized colored copies of maps delivered on line. There are technological issues with maps as well. Frequently online maps are not accessible in a way that allows downloading and copying of the full image. Therefore, many libraries need paper copies of maps to meet their users' needs.

Congress should be concerned that the move to an all-electronic Federal Depository Library Program may fail to meet the needs of those who live in rural or minority communities where there is little technological infrastructure and libraries may lack adequate high-speed Internet access.

Third, the Federal Government must ensure the authenticity and permanent public access to and preservation of electronic government information. As we move into an even more electronic environment, we urge Congress to work to ensure that electronic government information products that have important historical value do not disappear, that they are preserved for permanent public access.

In my long statement, I describe at some length the problems we have found trying to access information from government CD roms that have been distributed to depository libraries since 1988. The problem is that many early CDs and some continuing CD series use proprietary software and proprietary formats or both and are

no longer usable at all. In addition, vast quantities of born-digital documents appear and disappear from government Web sites without notice or without any trace. It is alarming that a recent Mellon study found that the average duration——

The CHAIRMAN. I hate to interrupt, but your time has expired. That is a call for votes, so you have to basically conclude if you could.

Ms. JOHNSTON. I am almost there.

The Mellon study found that the average report on a government Web site is only available for 4 months.

We know process is in place government-wide to ensure the entire life cycle of electronic government information and permanent public access and preservation.

Chairman Ney and Ranking Member Larson, the library community is committed to working with you and GPO as they develop a strategic plan for the 21st century. We are committed to our partnership with you.

Thank you very much for inviting me to participate in this important hearing. I am pleased to answer any questions you might have.

The CHAIRMAN. Questions?

Mr. LARSON. Thank you, Mr. Chairman. Given the shortness of time—I have several questions, so I would like, with the permission of the Chair, to produce written questions for the panelists because time may not allow you to answer them thoroughly.

But I would just like a general response, if you can, especially from the panelists representing labor and also from Mr. Cooper.

First, Mr. Cooper, you argue that the government should generally engage in more formal planning process with respect to printing needs. You say there is resistance to such an idea. From whom and why?

Mr. COOPER. I wouldn't call this overt resistance, but it is one of those issues we have proposed over many years. The difficulty is like, with closing Federal agency printing plants, there is no one place to go to get this done, whether it is through an Appropriations Committee process, or we discussed it with OMB. It is hard to get the one place, to get the one answer, to move ahead with it.

Mr. LARSON. Mr. Lord and Mr. Boarman, both of you commented at length about your concerns with regard to labor and your relationship with GPO, noting as well that it is not all a bad picture, but you are raising very salient points with respect to this.

What is the biggest single thing that the Public Printer could do to make labor feel he considers them a partner in this transformation process now under way at the GPO?

Mr. LORD. Well, above all, foremost, better communication, which is always the case in most situations.

But also if—many Public Printers that I have served under have always advocated partnership with labor. But what my experience has showed me, what they mean by "partnership" is, I am going to make the decision and then I will get you together and inform you what that is. That is not our idea of partnership.

I believe that a lot of the problem of the current administration, however, is timing more than it is—they need a deeper understanding that where GPO is today didn't just happen, that there

was a lot of transition, a lot of sacrifices made; and employees just don't want to see the clock turned back by having to face another financial crisis, because what we see is huge amounts of spending for things that we don't believe are warranted or needed. And that is their biggest fear.

I mean, we see some things that money is being spent on that we don't believe should be a top priority, especially at the same time you are talking about retraining huge amounts of people. We don't see the money is going to be there when it comes to our time to retrain at this rate of spending.

We all see what has happened to the volume of work. But even if the Congress gave us a billion dollars to put in a revolving fund for any fiscal year, we can't get to it if we don't have chargeable hours. And overhead does not generate chargeable hours; it is just the opposite.

And then the wholesale reductions that we see through the two buyouts that we have had, the overwhelming majority of those employees who seized the opportunity to go out are bargaining-unit jobs, are revenue-generating jobs, and therefore, are further compounding the costs of running the printing office. And we just don't see, if that continues, that the money is going to be there to do all this lavish retraining that Mr. James talked about. That is our biggest fear.

Mr. LARSON. I will defer to my other colleagues and just say that I am very concerned about the issues raised by the AALL.

The CHAIRMAN. Mr. Brady.

Mr. BRADY. I know we have a vote on, and I will be brief.

I want to restate something that was in the testimony of Mr. Boarman, that our oversight is critical to make certain that the GPO is never forced to retrench, cut corners, compromise quality and efficiency or lose productive personnel in order to maintain a management level layer that adds nothing to its output. And I promise you, I will be as diligent as I can be to try to make that not happen.

The CHAIRMAN. We have a vote. There are questions that I wanted to ask, but I will submit them in writing and then we can converse back and forth.

With that, I want to thank all of our witnesses and both panels for very good testimony. I know you have worked hard to prepare for the hearing today.

I also want to thank our ranking member, Congressman Larson, Mr. Brady and their staff members who prepared for this.

I ask unanimous consent that witnesses and members have 7 legislative days to submit material into the record and for those statements and materials to be entered in the appropriate place within the record. Without objection, the material will be so entered.

I ask unanimous consent that the staff be authorized to make technical and conforming changes on all matters considered by the committee at today's hearing. And without objection, so ordered.

And that completes our business for today. The hearing is adjourned.

[Whereupon, at 12 Noon, the committee was adjourned.]

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