

**LEGISLATIVE BRANCH APPROPRIATIONS FOR  
FISCAL YEAR 2005**

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**HEARINGS**

BEFORE A

SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES SENATE  
ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

ON

**H.R. 4755/S. 2666**

AN ACT MAKING APPROPRIATIONS FOR THE LEGISLATIVE BRANCH FOR  
THE FISCAL YEAR ENDING SEPTEMBER 30, 2005, AND FOR OTHER  
PURPOSES

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# **LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2005**

**THURSDAY, MARCH 4, 2004**

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

The subcommittee met at 10:58 a.m., in room SD-116, Dirksen Senate Office Building, Hon. Ben Nighthorse Campbell (chairman) presiding.

Present: Senators Campbell, Stevens, and Durbin.

## **GENERAL ACCOUNTING OFFICE**

### **STATEMENT OF DAVID M. WALKER, COMPTROLLER GENERAL**

#### **ACCOMPANIED BY:**

**GENE L. DODARO, CHIEF OPERATING OFFICER**  
**SALLYANNE HARPER, CHIEF ADMINISTRATIVE OFFICER**  
**STANLEY J. CZERWINSKI, CONTROLLER**

#### **OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL**

Senator CAMPBELL. The subcommittee will come to order. Senator Durbin is running a little late and will be here in just a few minutes.

Today's hearing is the first of four hearings we plan to have to review the fiscal year 2005 legislative branch budget request which totals roughly \$4 billion.

Overall, legislative branch agencies have requested a 12 percent increase over the current fiscal year level. Clearly this total level of spending will be very difficult, if not impossible, to accommodate in view of the overall budget constraints we face. We will be asking all agencies to have another look at their budgets to ensure that there have been no items requested which are not truly needed next year, and we will also be exploring the impact of cutting budgets back to current levels, if that is necessary, which it appears to be at this point.

This morning we will take testimony from three agencies: the General Accounting Office, the Government Printing Office, and the Congressional Budget Office.

We will hear first from Mr. David Walker, Comptroller General. Mr. Walker will be accompanied by Deputy Chief Gene Dodaro. Welcome, Gene. And Mr. Stan Czerwinski, GAO's budget officer. GAO's budget request of \$486 million is a steady-state budget, with the exception of the request for a permanent new technology assessment capability.

The GAO will be followed by the Government Printing Office: Mr. Bruce James, the Public Printer; accompanied by Mr. William Turri, the Deputy Printer; and Steve Shedd, the Chief Financial Officer. The GPO has many initiatives underway at this time to restructure their agency, including the possible relocation of their facility from its present North Capitol Street location. The budget request of \$151 million includes \$25 million for transformation efforts, but we do not have a delineation of what those transformation efforts involve. It might be very difficult to provide the funds without a detailed spending plan.

And finally, we will hear from Mr. Douglas Holtz-Eakin, the Director of the Congressional Budget Office, accompanied by Dr. Elizabeth Robinson, CBO's new Deputy Director. CBO's budget request of \$35 million is a 5.5 percent increase over the current fiscal year and would support the current staffing level of 235 FTE.

So we welcome everyone this morning. Mr. Walker, if you would like to proceed. If you would like to abbreviate your comments, we will put your complete testimony in the record.

#### OPENING REMARKS OF DAVID WALKER

Mr. WALKER. Thank you, Mr. Chairman. It is a pleasure to be here again. On my far right is Stan Czerwinski, who is our Controller. To my immediate right is Sallyanne Harper, who is our Chief Administrative Officer and Chief Financial Officer, and on my immediate left is Gene Dodaro, who is our Chief Operating Officer.

Mr. Chairman, we believe that our fiscal year 2005 budget request is both reasonable and responsible. We have asked for a 4.9 percent increase, primarily to cover automatic pay increases and related costs, as well as price level increases. This requested level will allow us to maintain our base authorized FTEs, maintain operational support at fiscal year 2004 levels, and continue to meet the needs of the Congress at present service levels.

Our requested budget reflects an offset of almost \$5 million from nonrecurring fiscal year 2004 estimates, and it represents a baseline review approach.

In times of tight budgets and fiscal pressures, I believe it is especially important for GAO to lead by example in connection with our budget request. We have done so as noted by the fact that we are requesting the smallest percentage increase of any legislative branch agency. In addition, we have helped this subcommittee in your initial efforts to assure that other legislative branch agencies ultimately employ a baseline review approach in their budget submissions.

In the years ahead, our support to the Congress will likely prove even more critical because of pressures created on our Nation caused by large and growing fiscal imbalances. I believe that GAO's help will prove to be invaluable as the Congress seeks to review, reprioritize, and re-engineer existing mandatory and discretionary spending programs and tax policies.

Maintaining a strong and adequately resourced GAO will also help ensure that we can continue to provide an excellent return on investment to the Congress and the country. Last year we returned

\$78 for every dollar invested in GAO, number one in the world. Nobody is even close.

Mr. Chairman and members of the subcommittee, I respectfully request that you consider the modest nature of our request and the unparalleled return on investment the Congress and the country receives from your investment in GAO's work. I would also respectfully request you consider the fact that many independent sources have noted that we at GAO are leading in the transformation of how the Government does business, and in order to continue to do that, we will need your help and reasonable resource levels.

PREPARED STATEMENT

Thank you, Mr. Chairman, Senator Durbin. I would be happy to answer any questions you might have.

[The statement follows:]

PREPARED STATEMENT OF DAVID M. WALKER

Mr. Chairman and Members of the Subcommittee: I am pleased to appear before the subcommittee today, having recently completed my fifth year as the Comptroller General of the United States and head of the U.S. General Accounting Office. GAO exists to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people. In the years ahead, our support to the Congress will likely prove even more critical because of the pressures created by our nation's large and growing long-term fiscal imbalance, which is driven primarily by known demographic and rising health care trends. These pressures will require the Congress to make tough choices regarding what the government does, how it does business, and who will do the government's business in the future. GAO's work covers virtually every area in which the federal government is or may become involved, anywhere in the world. Perhaps just as importantly, our work sometimes leads us to sound the alarm over problems looming just beyond the horizon—such as our nation's enormous long-term fiscal challenges—and help policymakers address these challenges in a timely and informed manner.

My testimony today will focus on GAO's progress during my first five years as Comptroller General. I will highlight our (1) fiscal year 2003 performance and results; (2) efforts to maximize our effectiveness, responsiveness, and value; and (3) budget request for fiscal year 2005 to support the Congress and serve the American people. Following is a summary:

- The funding we received in fiscal year 2003 allowed us to conduct work that addressed many of the difficult issues confronting the nation, including diverse and diffuse security threats, selected government transformation challenges, and the nation's long-term fiscal imbalance. Perhaps the foremost challenge facing government decision makers this year was ensuring the security of the American people. By providing professional, objective, and nonpartisan information and analyses, we helped inform the Congress and the executive branch agencies on key security issues, such as the nature and scope of threats confronting the nation's nuclear weapons facilities, its information systems, and all areas of its transportation infrastructure, as well as the challenges involved in creating the Department of Homeland Security. Our work was also driven by changing demographic trends, which led us to focus on such areas as the quality of care in the nation's nursing homes and the risks to the government's single-employer pension insurance program. Our work in these and other areas covered programs that involve billions of dollars and touch millions of lives. Importantly, in fiscal year 2003, GAO generated a \$78 return for each \$1 appropriated to our agency.
- With the Congress's support, we have demonstrated that becoming world class does not require a substantial increase in the number of staff authorized, but rather maximizing the efficient and effective use of the resources available to us. We have worked with you to obtain targeted funding for areas critical to GAO such as information technology, security, and human capital management. We are grateful to the Congress for supporting our efforts through pending legislation that, if passed, would give us additional human capital flexibilities.

During tight budget times, these flexibilities would allow us, among other things, more options to deal with mandatory pay and related costs.

—In keeping with my belief that the federal government needs to exercise a greater degree of fiscal discipline, we have kept our request to \$486 million, an increase of only 4.9 percent over fiscal year 2004. I also applaud the Congress's request that all legislative branch agencies examine how they could work toward a more transparent budget presentation. In keeping with the Congress's intent, we are continuing our efforts to revamp our budget presentation to make the linkages between funding and program areas more clear. I hope that in the future the Congress will be able to use such performance information to make tough choices on funding, thereby enabling it to avoid across-the-board reductions that penalize agencies that exercise fiscal discipline and generate high returns on investment and real results.

#### FISCAL YEAR 2003 PERFORMANCE AND RESULTS

GAO is a key source of professional and objective information and analysis and, as such, plays a crucial role in supporting congressional decision making. For example, in fiscal year 2003, as in other years, the challenges that most urgently engaged the attention of the Congress helped define our priorities. Our work on issues such as the nation's ongoing battle against terrorism, Social Security and Medicare reform, the implementation of major education legislation, human capital transformations at selected federal agencies, and the security of key government information systems all helped congressional members and their staffs to develop new federal policies and programs and oversee ongoing ones. Moreover, the Congress and the executive agencies took a wide range of actions in fiscal year 2003 to improve government operations, reduce costs, or better target budget authority based on GAO's analyses and recommendations. In fiscal year 2003, GAO served the Congress and the American people by helping to identify steps to reduce improper payments and credit card fraud in government programs; restructure government and improve its processes and systems to maximize homeland security; prepare the financial markets to continue operations if terrorism recurs; update and strengthen government auditing standards; improve the administration of Medicare as it undergoes reform; encourage and help guide federal agency transformations; contribute to congressional oversight of the federal income tax system; identify human capital reforms needed at the Department of Defense, the Department of Homeland Security, and other federal agencies; raise the visibility of long-term financial commitments and imbalances in the federal budget; reduce security risks to information systems supporting the nation's critical infrastructures; oversee programs to protect the health and safety of today's workers; ensure the accountability of federal agencies through audits and performance evaluations; and serve as a model for other federal agencies by modernizing our approaches to managing and compensating our people.

To ensure that we are well positioned to meet the Congress's future needs, we update our 6-year strategic plan every 2 years, consulting extensively during the update with our clients in the Congress and with other experts (see app. I for our strategic plan framework).

The following table summarizes selected performance measures and targets for fiscal years 1999 through 2005. Highlights of our fiscal year 2003 accomplishments and their impact on the American public are shown in the following sections.

TABLE 1.—SELECTED ANNUAL MEASURES AND TARGETS FOR FISCAL YEARS 1999–2005

[Dollars in billions]

Performance measure	Fiscal year—							
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2003 Actual	2004 Target	2005 Target
Financial benefits .....	\$20.1	\$23.2	\$26.4	<sup>1</sup> \$37.7	\$32.5	\$35.4	\$35.0	\$36.0
Other benefits .....	607	788	799	906	800	1,043	<sup>2</sup> 900	900
Past recommendations implemented (percent) .....	70	78	79	79	77	82	<sup>2</sup> 79	79
New recommendations made .....	940	1,224	1,563	1,950	1,250	2,175	<sup>2</sup> 1,500	1,500

TABLE 1.—SELECTED ANNUAL MEASURES AND TARGETS FOR FISCAL YEARS 1999–2005—  
Continued  
[Dollars in billions]

Performance measure	Fiscal year—							
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2003 Actual	2004 Target	2005 Target
Testimonies .....	229	263	151	216	180	189	<sup>2</sup> 190	180
Timeliness (percent) .....	96	96	95	96	98	97	98	98

<sup>1</sup> Changes GAO made to its methodology for tabulating financial benefits in part caused our results to increase beginning with the fiscal year 2002 results.

<sup>2</sup> On the basis of past performance and expected future work, we revised these targets after we issued our fiscal year 2004 performance plan. The original targets were 820 for other benefits, 77 percent for past recommendations implemented, 1,250 for new recommendations made, and 200 for testimonies.

Source: GAO.

### Benefits Reported

Many of the benefits produced by our work can be quantified as dollar savings for the federal government (financial benefits), while others cannot (other benefits). Both types of benefits resulted from our efforts to provide information to the Congress that helped (1) improve services to the public, (2) provide information that resulted in statutory or regulatory changes, and (3) improve core business processes and advance governmentwide management reforms.

In fiscal year 2003, our work generated \$35.4 billion in financial benefits—a \$78 return on every dollar appropriated to GAO. The funds made available in response to our work may be used to reduce government expenditures or reallocated by the Congress to other priority areas. Nine accomplishments accounted for nearly \$27.4 billion, or 77 percent, of our total financial benefits for fiscal year 2003. Six of these accomplishments totaled \$25.1 billion. Table 2 lists selected major financial benefits in fiscal year 2003 and describes the work contributing to financial benefits over \$500 million.

TABLE 2.—GAO'S SELECTED MAJOR FINANCIAL BENEFITS FOR FISCAL YEAR 2003  
[In millions of dollars]

Description	Amount
Financial benefits exceeding \$1 billion:	
Updated the Consumer Price Index (CPI): Recommended that the Bureau of Labor Statistics periodically update the expenditure weights of its market basket of goods and services used to calculate the CPI to make it more timely and representative of consumer expenditures. The Bureau agreed to do this every 2 years, and the CPI for January 2002 reflected the new weights. The adjustments have resulted in, among other things, lower federal expenditures on programs like Social Security that use the CPI to calculate benefits .....	9,200
Eliminated Medicaid's upper payment limit loophole: Identified a weakness in Medicaid's upper payment limit methodology that allowed states to make excessive payments to local, government-owned nursing facilities and then have the facilities return the payments to the states, creating the illusion that they made large Medicaid payments in order to generate federal matching payments. Closing the loophole prevented the federal government from making significant federal matching payments to states above those intended by Medicaid .....	5,900
Made funds available for lighter-weight weapons systems: Identified the Crusader artillery system as a duplicative weapons system that was inconsistent with the Department of the Army's plans to transform itself into a lightweight combat force. The Department of Defense (DOD) terminated the Crusader program, resulting in costs avoided .....	3,900
Reduced the cost of federal housing programs: Improved management of the Department of Housing and Urban Development's unexpended balances resulting in the recapture of unobligated funds .....	3,400
Reduced the cost of DOD's services acquisition process: Examined the acquisition practices of leading commercial companies and recommended a more strategic approach for acquiring services at DOD, which was implemented .....	1,700
Avoided costs associated with an increase in the skilled nursing facilities rate: Determined that the Congress's increase in the nursing component of Medicare's daily rate for skilled nursing facilities had little effect on increasing the ratios of nursing staff to patients in these facilities. The nursing component increase expired on October 1, 2002, and despite arguments from the nursing facility industry, the nursing component increase has not been reinstated .....	1,000

TABLE 2.—GAO'S SELECTED MAJOR FINANCIAL BENEFITS FOR FISCAL YEAR 2003—Continued

[In millions of dollars]

Description	Amount
Selected financial benefits between \$500 million and \$1 billion:	
Recovered Supplemental Security Income (SSI) overpayments: Identified weaknesses in the Social Security Administration's (SSA) efforts to recover SSI overpayments that led to the development of SSA's automated reconciliation process .....	990
Reduced DOD's implementation risks and purchase costs for the Navy-Marine Corps intranet: Highlighted the need for various management controls related to the acquisition and implementation of the Navy-Marine Corps intranet. As a result, DOD modified the Navy-Marine Corps intranet contract and reduced contract amounts in fiscal year 2002 and fiscal year 2003, reduced program risks, and increased the likelihood that the program will be acquired and implemented successfully .....	780
Ensured Defense Emergency Response funds are better targeted: Identified millions of dollars in unobligated DOD Emergency Response funding, a portion of which the Congress rescinded or directed DOD to reallocate for other fund purposes .....	517

Source: GAO.

Many of the benefits that flow to the American people from our work cannot be measured in dollar terms. During fiscal year 2003, we recorded a total of 1,043 other benefits—up from 607 in fiscal year 1999. As shown in appendix II, we documented instances where information we provided to the Congress resulted in statutory or regulatory changes, where federal agencies improved services to the public and where agencies improved core business processes or governmentwide reforms were advanced.

These actions spanned the full spectrum of national issues, from securing information technology systems to improving the performance of state child welfare agencies. We helped improve services to the public by

—*Strengthening the U.S. visa process as an antiterrorism tool.*—Our analysis of the U.S. visa-issuing process showed that the Department of State's visa operations were more focused on preventing illegal immigrants from obtaining non-immigrant visas than on detecting potential terrorists. We recommended that State reassess its policies, consular staffing procedures, and training program. State has taken steps to adjust its policies and regulations concerning the screening of visa applicants and its staffing and training for consular officers.

—*Enhancing quality of care in nursing homes.*—In a series of reports and testimonies since 1998, we found that, too often, residents of nursing homes were being harmed and that programs to oversee nursing home quality of care at the Centers for Medicare and Medicaid Services were not fully effective in identifying and reducing such problems. In 2003, we found a decline in the proportion of nursing homes that harmed residents but made additional recommendations to further improve care.

—*Making key contributions to homeland security.*—Drawing on an extensive body of completed and ongoing work, we identified specific vulnerabilities and areas for improvement to protect aviation and surface transportation, chemical facilities, sea and land ports, financial markets, and radioactive sealed sources. In response to our recommendations, the Congress and cognizant agencies have undertaken specific steps to improve infrastructure security and improve the assessment of vulnerabilities.

—*Improving compliance with seafood safety regulations.*—We reported that when Food and Drug Administration (FDA) inspectors identified serious violations at seafood processing firms, it took FDA 73 days on average, well above its 15-day target. Based on our recommendations, FDA now issues warning letters in about 20 days.

We helped to change laws in the following ways:

—We highlighted the National Smallpox Vaccination program volunteers' concerns about losing income if they sustained injuries from an inoculation. As a result, the Smallpox Emergency Personnel Protection Act of 2003 (Public Law No. 108–20) provides benefits and other compensation to covered individuals injured in this way.

—We performed analyses that culminated in the enactment of the Postal Civil Service Retirement System Funding Reform Act of 2003 (Public Law No. 108–18), which reduced USPS's pension costs by an average of \$3 billion per year over the next 5 years. The Congress directed that the first 3 years of savings be used to reduce USPS's debt and hold postage rates steady until fiscal 2006. We also helped to promote sound agency and governmentwide management by

- Encouraging and helping guide agency transformations.*—We highlighted federal entities whose missions and ways of doing business require modernized approaches, including the Postal Service and the Coast Guard. Among congressional actions taken to deal with modernization issues, the House Committee on Government Reform established a special panel on postal reform and oversight to work with the President's Commission on the Postal Service on recommendations for comprehensive postal reform. Our recommendations to the Coast Guard led to better reporting by the Coast Guard and laid the foundation for key revisions the agency intended to make to its strategic plan.
- Helping to advance major information technology modernizations.*—Our work has helped to strengthen the management of the complex multibillion-dollar information technology modernization program at the Internal Revenue Service (IRS) to improve operations, promote better service, and reduce costs. For example, IRS implemented several of our recommendations to improve software acquisition, enterprise architecture definition and implementation, and risk management and to better balance the pace and scope of the program with IRS's capacity to effectively manage it.
- Supporting controls over DOD's credit cards.*—In a series of reports and testimonies beginning in 2001, we highlighted pervasive weaknesses in DOD's overall credit card control environment, including the proliferation of credit cards and the lack of specific controls over its multibillion-dollar purchase and travel card programs. DOD has taken many actions to reduce its vulnerabilities in this area.

#### *Benefits to State and Local Governments*

While our primary focus is on improving government operations at the federal level, sometimes our work has an impact at the state and local levels. To the extent feasible, in conducting our audits and evaluations, we cooperate with state and local officials. At times, our work results will have local applications, and local officials will take advantage of our efforts. We are conducting a pilot to determine the feasibility of measuring the impact of our work on state and local governments. The following are examples we have collected during our pilot where our work is relevant for state and local government operations:

- Identity theft.*—Effective October 30, 1998, the Congress enacted the "Identity Theft and Assumption Deterrence Act of 1998" prohibiting the unlawful use of personal identifying information, such as names, Social Security numbers, and credit card numbers. GAO report GGD-98-100BR is mentioned prominently in the act's legislative history. Subsequently, a majority of states have enacted identity theft laws. Sponsors of some of these state enactments—Alaska, Florida, Illinois, Michigan, Pennsylvania, and Texas—mentioned the federal law and/or our report. For example, in 1999, Texas enacted SB 46, which is modeled after the federal law. Justice officials said that enactment of state identity theft laws has multijurisdictional benefits to all levels of law enforcement—federal, state, and local.
- Pipeline safety.*—Our report GAO-RCED-00-128, *Pipeline Safety: The Office of Pipeline Safety Is Changing How It Oversees the Pipeline Industry*, found that the Department of Transportation's Office of Pipeline Safety was reducing its reliance on states to help oversee the safety of interstate pipelines. The report stated that allowing states to participate in this oversight could improve pipeline safety. As a result, the Office of Pipeline Safety modified its Interstate Pipeline Oversight Program for 2001-2002 to allow greater opportunities for state participation.
- Temporary Assistance for Needy Families Grant Program.*—We reported on key national and state labor market statistics and changes in the levels of cash assistance and employment activities in five selected states. We also highlighted the fact that the five states had faced severe fiscal challenges and had used reserve funds to augment their spending above the amount of their annual Temporary Assistance for Needy Families block grant from the federal government.

#### *GAO's High-Risk Program*

Issued to coincide with the start of each new Congress, our high-risk update lists government programs and functions in need of special attention or transformation to ensure that the federal government functions in the most economical, efficient, and effective manner possible. This is especially important in light of the nation's large and growing long-term fiscal imbalance. Our latest report, released in January

2003, spotlights more than 20 troubled areas across government.<sup>1</sup> Many of these areas involve essential government services, such as Medicare, housing programs, and postal service operations that directly affect the lives and well-being of the American people.

Our high-risk program, which we began in 1990, includes five high-risk areas added in 2003: implementing and transforming the new Department of Homeland Security; modernizing federal disability programs; federal real property, Medicaid program; and Pension Benefit Guaranty Corporation's (PBGC) single-employer pension insurance program.<sup>2</sup>

In fiscal year 2003, we also removed the high-risk designation from two programs: the Social Security Administration's Supplemental Security Income program, and Asset Forfeiture programs administered by the U.S. Departments of Justice and the Treasury.

In fiscal 2003, we issued 208 reports and delivered 112 testimonies related to high-risk areas, and our related work resulted in financial benefits totaling almost \$21 billion. Our sustained focus on high-risk problems also has helped the Congress enact a series of governmentwide reforms to strengthen financial management, improve information technology, and create a more results-oriented and accountable federal government. The President's Management Agenda for reforming the federal government mirrors many of the management challenges and program risks that we have reported on in our performance and accountability series and high-risk updates, including a governmentwide initiative to focus on strategic management of human capital.

Following GAO's designation of federal real property as a high-risk issue, the Office of Management and Budget (OMB) has indicated its plans to add federal real property as a new program initiative under the President's Management Agenda. OMB recently issued an executive order on federal real property that addresses many of GAO's concerns, including the need to better emphasize the importance of government property to effective management. We have an ongoing dialog with OMB regarding the high-risk areas, and OMB is working with agency officials to address many of our high-risk areas. Some of these high-risk areas may require additional authorizing legislation as one element of addressing the problems.

Our fiscal year 2003 high-risk list is shown in table 3.

TABLE 3.—GAO'S 2003 HIGH-RISK LIST

High-risk area	Year designated high-risk
Addressing challenges in broad-based transformations:	
Strategic human capital management <sup>1</sup> .....	2001
U.S. Postal Service transformation efforts and long-term outlook <sup>1</sup> .....	2001
Protecting information systems supporting the federal government and the nation's critical infrastructures .....	1997
Implementing and transforming the new Department of Homeland Security .....	2003
Modernizing federal disability programs <sup>1</sup> .....	2003
Federal real property <sup>1</sup> .....	2003
Ensuring major technology investments improve services:	
Federal Aviation Administration (FAA) air traffic control modernization .....	1995
IRS business systems modernization .....	1995
DOD systems modernization .....	1995
Providing basic financial accountability:	
DOD financial management .....	1995
Forest Service financial management .....	1999
FAA financial management .....	1999
IRS financial management .....	1995
Reducing inordinate program management risks:	
Medicare program <sup>1</sup> .....	1990
Medicaid program <sup>1</sup> .....	2003
Earned income credit noncompliance .....	1995
Collection of unpaid taxes .....	1990
DOD support infrastructure management .....	1997
DOD inventory management .....	1990
HUD single-family mortgage insurance and rental assistance programs .....	1994

<sup>1</sup>U.S. General Accounting Office, *High Risk Series: An Update*, GAO-03-119 (Washington, D.C.: January 2003).

<sup>2</sup>We added this issue in July 2003 after we published the January 2003 update.

TABLE 3.—GAO'S 2003 HIGH-RISK LIST—Continued

High-risk area	Year designated high-risk
Student financial aid programs .....	1990
Pension Benefit Guaranty Corporation's (PBGC) single-employer pension insurance program .....	2003
Managing large procurement operations more efficiently:	
DOD weapon systems acquisition .....	1990
DOD contract management .....	1992
Department of Energy contract management .....	1990
NASA contract management .....	1990

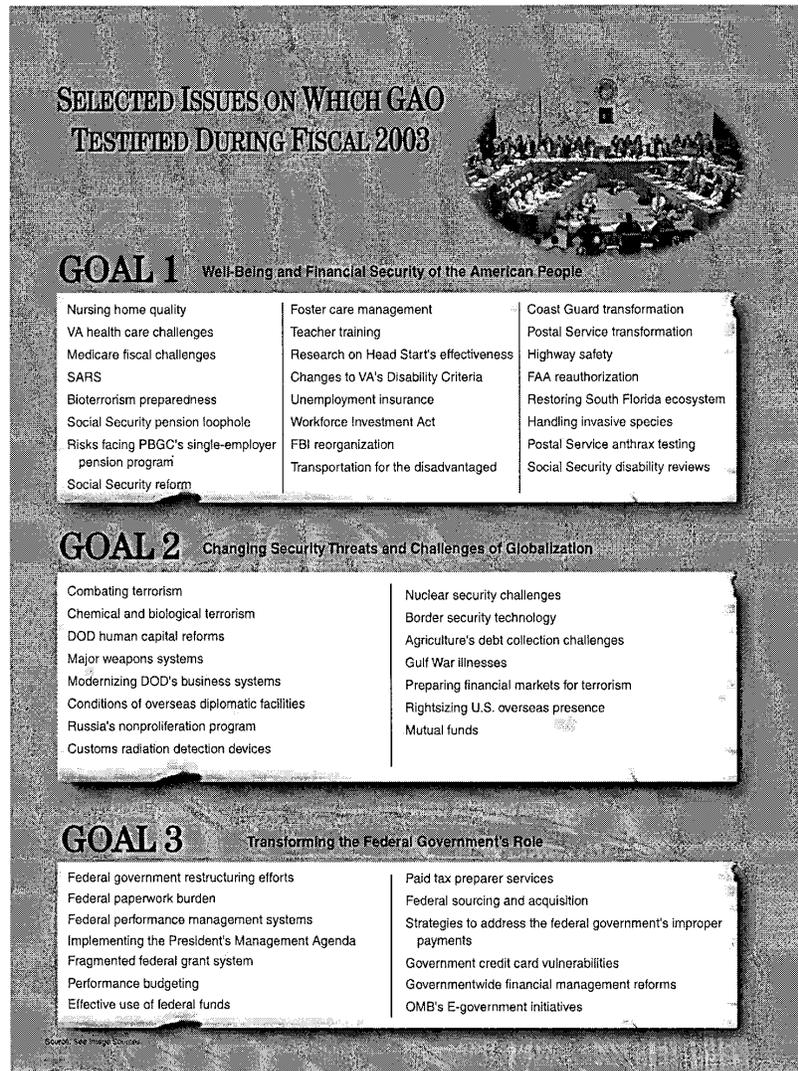
<sup>1</sup> Additional authorizing legislation is likely to be required as one element of addressing this high-risk area.

Source: GAO.

#### *Testimonies*

During fiscal year 2003 GAO executives testified at 189 congressional hearings—sometimes with very short notice—covering a wide range of complex issues. Testimony is one of our most important forms of communication with the Congress; the number of hearings at which we testify reflects, in part, the importance and value of our expertise and experience in various program areas and our assistance with congressional decision making. The following figure highlights, by GAO's three external strategic goals for serving the Congress, examples of issues on which we testified during fiscal year 2003.

Figure 1: Selected Issues on Which GAO Testified during Fiscal 2003



While the vast majority of our products—97 percent—were completed on time for our congressional clients and customers in fiscal year 2003, we slightly missed our target of providing 98 percent of them on the promised day. We track the percentage of our products that are delivered on the day we agreed to with our clients because it is critical that our work be done on time for it to be used by policymakers. Though our 97 percent timeliness rate was a percentage point improvement over our fiscal year 2002 result, it was still a percentage point below our goal. As a result, we are taking steps to improve our performance in the future by encouraging matrix management practices among the teams supporting various strategic goals and identifying early those teams that need additional resources to ensure the timely delivery of their products to our clients.

## MAXIMIZING GAO'S EFFECTIVENESS, RESPONSIVENESS, AND VALUE

The results of our work were possible, in part, because of the changes we have made to maximize the value of GAO. With the Congress's support, we have demonstrated that becoming world class does not require substantial staffing increases, but rather maximizing the efficient and effective use of the resources available to us. Since I came to GAO, we have developed a strategic plan, realigned our organizational structure and resources, and increased our outreach and service to our congressional clients. We have developed and revised a set of congressional protocols, developed agency and international protocols, and better refined our strategic and annual planning and reporting processes. We have worked with you to make changes in areas where we were facing longer-term challenges when I came to GAO, such as in the critical human capital, information technology, and physical security areas. We are grateful to the Congress for supporting our efforts through pending legislation that, if passed, would give us additional human capital flexibilities that will allow us, among other things, to move to an even more performance-based compensation system and help to better position GAO for the future. As part of our ongoing effort to ensure the quality of our work, this year a team of international auditors will perform a peer review of GAO's performance audit work issued in calendar year 2004.

*Making GAO's Work Accessible to the American People*

We continued our policy of proactive outreach to our congressional clients, the press, and the public to enhance the visibility of our products. On a daily basis we compile and publish a list of our current reports. This feature has more than 18,000 subscribers, up 3,000 from last year. We also produced an update of our video on GAO, "Impact 2003." Our external Web site continues to grow in popularity, having increased the number of hits in fiscal year 2003 to an average of 3.4 million per month, 1 million more per month than in fiscal year 2002. In addition, visitors to the site are downloading an average of 1.1 million files per month. As a result, demand for printed copies of our reports has dramatically declined, allowing us to phase out our internal printing capability.

*Promoting Sound Financial Management and Improving Strategic Management*

For the 17th consecutive year, GAO's financial statements have received an unqualified opinion from our independent auditors. We prepared our financial statements for fiscal year 2003 and the audit was completed a month earlier than last year and a year ahead of the accelerated schedule mandated by OMB. For a second year in a row, the Association of Government Accountants awarded us a certificate of excellence; this year the award was for the fiscal year 2002 annual performance and accountability report.

*Aligning GAO's Workforce and Mission Needs*

Given our role as a key provider of information and analyses to the Congress, maintaining the right mix of technical knowledge and expertise as well as general analytical skills is vital to achieving our mission. Because we spend about 80 percent of our resources on our people, we need excellent human capital management to meet the expectations of the Congress and the nation. Accordingly, in the past few years, we have expanded our college recruiting and hiring program and focused our overall hiring efforts on selected skill needs identified during our workforce planning effort and to meet succession planning needs. For example, we identified and reached prospective graduates with the required skill sets and focused our intern program on attracting those students with the skill sets needed for our analyst positions. Our efforts in this area were recognized by Washingtonian magazine, which listed GAO as one of the "Great Places to Work" in its November 2003 issue. Continuing our efforts to promote the retention of staff with critical skills, we offered qualifying employees in their early years at GAO student loan repayments in exchange for their signed agreements to continue working at GAO for 3 years.

We also have begun to better link compensation, performance, and results. In fiscal year 2002 and 2003, we implemented a new performance appraisal system for our analyst, attorney, and specialist staff that links performance to established competencies and results. We evaluated this system in fiscal year 2003 and identified and implemented several improvements, including conducting mandatory training for staff and managers on how to better understand and apply the performance standards, and determining appropriate compensation. We will implement a new competency based appraisal system, pay banding and a pay for performance system for our administrative professional and support services staff this fiscal year.

To train our staff to meet the new competencies, we developed an outline for a new competency-based and role- and task-driven learning and development cur-

riculum that identified needed core and elective courses and other learning resources. We also completed several key steps to improve the structure of our learning organization, including hiring a Chief Learning Officer and establishing a GAO Learning Board to guide our learning policy, to set specific learning priorities, and to oversee the implementation of a new training and development curriculum.

We also drafted our first formal and comprehensive strategic plan for human capital to communicate both internally and externally our strategy for enhancing our standing as a model professional services organization, including how we plan to attract, retain, motivate, and reward a high-performing and top-quality workforce. We expect to publish the final plan this fiscal year. Our Employee Advisory Council is now a fully democratically elected body that advises GAO's senior executives on matters of interest to our staff. We also established a Human Capital Partnership Board to gather opinions of a cross section of our employees about upcoming initiatives and ongoing programs. The 15-member board will assist our Human Capital Office in hearing and understanding the perspectives of its customers—our staff.

In addition, we will continue efforts to be ready to implement the new human capital authorities included in legislation currently pending before the Senate. This legislation, if passed, would give us more flexibility to deal with mandatory pay and related costs during tight budgetary times.

#### *Managing Our Information Technology Resources*

Our resourceful management of information technology was recognized when we were named one of the “CIO (Chief Information Officer) 100” by CIO Magazine, recognizing excellence in managing our information technology (IT) resources through “creativity combined with a commitment to wring the most value from every IT dollar.” We were one of three federal agencies named, selected from over 400 applicants, largely representing private sector firms. In particular, we were cited for excellence in asset management, staffing and sourcing, and building partnerships, and for implementing a “best practice”—staffing new projects through internal “help wanted” ads.

We have expanded and enhanced the IT Enterprise Architecture program we began in fiscal year 2002. We formally established an Enterprise Architecture oversight group and steering committee to prioritize our IT business needs, provide strategic direction, and ensure linkage between our IT Enterprise Architecture and our capital investment process. We implemented a number of user friendly Web-based systems to improve our ability to obtain feedback from our congressional clients, facilitate access to our information for the external customer, and enhance productivity for the internal customer. Among the new and enhanced Web-based systems were an application to track and access General Counsel work by goal, team, and attorney; a Web site on emerging trends and issues to provide information for our teams and offices as they consult with the Congress; and an automated tracking application for our staff to monitor the status of products to be published.

In addition, we developed and released a system to automate an existing data collection and analysis process, greatly expanding our annual capacity to review DOD weapons systems programs. As a result, we were able to increase staff productivity and efficiency and enhance the information and services provided to the Congress. In the past, we were able to complete a review annually of eight DOD weapons systems programs. In fiscal year 2003 we reviewed 30 programs and reported on 26. Within the next year, that number will grow to 80 per year.

#### *Increasing Information Security*

We recognize the ongoing, ever present threat to our shared IT systems and information assets and continue to promote awareness of this threat, maintain vigilance, and develop practices that protect information assets, systems, and services. As part of our continuing emergency preparedness plan, we upgraded the level of telecommunications services between our disaster recovery site and headquarters, expanded our remote connectivity capability, and improved our response time and transmission speed. To further protect our data and resources, we drafted an update to our information systems security policy, issued network user policy statements, hardened our internal network security, expanded our intrusion detection capability, and addressed concerns raised during the most recent network vulnerability assessment.

We plan to continue initiatives to ensure a secure environment, detect intruders in our systems, and recover in the event of a disaster. We are also continuing to make the investments necessary to enhance the safety and security of our staff, facilities, and other assets for the mutual benefit of GAO and the Congress. In addition, we plan to continue initiatives designed to further increase employees' productivity, facilitate knowledge sharing, and maximize the use of technology through

tools available at the desktop and by reengineering the systems that support our business processes.

*Providing a Safe and Secure Workplace*

On the basis of recommendations resulting from our physical security evaluation and threat assessment, we continue to implement initiatives to improve the security and safety of our building and personnel. In terms of the physical plant improvements, we upgraded the headquarters fire alarm system and installed a parallel emergency notification system. We completed a study of personal protective equipment, and based on the resulting decision paper, we have distributed escape hoods to GAO staff. We have also made a concerted effort to secure the perimeter and access to our building. Several security enhancements will be installed in fiscal year 2004, such as vehicle restraints at the garage ramps; ballistic-rated security guard booths; vehicle surveillance equipment at the garage entrances; and state-of-the-art electronic security comprising intrusion detection, access control, and closed-circuit surveillance systems.

*Preparing for Peer Review*

A team of international auditors, led by the Office of the Auditor General of Canada, will conduct a peer review for calendar year 2004 of our performance audit work. This entails reviewing our policies and internal controls to assess the compliance of GAO's work with government audit standards. The review team will provide GAO with management suggestions to improve our quality control systems and procedures. Peer reviews will be conducted every 3 years.

GAO'S FISCAL YEAR 2005 REQUEST TO SUPPORT THE CONGRESS

GAO is requesting budget authority of \$486 million for fiscal year 2005. The requested funding level will allow us to maintain our base authorized level of 3,269 full-time equivalent (FTE) staff to serve the Congress, maintain operational support at fiscal year 2004 levels, and continue efforts to enhance our business processes and systems. This fiscal year 2005 budget request represents a modest increase of 4.9 percent over our fiscal year 2004 projected operating level, primarily to fund mandatory pay and related costs and estimated inflationary increases. The requested increase reflects an offset of almost \$5 million from nonrecurring fiscal year 2004 initiatives, including closure of our internal print plant, and \$1 million in anticipated reimbursements from a planned audit of the Securities and Exchange Commission's (SEC) financial statements. Our requested fiscal year 2005 budget authority includes about \$480 million in direct appropriations and authority to use \$6 million in estimated revenue from reimbursable audit work and rental income.

To achieve our strategic goals and objectives for serving the Congress, we must ensure that we have the appropriate human capital, fiscal, and other resources to carry out our responsibilities. Our fiscal year 2005 request would enable us to sustain needed investments to maximize the productivity of our workforce and to continue addressing key management challenges: human capital, and information and physical security. We will continue to take steps to "lead by example" within the federal government in these and other critical management areas.

If the Congress wishes for GAO to conduct technology assessments, we are also requesting \$545,000 to obtain four additional FTEs and contract assistance and expertise to establish a baseline technology assessment capability. This funding level would allow us to conduct one assessment annually and avoid an adverse impact on other high priority congressional work.

A summary of the requested changes between our fiscal year 2004 and 2005 budget is reflected in table 4:

TABLE 4.—SUMMARY OF REQUESTED CHANGES FOR FISCAL YEAR 2005 BUDGET

Budget category	FTEs	Amount	Cumulative percentage change
Fiscal year 2004 resources: <sup>1</sup>			
Appropriation .....	.....	\$457,606	.....
Estimated revenue (offsetting collections) .....	.....	\$5,971	.....
Total fiscal year 2004 resources .....	3,269	\$463,577	.....
Fiscal year 2005 requested changes:			
Mandatory pay and related costs .....	.....	\$21,821	4.7
Costs to maintain current operating levels .....	.....	\$4,007	5.5

TABLE 4.—SUMMARY OF REQUESTED CHANGES FOR FISCAL YEAR 2005 BUDGET—Continued

Budget category	FTEs	Amount	Cumulative percentage change
Nonrecurring fiscal year 2004 costs .....	.....	(\$4,499)	.....
New financial audit responsibility for SEC .....	.....	(\$1,000)	.....
Continuing improvements/new initiatives .....	.....	\$2,203	.....
Subtotal increased funding required to support GAO operations .....	.....	\$22,532	4.9
Fiscal year 2005 budget authority required to support GAO operations .....	3,269	\$486,109	.....
Less: Estimated revenue (offsetting collections) .....	3,269	(\$6,119)	.....
Fiscal year 2005 appropriation .....	.....	\$479,990	.....
Establish a baseline technology assessment capability .....	4	\$545	.....
Total fiscal year 2005 appropriation .....	3,273	\$480,535	.....

<sup>1</sup> Includes rescission of 0.59 percent (\$2,751).

Source: GAO.

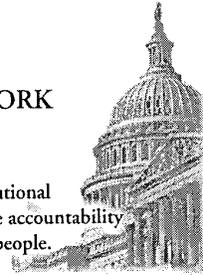
CONCLUDING REMARKS

We are grateful to the Congress for providing support and resources that have helped us in our quest to be a world class professional services organization. The funding we received in fiscal year 2004 is allowing us to conduct work that addressed many difficult issues confronting the nation. By providing professional, objective, and nonpartisan information and analyses, we help inform the Congress and executive branch agencies on key issues, and covered programs that continue to involve billions of dollars and touch millions of lives.

I am proud of the outstanding contributions made by GAO employees as they work to serve the Congress and the American people. In keeping with my strong belief that the federal government needs to exercise fiscal discipline, our budget request for fiscal year 2005 is modest, but would maintain our ability to provide first class, effective, and efficient support to the Congress and the nation to meet 21st century challenges in these critical times.

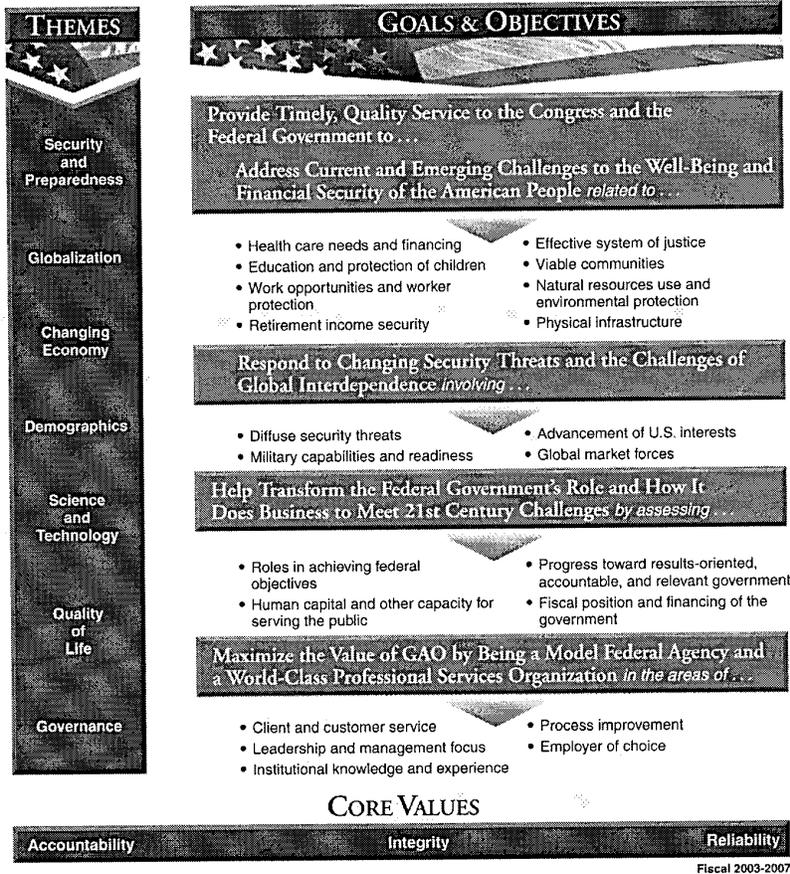
This concludes my statement. I would be pleased to answer any questions the Members of the Subcommittee may have.

## SERVING THE CONGRESS GAO'S STRATEGIC PLAN FRAMEWORK



### MISSION

GAO exists to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people.



Source: GAO.

### APPENDIX II: GAO ACCOMPLISHMENTS THAT HELPED CHANGE LAWS, IMPROVE SERVICES, OR PROMOTE SOUND MANAGEMENT

#### *GAO Efforts That Helped to Change Laws and/or Regulations*

*Consolidated Appropriations Resolution, 2003, Public Law 108-7.*—The law includes GAO's recommended language that the administration's competitive sourcing targets be based on considered research and sound analysis.

*Smallpox Emergency Personnel Protection Act of 2003, Public Law 108-20.*—GAO's report on the National Smallpox Vaccination program highlighted volunteers' concerns about losing income if they sustained injuries from an inoculation. This statute provides benefits and other compensation to covered individuals injured in this way.

*Postal Civil Service Retirement System Funding Reform Act of 2003, Public Law 108-18.*—Analyses performed by GAO and OPM culminated in the enactment of this law that reduces USPS's pension costs by an average of \$3 billion per year over the next 5 years. The Congress directed that the first 3 years of savings be used to reduce USPS's debt and hold postage rates steady until fiscal 2006.

*Accountability of Tax Dollars Act of 2002, Public Law 107-289.*—A GAO survey of selected non-CFO Act agencies demonstrated the significance of audited financial statements in that community. GAO provided legislative language that requires 70 additional executive branch agencies to prepare and submit audited annual financial statements.

*Emergency Wartime Supplemental Appropriations Act, 2003, Public Law 108-11.*—GAO assisted congressional staff with drafting a provision that made available up to \$64 million to the Corporation for National and Community Service to liquidate previously incurred obligations, provided that the Corporation reports over-obligations in accordance with the requirements of the Antideficiency Act.

*Intelligence Authorization Act for Fiscal Year 2003, Public Law 107-306.*—GAO recommended that the Director of Central Intelligence report annually on foreign entities that may be using U.S. capital markets to finance the proliferation of weapons, including weapons of mass destruction, and this statute instituted a requirement to produce the report.

#### *GAO Efforts That Helped to Improve Services to the Public*

*Strengthening the U.S. Visa Process as an Antiterrorism Tool.*—Our analysis of the U.S. visa-issuing process showed that the Department of State's visa operations were more focused on preventing illegal immigrants from obtaining nonimmigrant visas than on detecting potential terrorists. We recommended that State reassess its policies, consular staffing procedures, and training program. State has taken steps to adjust its policies and regulations concerning the screening of visa applicants and its staffing and training for consular officers.

*Enhancing Quality of Care in Nursing Homes.*—In a series of reports and testimonies since 1998, we found that, too often, residents of nursing homes were being harmed and that programs to oversee nursing home quality of care at the Centers for Medicare and Medicaid Services were not fully effective in identifying and reducing such problems. In 2003, we found a decline in the proportion of nursing homes that harmed residents but made additional recommendations to further improve care.

*Making Key Contributions to Homeland Security.*—Drawing upon an extensive body of completed and ongoing work, we identified specific vulnerabilities and areas for improvement to protect aviation and surface transportation, chemical facilities, sea and land ports, financial markets, and radioactive sealed sources. In response to our recommendations, the Congress and cognizant agencies have undertaken specific steps to improve infrastructure security and improve the assessment of vulnerabilities.

*Improving Compliance with Seafood Safety Regulations.*—We reported that when Food and Drug Administration (FDA) inspectors identified serious violations at seafood processing firms, it took FDA 73 days on average, well above its 15-day target. Based on our recommendations, FDA now issues warning letters in about 20 days.

*Strengthening Labor's Management of the Special Minimum Wage Program.*—Our review of this program resulted in more accurate measurement of program participation and noncompliance by employees and prevented inappropriate payment of wages below the minimum wage to workers with disabilities.

*Reducing National Security Risks Related to Sales of Excess DOD Property.*—We reported that DOD did not have systems and procedures in place to maintain visibility and control over 1.2 million chemical and biological protective suits and certain equipment that could be used to produce crude forms of anthrax. Unused suits (some of which were defective) and equipment were declared excess and sold over the Internet. DOD has taken steps to notify state and local responders who may have purchased defective suits. Also, DOD has taken action to restrict chemical-biological suits to DOD use only—an action that should eliminate the national security risk associated with sales of these sensitive military items. Lastly, DOD has suspended sales of the equipment in question pending the results of a risk assessment.

*Protecting the Retirement Security of Workers.*—We alerted the Congress to potential dangers threatening the pensions of millions of American workers and retirees.

The pension insurance program's ability to protect workers' benefits is increasingly being threatened by long-term, structural weaknesses in the private-defined, pension benefit system. A comprehensive approach is needed to mitigate or eliminate the risks.

*Improving Mutual Fund Disclosures.*—To improve investor awareness of mutual fund fees and to increase price competition among funds, we identified alternatives for regulators to increase the usefulness of fee information disclosed to investors. Early in fiscal year 2003, the Securities and Exchange Commission issued proposed rules to enhance mutual fund fee disclosures using one of our recommended alternatives.

*GAO Efforts That Helped to Promote Sound Agency and Governmentwide Management*

*Encouraging and Helping Guide Agency Transformations.*—We highlighted federal entities whose missions and ways of doing business require modernized approaches, including the Postal Service, and the Coast Guard. Among congressional actions taken to deal with modernization issues, the House Committee on Government Reform established a special panel on postal reform and oversight to work with the President's Commission on the Postal Service on recommendations for comprehensive postal reform. We also reported this year on the Coast Guard's ability to effectively carry out critical elements of its mission, including its homeland security responsibilities. We recommended that the Coast Guard develop a blueprint for targeting its resources to its various mission responsibilities and a better reporting mechanism for informing the Congress on its effectiveness. Our recommendations led to better reporting by the Coast Guard and laid the foundation for key revisions the agency intended to make to its strategic plan.

*Helping DOD Recognize and Address Business Modernization Challenges.*—Several times we have reported and testified on the challenges DOD faces in trying to successfully modernize about 2,300 business systems, and we made a series of recommendations aimed at establishing the modernization management capabilities needed to be successful in transforming the department. DOD has implemented some key architecture management capabilities, such as assigning a chief architect and creating a program office, as well as issuing the first version of its business enterprise architecture in May 2003. In addition, DOD has revised its system acquisition guidance. By implementing our recommendations, DOD is increasing the likelihood that its systems investments will support effective and efficient business operations and provide for timely and reliable information for decision making.

*Helping to Advance Major Information Technology Modernizations.*—Our work has helped to strengthen the management of the complex, multibillion-dollar information technology modernization program at the Internal Revenue Service (IRS) to improve operations, promote better service, and reduce costs. For example, IRS implemented several of our recommendations to improve software acquisition, enterprise architecture definition and implementation, and risk management and to better balance the pace and scope of the program with its capacity to effectively manage it.

*Improving Internal Controls and Accountability over Agency Purchases.*—Our work examining purchasing and property management practices at FAA identified several weaknesses in the specific controls and overall control environment that allowed millions of dollars of improper and wasteful purchases to occur. Such weaknesses also contributed to many instances of property items not being recorded in FAA's property management system, which allowed hundreds of lost or missing property items to go undetected. Acting on our findings, FAA established key positions to improve management oversight of certain purchasing and monitoring functions, revised its guidance to strengthen areas of weakness and to limit the allowability of certain expenditures, and recorded assets into its property management system that we identified as unrecorded.

*Strengthening Government Auditing Standards.*—Our publication of the Government Auditing Standards in June 2003 provides a framework for audits of federal programs and monies. This comes at a time of urgent need for integrity in the auditing profession and for transparency and accountability in the management of scarce resources in the government sector. The new revision of the standards strengthens audit requirements for identifying fraud, illegal acts, and noncompliance, and gives clear guidance to auditors as they contribute to a government that is efficient, effective, and accountable to the people.

*Supporting Controls over DOD's Credit Cards.*—In a series of reports and testimonies beginning in 2001, we highlighted pervasive weaknesses in DOD's overall credit card control environment, including the proliferation of credit cards and the lack of specific controls over its multibillion dollar purchase and travel card pro-

grams. We identified numerous cases of fraud, waste, and abuse and made 174 recommendations to improve DOD's credit card operations. DOD has taken many actions to reduce its vulnerabilities in this area.

Senator CAMPBELL. Do any of your colleagues have any comments or they are just resources?

Mr. WALKER. They are here to answer questions.

Senator CAMPBELL. Senator Durbin, do you have an opening statement?

Senator DURBIN. Yes, I do. Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF SENATOR RICHARD J. DURBIN

Mr. Chairman, thank you for scheduling today's hearing, the first of four budget oversight hearings to be held by the Legislative Branch Subcommittee this year. I'm glad we're all here and ready to begin working on this year's budget. Based on the events of last week, this is obviously going to be a very challenging year. I'm very happy to see that we are moving ahead with the hearing over on this side of the Capitol.

Mr. Chairman, I am happy to be working with you on this important bill again this year. I think we did a good job working together last year and finishing the bill in a timely manner. With any luck, we can do so again this year.

This is an important Subcommittee. There are 12 other Appropriations Subcommittees that fund all of the Executive Branch Agencies and Departments. The Legislative Branch has this one Subcommittee in which we need to fund all of the tools and resources required of a co-equal branch of government.

Today we are going to hear from three important Legislative Branch agencies, the General Accounting Office, the Government Printing Office, and the Congressional Budget Office. I join Chairman Campbell in welcoming David Walker, the Comptroller General of the United States, Bruce James, the U.S. Public Printer, and Douglas Holtz-Eakin, the Director of the Congressional Budget Office to today's hearing.

Gentlemen, I know I don't have to tell you that this is going to be a very challenging year for this Committee. The budget constraints under which we are expected to work seem unrealistic to say the least.

However, it is important to the Members of this Subcommittee that you have the resources you need to do your jobs effectively and efficiently.

To the extent that any of your budget requests have holes in them which could negatively impact your performance during fiscal year 2005, I hope you will share those concerns with us.

First, Mr. Walker, I want you to know how much I appreciate everything you do for us here in the Senate. I particularly appreciate the guidance I have received from you and your staff on matters relating to the Capitol Visitor Center. I know this has been a tremendous task, but I think it is extremely important for Members to have access to your external oversight of this project as we make decisions about how to move forward on the CVC. I hope you will spend several minutes today discussing the GAO Human Capital Reform Act, which was approved in the House last week and will now be voted on in the Senate. This legislation will certainly give you broader flexibility in constructing your workforce. I look forward to hearing how this works for you and if you think it is worth pursuing in other federal agencies.

Mr. James, you are doing a tremendous job as Public Printer. I am looking forward to hearing your testimony about your plans to relocate the Government Printing Office. You certainly have a vision for the future of the GPO and I hope you will walk us through it. I would also like to hear a little about your voluntary separation incentive program. The 10 percent staff reduction and savings of \$21.7 million was very impressive, and I understand that you are about to undergo another voluntary separation incentive program in April.

Mr. Holtz-Eakin, I see you have a relatively flat budget, consisting mainly of increases in salaries and benefits. The Congressional Budget Office does great work in providing important information to the Congress. Over the years I have had concerns about your experiment with the dynamic scorekeeping initiative and I would appreciate it if you would provide the subcommittee with an update on where this experiment stands.

Mr. Chairman, I will conclude here and request that my entire statement, as well as a series of questions, be made a part of the record.

## STRATEGIC HUMAN CAPITAL MANAGEMENT

Senator CAMPBELL. We will go to a couple of questions.

In looking at your testimony, Mr. Walker, the GAO listed strategic human capital management as among its top high risk issues for the Federal Government. Can you tell me what that involves in laymen's terms?

Mr. WALKER. What it involves is making sure that we have the right number of people with the right skills and knowledge in the right agencies doing the right things. It also means modernizing Federal management practices for how we treat people. It also means civil service reforms in order to provide management with reasonable flexibility to make decisions while incorporating adequate safeguards to prevent abuse of employees and also making sure that we have certain principles that are timeless in nature that apply across Government so we do not have the balkanization of the civil service, among other things, Mr. Chairman.

## PAY-FOR-PERFORMANCE

Senator CAMPBELL. That sounds commendable.

Under your current pay-for-performance system, how do you determine how many people will be given pay raises, and who makes that decision? Are the increases all tied to performance?

Mr. WALKER. Well, first, we have several categories of employees at GAO.

Senator CAMPBELL. How many employees are there at GAO?

Mr. WALKER. About 3,260. With regard to our categories, we have our auditors, analysts, and investigators. That is one category. That comprises over 70 percent of our employees. We have attorneys, which is another category, and then we have our administrative, professional and support staff. The auditors, investigators, and analysts have been involved in pay-for-performance since the late 1980's. The attorneys have also been involved in pay-for-performance since the late 1980's. The administrative, professional and support staff are moving to a pay-for-performance (PFP) system. Right now they are under the current GS system, which provides for periodic and optional quality step increases. We have designed a new competency-based performance appraisal system for them as well as a pay-for-performance system. So, for next fiscal year, almost all of our employees will be under a pay-for-performance system. Those not in PFP are our wage grade individuals.

We have a modern, effective, and credible competency-based performance appraisal system, which provides for a meaningful distinction in performance among all individuals, and is tied to our strategic plan. It is focused on the results that we want to deliver for the Congress and the country.

## RATING PERFORMANCE

Senator CAMPBELL. Does the immediate supervisor do the rating of the performance?

Mr. WALKER. Yes, Mr. Chairman. There is a designated performance manager. That designated performance manager will come up with a proposed rating, but then there are a number of review processes that take place in order to provide reasonable assurance

that there is consistency, equity and nondiscrimination in how we go about completing the process. There is reporting all the way up to the Executive Committee, which involves myself, my two colleagues on my immediate right and left, as well as our general counsel. There is also transparency with regard to results. We post the results, maintaining privacy, but the overall results, so that all of our employees can see what the results are.

We are clearly leading the Government in this regard, Mr. Chairman. There is no doubt about it.

#### GAO HUMAN CAPITAL FLEXIBILITIES

Now, the last thing I would mention is we do have legislation that has already passed the House. It has passed the Senate once. It is coming back to the Senate because the House version was slightly different. That bill would give us the ability to improve our pay-for-performance system. It has broad-based bipartisan and bicameral support. We are hoping that the Senate will pass it via unanimous consent in the near future.

#### TRAINING GAO EMPLOYEES

Senator CAMPBELL. Tell the committee a little bit about the training for fiscal year 2005, which is about a 4 percent increase over 2004. What does that training include? What kind of training is it and do you have a strategic plan for the training? And how much of that is directly related to maintaining technical skills? Just give us a little information about it.

Mr. WALKER. Well, as you know, Mr. Chairman, we are a professional services and knowledge-based organization. We are only as good as our people, and therefore, we have to do everything that we can to attract, retain, and train our people.

During this past year, we hired Carol Willett, who is our Chief Learning Officer and who formerly was a top training official at the CIA. She has been working with the Executive Committee and all of our employees and others to modernize our training and learning curriculum.

Four percent is, I think, a modest increase, but it is only the hard dollars. In other words, that is only the dollars that we actually spend on consultants or outside activities. We obviously invest a lot more in the way of time in helping to execute our training program.

We are basically training on professional standards. We are training on technical matters, including subject matter expertise. We are training on leadership skills. We are training on changed management experience. So it is a very comprehensive curriculum. Our objective is to be world-class in this regard, and I think we are headed there.

Mr. DODARO. Senator, one additional comment on the training at GAO. One-third of our employees right now have been with GAO less than 5 years because of changing demographics and bringing in new people. So training this next generation of people is very important to build our institutional knowledge for the Congress. It is very important to keep that up.

## EFFECT OF FUNDING FREEZE

Senator CAMPBELL. We understand about fast turnovers. We have them here too.

Well, let me ask you, as I am going to ask all three panels. You heard me say we are going to have some limited funds and we might not be able to increase the amount that you need. What happens if we cannot? How is this going to impact your budget if we have to have a freeze in spending at the current level?

Mr. WALKER. Well, Mr. Chairman, to a great extent it depends upon what other actions Congress takes. For example, if you look at our proposed increase, which is the smallest of any legislative branch entity, 4.9 percent, most of that is mandatory increases. For example, we were told to include in our request a 3.5 percent increase in compensation for all of our employees. So if Congress ends up mandating that we have to give an automatic pay increase to all of our employees and since 81 percent of our costs represent payroll costs, then it is going to be extremely difficult for us to deal with a flat-line budget.

There are things that we have started to look at as to what we might be able to defer or cancel, but the fact of the matter is that when 81 percent of our costs represent people costs, we do not have a whole lot of flexibility. We have to start talking about how many people we can have.

Senator CAMPBELL. So if we have a freeze in the budget, you are going to have to reduce your manpower.

Mr. WALKER. We may have to reduce our manpower. We would obviously only do that as a last resort, but I think it could be possible. If Congress mandates pay increases and does not fund those pay increases, it is going to make it that much worse.

But I will also reinforce that our human capital legislation that is pending before the Senate at the present point in time is of critical importance not only to keep us in the lead in human capital reform, but to give us additional flexibility to deal with the difficult budget situation next year. It is critically important.

## GAO TRAVEL PATTERNS

Senator CAMPBELL. Okay, thank you. That was my last question, but I would like you to provide for the record something about your travel which, as I understand, seems to be relatively high for the number of people that are employed. If you would send it over to us. I would like to know the number of people who traveled, the average cost of the trip, the average duration of the trip, and the number of people that went on each trip, and how much travel was spent on training, the number of trips that were made overseas and why they went overseas, and a number of other things.

Mr. WALKER. I will be happy to provide it, Mr. Chairman. I would note for the record on a preliminary basis it is my understanding that our per capita travel costs are actually down compared with where they were 10 years ago, but I will be happy to provide all that information and any explanations.

[The information follows:]

*Question.* It seems as though GAO's travel budget is very high considering the number of people employed by the agency. Your request for fiscal 2005 looks like it would average over \$3,500 per person. Why is travel so high?

*Answer.* Our congressional mandates and requests require us to follow the federal dollar no matter where it goes—across our expansive country or across the globe. As a world-class professional services organization, we rely on travel to (1) meet our professional standards, including generally accepted governmental auditing standards; (2) conduct our work in supporting the Congress; and (3) provide staff technical training needed to comply with minimum annual continuing professional education requirements. We collect original information, directly observe program activities first hand, and have high standards in the conduct of our work that require adequate standards of evidence. Travel provides the means to conduct first-hand research that contributes to effective oversight of federal programs. We conduct our work in an unbiased manner that usually means we take responsibility for gathering the relevant data, rather than relying on material provided by others. Our credibility is enhanced by what we learn on travel. The ability to “be on the ground” increases the value and credibility of our work. Also, we are often able to obtain various types of evidence, e.g., access to internal agency databases that would not be available at a distance. First-hand observation and data gathering also helps us make decisions about data reliability when we observe or talk to those persons who are responsible for entering the data. Also, travel provides developmental opportunities for inexperienced analysts that can only be gained from on-site work.

GAO is committed to gaining as much as possible from travel. We weigh many factors before approving engagement travel. We strive to be as knowledgeable as possible on the issues before conducting fieldwork. We assess the overall cost of each trip, including staff time, as well as travel dollars. We also judiciously prioritize the use of funds and assess possible alternatives to travel. We actively focus on reducing costs by limiting the number of travelers; minimizing time spent on per diem; using alternative, more cost-effective airports and indirect flights to reduce transportation costs; and consolidating purposes to avoid multiple trips.

GAO drastically reduced travel spending in the mid-1990s due to budget constraints. Travel spending, as a percentage of our total budget, has remained relatively flat since then at less than 3 percent. In fiscal year 1995, our travel per capita cost averaged \$3,632 in 2004 dollars—slightly higher than our estimated fiscal year 2004 travel per capita cost of \$3,482.

Recently, we convened a task force of senior managers to further review our travel practices and identify ways to improve our effectiveness and efficiency. The task force will be making recommendations to the Comptroller General and the Executive Committee later this year.

*Question.* For the record, can you give the committee a detailed analysis showing the following? The number of people who traveled in fiscal year 2003.

*Answer.* In fiscal year 2003, 2,324 staff traveled—over 70 percent of our staff on board at the end of the fiscal year. Staff that conduct fieldwork and gather data conduct the majority of our travel. Typically, they are recurring travelers.

*Question.* What was the average duration of each trip?

*Answer.* The average duration per trip in fiscal year 2003 was 4 days.

*Question.* What was the average number of people that went on each trip?

*Answer.* In fiscal year 2002, the average number of staff per trip was 2. Generally, most engagement related trips require a minimum of 2 staff to ensure data integrity and the reliability of interview write-ups. Other travel may only involve 1 GAO employee.

*Question.* What was the average cost per trip?

*Answer.* The average cost per trip was \$1,014 in fiscal year 2003.

*Question.* How much travel was spent to attend conferences not directly associated with a specific job? How much travel was spent for training?

*Answer.* In fiscal year 2003, we spent 7 percent of our travel funds to support training and development activities, including conferences and speeches, many of which were related to specific jobs. Presently, we do not segregate the cost for each of these activities, but plan to do so in the future. These trips allow staff to attend training and professional conferences to gain and share information, as well as to represent GAO in their professional capacity.

*Question.* What was the number of trips that were made overseas and why?

*Answer.* In fiscal year 2003, 380 trips were made outside the contiguous United States to areas such as Afghanistan and Iraq. Our International Affairs and Trade team conducted travel to assess peacekeeping transitions, review the U.S. public diplomacy, monitor sensitive exports, review refugee protections, assess embassy conditions, review ocean container security, and assess the global health fund. Travel by other teams and offices included issues related to joint strike fighter allies, for-

eign military sales shipments, foreign schools, port security, force protection, contractors on the battlefield, plutonium production reactors and radioactive sources, international aviation consumer benefits, postal work-sharing, border security, and collaboration with the other Supreme Audit Institutions.

*Question.* What has been the average increase over the past five years in per diem and transportation costs?

*Answer.* Per diem costs represent about sixty-two percent of our total travel costs. Between fiscal years 2001 and 2003, in the 20 major cities that we travel to most often, per diem costs increased an average of 4 percent, while domestic airfares increased an average of almost 7 percent from Washington, D.C., and international airfares increased an average of 10 percent. Between fiscal years 2001 and 2003, per diem costs increased 18 percent in Atlanta, 16 percent in Chicago, 23 percent in Denver, 25 percent in Seattle, and 21 percent in Washington, D.C. Since fiscal year 1999, transportation costs have increased almost 40 percent.

#### TECHNOLOGY ASSESSMENT

Senator CAMPBELL. Thank you.

Would you mind if I yield to the chairman?

Senator DURBIN. No, of course, not.

Senator CAMPBELL. Before we turn to our ranking member, I would like to yield to the chairman of the full committee. Senator Stevens, do you have any comments or questions?

Senator STEVENS. Well, first to express my regret for your decision yesterday, Mr. Chairman.

Senator CAMPBELL. My granddaughter, 4 years old, is very happy with it.

Senator STEVENS. I was just going to say you would like to get to know your grandchildren before they enter college, which is what my experience has been.

Mr. Walker, I note that you are going to have four additional staff devoted to establishing a technology assessment capability. Now, I am one of the few survivors of the Office of Technology Assessment Board. It was one of the most controversial boards that we ever had, and it brought in the private sector, it brought in Government, it brought in academia, and the oversight of Members of the House and the Senate.

Being what you are, an office that serves the Congress, both the House and the Senate, and knowing the propensity for these issues to involve horrendous political controversies, why are you doing this?

Mr. WALKER. Well, Senator, first, it was not our idea. The fact of the matter is there are a number of parties in Congress and individuals on both ends of the Hill and both sides of the aisle who are interested in some limited technology assessment capability. They specifically asked us to include a proposal for consideration by the Congress as to whether or not if there was some limited technology assessment capability, what we thought would make sense.

Our view, Senator, is this is a decision for the Congress to make. I think there was a general view that it does not necessarily make sense to create a new entity, and to the extent that there was an existing entity within the legislative branch that could meet this need, that GAO was the logical entity to do it.

The additional FTE's and the \$545,000 would be for additional skills that we think we would need in order to be able to properly address this.

But it is really up to the Congress as to whether or not you want to expand our mission for us to do this.

Senator STEVENS. We have two shared staffs, the GAO and the Congressional Research Service. We had a meeting yesterday of the Joint Committee of the Library, which I am honored to be chairman of, and we discovered yesterday that CRS has hired four technology assessment scientists.

Now, I would respectfully suggest that you should take this issue to the Government Affairs Committee and let both Houses review this. Obviously, with the loss of the Technology Assessment Board concept, we do need in Congress some substantial advice on technology assessment. Actually the old Board came out of the SST controversy, and we decided we did not have the capability. We reviewed that and created a Board that assisted us for some time.

I personally favor restoring the Board and having some Members of Congress in constant oversight of what is going on on a bipartisan basis and a bicameral basis. But I do not think that either entity of the Congress should proceed to fill this gap without some direction from the Congress itself. Enough said on that.

On your pay-for-performance concept, did you generate that or was that pursuant to an act of Congress?

#### SOURCE OF PAY-FOR-PERFORMANCE

Mr. WALKER. No. This is at our generation, Senator. We have been a leader in the Federal Government for years in pay-for-performance, and we are looking to provide additional flexibility for pay-for-performance. We have also been a leader in the Federal Government in the so-called broad-banding concept which is moving away from the 15 General Schedule (GS) levels and to have flatter and more flexible classification systems and pay systems. So we have been in this business for a while, Senator.

Senator STEVENS. Again, I remember when I was chairman of the Government Affairs Committee, we had China Lake and San Diego experiments on the whole concept of unit management rather than directed management by law. But we had some parameters from the Congress in setting it up. You do not have any parameters. Right?

Mr. WALKER. Well, Senator, we actually do. And the other thing is—

Senator STEVENS. Where do you have it from?

Mr. WALKER. Well, we had legislation in 1980 that gave us the authority to go to broad-banding and additional pay-for-performance. We had legislation in the year 2000, and now we have legislation pending before the Senate, the GAO Human Capital Reform Act of 2003. It has actually already passed the Senate once, but the House passed a bill that was slightly different, and so now we have for consideration by the Senate that legislation, which is of critical importance to, number one, help us to continue to make progress on pay-for-performance, and second, to give us additional flexibility if we have a tight budget year next year.

Senator STEVENS. All right. My memory is that the past performances ended up with the chiefs being able to divide the money for performances and the Indians sitting there at the desks and not having annual increases. I would be very interested to see how you

are going to balance the rights of those who are permanent employees from the temporary super stars you have got.

Mr. WALKER. Senator, I would be happy to provide you some information. We have, I think, successfully addressed that issue. There is no such thing, as you know, as a perfect performance appraisal system, but I clearly believe, Senator, that we are in the lead in the Federal Government in this regard. I would be happy to provide you some additional data and statistics with regard to this.

#### FEDERAL DEFICIT

Senator STEVENS. My staff tells me that you have expressed some rather strong views on the deficit. Is that right?

Mr. WALKER. Well, Senator, let me tell you what I have done. As you know, I am the audit partner on the consolidated financial statements of the U.S. Government. My comments really are twofold. One, that if you look at how we keep score, both as it relates to financial reporting, the financial statements of the U.S. Government, which were just released, I might add, last Friday for fiscal year 2003, that it does not provide a full and complete picture of our true financial condition. For example, it does not adequately consider the difference between promised Social Security benefits and promised Medicare benefits and the resources that are there, the payroll taxes, et cetera. So we actually have huge unfunded commitments that are not given enough transparency.

I have also noted concern about the fact that given known demographic trends, the retirement of the baby boom generation and rising health care costs, that we are likely to face a structural deficit in future years that is going to require the Congress to take a look at entitlement programs, discretionary spending, and tax policy in the way that you deem appropriate to try to address that gap.

Senator STEVENS. Have you addressed the lack of a capital budget for the United States?

Mr. WALKER. I have touched on that somewhat, Senator. One of the problems we have is the way that we keep score is problematic, and one of the challenges that we have, as you know, Senator, is we treat capital transactions the same way that we do operating expenses.

There are different ways that one could approach that. You would not necessarily have to have a capital budget, but as you yourself have noted, in the case of trying to make major capital purchases, we need to figure out how we can go about doing that in a way to recognize that we need to modernize our platforms, we need to modernize our infrastructure, and those are investments that end up inuring benefits over a number of years rather than just in the year that you appropriate the money.

Senator STEVENS. I do not want to prolong this, but I showed to a group of Senators yesterday a chart that I had of the infrastructure investment by China per year and the increase in infrastructure investment of the United States per year, and it has declined. We are supposed to be involved in a world economy, competing globally. If we continue to take the position that the Federal Government should not spend for the infrastructure that is necessary for growth, then by definition we will not have any growth. And I

think we face a challenge internationally in terms of our place in the global marketplace that cannot be handled unless we address the subject of a capital budget and, if necessary, the concept of bonding some of that expansion. So I would welcome your review of that.

Again, I am still on the Government Affairs Committee. I hope to raise this before the Government Affairs Committee so that we might consider it after the election. It is not something we address in an election year. But clearly, we cannot deal with this situation, and I mentioned it this morning in another committee. When we have energy development in Alaska, we have to take our roads allowances for our highways and build the roads to that energy development. In any other place in the world, the government provides infrastructure. As a matter of fact, if you want to build a building in China, you go to one entity and get one permit and you outline the necessity for your infrastructure and it is there within literally weeks. You could not build a building in this town in less than 4 years. So I do think we either get on to the capital budget concept and infrastructure renewal—the bridges we have and interstate highways were built in Eisenhower's day, and many of them are decaying and are really seriously in need of replacement or modernization.

So I would welcome your comments on these things. I do not think we should become deficit blind, and if we do not wake up, we are going to be a third class power, not only militarily but economically.

Mr. WALKER. Senator, I would love to meet with you sometime on this, and we have done work on this in the past, as you know. So I would welcome the opportunity.

Senator STEVENS. I would welcome the opportunity to work with you on the technology assessment activity, but I would urge you to go to Government Affairs and get some outline so later we do not have a political squabble over who you have hired and what they have done.

Mr. WALKER. We will do it.

Senator STEVENS. Mr. Dodaro?

Mr. DODARO. Senator, that is a good idea and we will pursue that, but I just want to note for the record that we were required to do a pilot in the technology assessment area 2 years ago. We did one, and we were required to have an evaluation of it by outside parties.

Senator STEVENS. Who required it?

Mr. DODARO. It was required by the Congress in our appropriation bill. We did it on biometrics.

Senator STEVENS. I do remember that.

Mr. DODARO. Yes, and we were deemed to have done it successfully, but it required some additional changes. And we were kind of viewed as an interim gap for the Congress, with CRS providing quick turnaround using secondary research, and the National Academy of Sciences doing long-term studies. GAO was looked at as a potential option to meet an intermediary need.

Senator STEVENS. If we are not careful, though, we are going to have different arms of the Congress giving us different advice on the same technology.

Mr. DODARO. Yes, exactly, Senator. We do not dispute your concerns about this. I think it is important to work it through.

Senator STEVENS. Thank you very much, Mr. Chairman. Thank you, Senator Durbin.

Senator CAMPBELL. We will now turn to Senator Durbin.

#### RETURN ON INVESTMENT

Senator DURBIN. I just wanted to make one observation. I want to thank Mr. Walker and all those in the GAO. I note that you have, in your testimony, acknowledged that the GAO has had a \$78 return on every dollar appropriated. Have you considered taking over the thrift savings plan?

Mr. WALKER. It is not in our line of business.

Senator DURBIN. If we had a G fund and it was a GAO fund, that return?

Mr. WALKER. Some have suggested we ought to do an IPO, but I do not think that is appropriate.

Senator DURBIN. Two questions I would like to ask you. One is related to technology. It is my impression that the technology of the United States Senate is two steps behind the world and three steps behind the House. I happen to live with House Members and I hear what they are doing. It just amazes me that there is such a dichotomy and divergence here between the technology that is being used on the other side of the Hill and what we are using in the Senate. We seem to be late to the party time and again. I will not dwell on that other than to say I am going to send you a note and ask you to please look into this because I think that there are things that, for some reason, we are very slow to come to in changes here.

Let me ask you one specific question. I feel very strongly about the human capital issue and the fact that to attract the best and brightest of the new young men and women who are available requires some attentiveness to the issue of student loans. I have found that time and again that some of the very best people cannot afford to make the Government service choice because of their student loan indebtedness.

Now, I created this idea a few years ago. I have to tell you candidly that I do not think it got off to a strong start in the Senate because, frankly, no one wanted to take on the responsibility of deciding how to establish standards. Have you used this program in GAO and can you tell me whether or not you think it has value to you in terms of human capital?

#### STUDENT LOAN REPAYMENTS

Mr. WALKER. Senator, I believe we were the first agency in the Federal Government to adopt the student loan repayment program. We are the second largest user of student loan repayments in the entire Federal Government as far as the number of student loan repayments and the amount of dollars involved. Number one is the State Department. Needless to say, we are a lot smaller than the State Department.

To give you just some statistics off the top, last year we gave about \$1.2 million—pardon me—last year, fiscal year 2003,

\$945,000 in student loan repayments, that averaged about \$4,000 each.

We have criteria that we set up where we look at the nature of the position, what the skills and knowledge are for the position. As you know, there are statutory limits as to how much you can do in a given year and how much you can do over a period of time.

One of the things that we have done is, in addition to trying to attract and retain critical skills, we have really structured our student loan repayment program to try to help us maximize the chance that we can keep top new talent for at least 3 years. And the reason I say that is that our statistics show over time that if we can keep people for 3 years, then many times we can keep them for many years because they understand what public service is all about. They understand the difference they can make at GAO. They understand that we are a very unique place where you will be challenged your entire career and you can work in different areas and yet still work for the same entity. And it has been extremely successful. It is a very popular program. It is very successful, and we are using it strategically to help us attract, retain, and motivate top talent.

#### TAX FORGIVENESS OF STUDENT LOANS

Senator DURBIN. The second thing I will be asking the GAO is to take a look at the student loan redemption or forgiveness programs across the board, which I have some pride of authorship. But I also want to be candid. I do not think they are being applied fairly and evenly in all agencies. I think we ought to try to establish some common standards and what you have just described sounds like a good start. So that will be my second request of you.

Mr. WALKER. Thanks, Senator. One thing I would mention that would be helpful and it would involve an amendment to the Internal Revenue Code, which obviously raises a jurisdictional issue, but as you know, right now the student loan repayment is on a taxable basis. We could really leverage these dollars quite a bit if these were nontaxable because actually what we have right now is a situation where if somebody gets a student loan repayment, they have to include it in their income. If they end up leaving within a period of time, they have to pay back the full gross amount, in other words, including the taxes. It is a way that you could end up potentially further leveraging the dollars without appropriating additional money, but it would involve an amendment to the tax code.

#### ADDITIONAL COMMITTEE QUESTIONS

Senator DURBIN. Thanks very much. Thanks, Mr. Chairman.

Senator CAMPBELL. Thank you and we thank this panel for appearing.

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

#### QUESTIONS SUBMITTED BY SENATOR BEN NIGHORSE CAMPBELL

*Question.* You are requesting about \$4 million for training in fiscal year 2005. Does this include both the cost of training provided by GAO's internal staff or is it only training provided by contractors?

*Answer.* The requested amount includes (1) contractor costs to develop and/or provide training, (2) tuition costs to enable GAO-sponsored groups or individuals to

participate in job-related courses offered by private and public vendors, and (3) costs for training manuals and online tutorials. It does not include the time cost of training provided to or received by GAO staff.

*Question.* What kind of training is provided by contractors and what is done by GAO's internal staff?

*Answer.* Training that addresses development of core analytic skills, GAO policies, standards, and culture, and quality assurance procedures and practices are developed in-house using GAO subject matter experts and adjunct faculty. Professional development topics that are more general in nature, such as coaching, teambuilding, or project management, are outsourced. We seek to provide a blend of face-to-face classroom interaction, online learning and web-based performance support tools. Learning programs delivered in each of these ways have been developed in-house, developed jointly with outside contractors or consultants, and purchased from outside vendors.

*Question.* How many people has GAO dedicated to its internal training function, and what is the cost of this effort?

*Answer.* GAO has about 15 staff, at an estimated cost of \$1.9 million, assigned to its internal training function. These staff are responsible for overseeing contractor training development and delivery; developing training materials; coordinating training delivery to GAO staff; providing subject matter expertise, conducting training courses, and assessing course development and content; and working with GAO managers and staff to identify options for maintaining and enhancing course offerings.

*Question.* How much of that is directly related to maintaining or enhancing technical skills? How much is directly related to supervisory and management training?

*Answer.* GAO's total investment in training approximates that spent by comparable professional services organizations. Our request provides funding for development and delivery of courses in our newly revised curriculum not only to maintain individual professional competence, but also to enhance it, thus promoting a work force that continually improves its skills and knowledge. To this end, we require analyst and specialist employees complete 80 hours of continuing professional education credits every 2 years. The proposed new mandatory curriculum for analyst staff includes 256 hours to maintain or enhance technical skills through orientation to GAO processes and customers, core analytic skills training, and professional development at an estimated cost of about \$2 million. This training is critically important because about 38 percent of our analyst staff have 5 years or less with GAO. Also, about 172 hours of training in the new mandatory curriculum will focus on leadership development for senior and management-level analyst staff at an estimated cost of \$687,000. Teams and offices provide training on substantive professional development and subject matter expertise at an estimated cost of \$1.6 million.

We plan to develop a mandatory curriculum for our administrative, professional, and support staff which will include components for technical skills, as well as supervisory and management training.

*Question.* Do you have a strategic plan for training in GAO? If so, could you supply it for the record?

*Answer.* Human capital elements, such as training, have always been broadly reflected in our agency strategic plan. However, we felt the need to have a separate human capital plan due to the importance of human capital management as the cornerstone of GAO's management framework and the high interest in such a plan. During fiscal year 2003, we made substantial progress towards finalizing our first formal and separate strategic plan planning document for human capital that communicates our strategy for becoming a model, professional organization, including how we plan to attract, retain, train, motivate, and reward a high-performing and top quality workforce. Management has reviewed the draft human capital strategic plan and we are following it in practice. We are waiting for enactment of our pending human capital legislation. Thereafter, we will finalize the plan and provide copies to the committee.



GOVERNMENT PRINTING OFFICE

STATEMENT OF BRUCE R. JAMES, PUBLIC PRINTER

ACCOMPANIED BY:

**BILL TURRI, DEPUTY PUBLIC PRINTER AND CHIEF OPERATING OFFICER**  
**STEVE SHEDD, CHIEF FINANCIAL OFFICER**  
**MARC NICHOLS, INSPECTOR GENERAL**

SUMMARY STATEMENT OF BRUCE R. JAMES

Senator CAMPBELL. We will now hear from the Government Printing Office, Bruce James, the Public Printer; Marc Nichols, Inspector General; William Turri, the Deputy Printer; and Steve Shedd, the Chief Financial Officer.

Mr. James, why do you not go ahead and proceed. If you would like to abbreviate your comments, your complete testimony will be in the record.

Mr. JAMES. Thank you, Mr. Chairman. I am pleased to be with you here today to offer testimony in support of the Government Printing Office's appropriations request and to answer any questions you may have. At the table with me is Bill Turri, the Deputy Public Printer of the United States and the Chief Operating Officer, and to my immediate right is Steve Shedd, our Chief Financial Officer, and to my far right is Marc Nichols, our Inspector General.

Last year at this hearing, I discussed the importance of developing a strategic plan for the GPO that is aligned with the changing information requirements of the agencies of Government, the national library community, and the general public. I also testified about the importance of stabilizing GPO's finances by stopping the long string of financial losses.

We have made great strides toward the development of a strategic plan that can be accepted by Congress, employees of GPO, the printing and information industries, and the library community. We are wrapping up the first phase, the fact finding, and are only waiting for the final reports from GAO's study of the future information dissemination needs of the Government. We expect to complete a final plan before the beginning of next fiscal year.

Meantime, as you know, we have proceeded to make changes to our organization that will be required regardless of the final plan. We have taken the steps necessary to stabilize the financial condition of the GPO by reorganizing and streamlining our business units, reducing employment, and shutting unnecessary operations. We conducted a successful early retirement program last year and have another underway. By the summer, we will have reduced overall agency employees by 20 percent from the time that I arrived at the GPO a little over 1 year ago. We have changed our capital investment program to require faster paybacks for taxpayers. If there are no unanticipated setbacks as the year pro-

gresses, we should end this fiscal year at or near the breakeven point rather than the \$33 million loss I inherited, all while measurably improving our service levels to agencies, libraries and the public.

Next year we will begin to roll out a series of new printing and digital information products now being developed by our New Products and Revenues Group which is supported by our Office of Innovation and New Technology, both of which report directly to me.

While I cannot bring before you a finished strategic plan today, I can tell you that every sign is pointing to the necessity of maintaining a centralized public source for Federal Government documents that takes into account the fact that more than 50 percent of our documents are born digital and will never be printed by the Government except on demand, as needed. This calls for a different type of dissemination system, one that can deal with multiple electronic versions of the same document, authenticate electronic documents as official and reliable, and preserve the digital record of the American Government in perpetuity.

Congress is fortunate to have in place an organization for providing such services to the American people staffed by more than 2,000 printing and information professionals who together have more than 55,000 years of experience in collecting, processing, and the distribution of United States Government documents. The men and women of the GPO are here to serve you and guide our brothers and sisters throughout the Government into the complex world of 21st century digital information.

#### PREPARED STATEMENT

We appreciate the trust and confidence that Congress has placed in us and this subcommittee in particular for your support of our initiatives. To continue to serve your needs and those of the courts and the executive branch agencies, we are asking for a \$25 million technology investment. We will use this to modernize our document handling systems, which will reduce future costs and lead to lower appropriations for congressional printing and binding and other Government documents.

With that, we would be pleased to entertain your questions.  
[The statement follows:]

#### PREPARED STATEMENT OF BRUCE R. JAMES

Mr. Chairman and Members of the Subcommittee: It is an honor to be here today to present the appropriations request of the U.S. Government Printing Office (GPO) for fiscal year 2005.

*2003 Results.*—I'm pleased to report that 2003 was an extraordinarily eventful and productive year for the GPO. With funding from the Legislative Branch Appropriations Act for 2004 and the approval of the Joint Committee on Printing, we conducted a highly successful voluntary separation incentive program that allowed us to reduce our workforce level by more than 300 positions, or 10 percent, yielding annual savings of \$21.7 million. Together with our efforts to shutter GPO's failing retail bookstores, which will generate savings of \$1.5 million in the first year, and the other steps we have taken to better manage our operations, our finances are being restored to a positive basis.

We have undertaken additional measures in recent weeks that will yield further financial benefits. With the approval of the Joint Committee on Printing, we are implementing another voluntary separation incentive program that is targeted at reducing an additional 250 positions, yielding an annual savings of \$16.5 million for fiscal year 2005. This program will be financed through our revolving fund during

the April-July period of this year. The Joint Committee has also approved our plan to end the financial losses at our Denver regional printing plant by closing it. Barring any unforeseen developments, these and related actions we are taking to improve efficiency and economy will allow us to complete fiscal year 2004 at or near the break-even point, halting a decade-long pattern of year-end losses and setting the GPO on the road to sustained financial health.

*Transforming the GPO.*—Apart from restoring our finances, during 2003 we began the transformation of the GPO into a 21st century digital information processing facility. We carried out a broad reorganization to redirect the GPO's management, expanded our workforce development resources, began modernizing the GPO's product lines with new offerings such as Public Key Infrastructure technology, and initiated planning for the restructuring of our Federal Depository Library Program. We also improved emergency preparedness for our employees and for continuity-of-government operations. Across the board—from our customers in Congress, Federal agencies, and among the public, from the printing industry, the library and information communities, and from our employee representatives—we're getting strong support for the direction we're heading.

Transforming the GPO for the long term will require much more than the changes we've already achieved. As you know, in the coming weeks the General Accounting Office will be concluding its congressionally-mandated study of Federal printing and information policy. The study will establish a baseline of current operations on which we can confidently build a strategic plan for the GPO's future involving consultations with all of our stakeholders. The plan will include recommendations for reforming the 19th century statutes comprising Title 44 of the U.S. Code, the laws that authorize our programs and operations.

Dealing with the GPO's building needs is a major transformational issue that we are also addressing. As reports in *The Washington Post*, *The Washington Times*, *Roll Call*, and *The Hill* have detailed recently, we've begun 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 want to investigate opportunities to finance it through the redevelopment of our current structures. In addition to benefiting the GPO and our customers, this approach will also generate significant benefits for the District. We have obtained the approval of the Joint Committee on Printing to proceed with the initial stages of this project and we will continue to consult closely with Congress as we proceed. As part of these efforts, we are seeking specific statutory approval to utilize up to \$500,000 in our revolving fund to finance the services of experts to help us in this process.

Beyond our planning and building efforts, the transformation of the GPO will require investments in new technology for collecting, processing, and distributing Government information. This will establish the GPO's leadership in using the best leading-edge digital technology in support of Congress, Federal agencies, and the public. The GPO has a vastly expanded role to play in content management, authentication of documents, meeting the challenges associated with versioning of electronic data, on-demand printing, the transfer of information from one generation of technology to the next, and the preservation of digital information in perpetuity. The 19th century is not coming back. These are the baseline services that the GPO must be prepared to provide if we are to carry out our mission effectively in the 21st century. In addition to our request for funding for continuation of services, our appropriations request for fiscal year 2005 reflects this investment requirement, which is essential to the GPO's future and the future information activities of the customers we by law support.

*Fiscal Year 2005 Request.*—Our appropriations request is designed to provide 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 the Inspector General; and modernization of business practices through appropriate legislative changes

*Continuation of Services.*—For the Congressional Printing and Binding Appropriation, which covers printing and related services for Congress, we are requesting \$88.8 million. This is a reduction of \$1.8 million, or 2 percent, from the level approved by Congress for fiscal year 2004.

For the Salaries and Expenses Appropriation of the Superintendent of Documents, we are requesting \$33 million. This is a reduction of \$1.2 million, or about 3.6 percent, from the fiscal year 2004 approved level. This appropriation provides for the cataloging and indexing of Government publications, and the distribution of Govern-

ment publications to Federal Depository and International Exchange libraries and other recipients authorized by law.

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 in 2003.

*Investment in the GPO's Future.*—The most strategic of our fiscal year 2005 requests is a proposal for \$25 million to be appropriated to our revolving fund, to remain available until expended, which will be used in carrying out a multi-year plan to transform the information technology used at the GPO in meeting Federal agency customer requirements for printed and digital documents as well as the public's increasing demand for authenticated, official Government information to be available from the Internet.

Our vision is to move the GPO forward from a predominantly ink-on-paper distributor of printing requirements to a life-cycle manager of digital Government information, electronically collecting, organizing, processing, and protecting the flow of public documents from their origination in Congress and Federal agencies through their dissemination, in perpetuity, to depository libraries and the public. To make this transformation effective, our technology plan has identified a series of initiatives that will sustain and improve the GPO's current information technology (IT) baseline; consolidate data center capabilities; modernize the GPO's IT infrastructure; reengineer the GPO's business processes to synchronize with IT capabilities; provide effective enterprise resource management; and ensure continuing IT security. This vision embraces the GPO's historic role of serving as the gateway to the Government's public documents while utilizing technologies that meet the demands of the 21st century. It will necessarily be modified by our strategic plan, the development of which will depend on the conclusions reached by the GAO's study.

The funding we are requesting today will be used to generate efficiency and reduce costs tomorrow. Already, Congress is seeing the results of investment in the GPO, as last year's appropriation to fund our buyout is already generating savings that are showing up in our reduced requests for the Congressional Printing and Binding and Salaries and Expenses Appropriations for fiscal year 2005. As with all of our initiatives undertaken since my taking office as Public Printer, this transformation will be conducted under the oversight and guidance of the Joint Committee on Printing, the Appropriations Committees, and our legislative oversight committees in the House of Representatives and the Senate, and in consultations with our customers throughout Congress, Federal agencies, and the library and information communities.

*Office of the Inspector General.*—Rather than continue to finance the GPO's IG through our revolving fund, we are requesting that this function be funded annually by direct appropriations, as IG operations are throughout much of the Government. For fiscal year 2005, we are requesting \$4.2 million and 25 full-time equivalent (FTE's) positions for this purpose.

Financing the IG through the revolving fund requires that the fees for various services be increased to reimburse this cost. A direct appropriation will alleviate that cost burden on Congress and agency customers and make our services more competitively priced. It will also provide greater independence for the IG and his staff to monitor the GPO's operations.

*Legislative Changes.*—In addition to our funding request, we are requesting several authorities to support our transformational efforts and further our mission:

- Extension of our early retirement and separation incentive authority, which expires at the end of fiscal year 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 and to finance this project through redevelopment of our existing structures.
- Authority to accept contributions of property, equipment, and services 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.
- Elimination of the current, long-outdated limit of 25 percent on discounts for our sales publications. This would enable us to match current sales discount practices in the private sector and improve our documents sales practices.
- Elimination of the current 5-year retention period for Government documents in selective depository libraries. This requirement, which would be replaced with regulations issued by the Superintendent of Documents in consultation

with the library community, is imposing excessive costs for documents management on libraries and undermining the efficiency of program participation.

—Authorization to use up to \$10,000 in our Revolving Fund to support the activities of the Benjamin Franklin Tercentenary Commission, established by Public Law 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 cooperating with 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 Subcommittee, thank you for all the support you have shown for our efforts to bring transformation to the GPO, reduce the costs of its operations, and improve the provision of our services to Congress, Federal agencies, and the public. 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 the Appropriations Committees in your review and consideration of our request. This concludes my prepared statement, and I would be pleased to answer any questions you may have.

#### BUSINESS-LIKE OPERATIONS

Senator CAMPBELL. You stated that you would like to run the GPO like a business, which around here sometimes is a buzzword. That is what almost candidate for office says about the Federal Government. You run it like a business and with most businesses, if they are not making a profit, you have got to shut it down because it is the profit margin that keeps it going.

What are you going to do to make it more businesslike? Explain what that buzzword means.

Mr. JAMES. Well, Senator, I think we have taken a number of steps. I think we are seeing results from those steps. We have streamlined the organization to eliminate multiple levels of reporting. We have begun to build metrics to be able to predict and measure what it is that we are supposed to be doing. We are streamlining the ways that we go about dealing with Government agencies. I think we have taken a number of steps. I think those steps are paying off.

Senator CAMPBELL. You closed the bookstores, the outlets.

Mr. JAMES. We did.

Senator CAMPBELL. Has that saved a considerable amount?

Mr. JAMES. It will save millions over the years, Senator, about \$1.5 million per year.

Senator CAMPBELL. And if people want a document that they normally would get in that bookstore, how do they get it now?

Mr. JAMES. Well, they get it online. They can certainly come online and look at our bookstore online, or they can call our 800 number and receive help from a real, live human being who will find that document and Federal Express it to them.

#### INVESTMENT REQUEST

Senator CAMPBELL. Good.

Your budget includes \$25 million for transformation efforts, and you mentioned that your final strategic plan will not be done until next fiscal year. Is that correct?

Mr. JAMES. Well, we certainly hope, Mr. Chairman, that we will complete that plan this summer. We are on track to complete it and to begin to make the investments we need beginning in the

next fiscal year. I am a little reluctant. I know your staff has pushed us hard to give solid specifics.

Senator CAMPBELL. Yes. There is some concern about appropriating the money before the plan is complete.

Mr. JAMES. I think by the time that you would move forward with this, I think we will be able to give you more facts. I am just a little concerned about putting the cart in front of the horse in talking about how we are going to spend the money before we get the agreement on the plan not only from Congress but from the various stakeholders that we have.

Senator CAMPBELL. Do you still think you might get the strategic plan done by the summer, though?

Mr. JAMES. We will have it done.

Senator CAMPBELL. Your budget includes 16 new staff for the depository library program. Are those needed at this time?

Mr. JAMES. You bet. The depository library program is changing and it is changing because of the nature of the way the Government is creating information. For many years we sent to depositories hard copies, first in paper, then in microfiche, and we began to send CD-ROM's 15 years ago. It is now not only a combination of those products but last month, 66 percent of all the documents we sent to our depository libraries were only digital. And they need a considerable amount of help in learning how to use digital tools to mine that data for their clients.

Senator CAMPBELL. Let me ask you the same thing I asked the former panel, and that is, if we have a flat budget and cannot increase the amount of money that you are asking for, what is going to get cut or hurt?

Mr. JAMES. Well, I think we will not come back to you in tears. We will manage the business. It may cause us to change the timing on some of the investments we are making in the future, but we will continue forward.

#### ADDITIONAL COMMITTEE QUESTIONS

Senator CAMPBELL. I have a couple other questions too and I will submit those in writing, if you would get to those.

Mr. JAMES. Thank you.

Senator CAMPBELL. Thank you for appearing. I appreciate it.

Mr. JAMES. Thank you, Mr. Chairman.

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

#### QUESTIONS SUBMITTED BY SENATOR BEN NIGHORSE CAMPBELL

*Question.* What would be the benefits of continuing to invest in the GPO, as we did last year with an appropriation of \$10 million to your revolving fund?

*Answer.* We are asking Congress to invest in the GPO only where we can show that savings will result. Using the \$10 million appropriation to our revolving fund for fiscal year 2004, we conducted a retirement incentive program that resulted in annual savings of \$21.7 million. Our request for \$25 million for the revolving fund for fiscal year 2005 will be used to carry out a multi-year plan to transform the information technology used at the GPO in meeting Federal agency customer requirements for printed and digital documents as well as the public's increasing demand for authenticated, official Government information to be available over the Internet. This plan, to be carried out in concert with the pending results of the General Accounting Office's study of the GPO, as requested by this Committee, will generate new efficiencies and significantly reduce the future costs of our operations to Congress, Federal agencies, and the public.

*Question.* Can you tell the subcommittee about your plans for relocating the GPO? Have you determined GPO's specific new space requirements?

*Answer.* The GPO's current facilities are outdated, inefficient, and too large to support our changing operations, particularly as we transform those operations to meet the demands of the 21st century. Our central office complex here in Washington, DC, is composed of 4 aging multi-story buildings totaling 1.5 million square feet of space, completed between 1903 and 1940. The buildings have numerous inefficiencies that have been well-documented. At one time housing over 8,000 employees, they now are too big for our current workforce of less than 2,500. Multiple stories make it difficult and costly to handle materials. Deteriorating utilities and elevators require constant upgrading. Floor loading limitations in the older buildings have long restricted their use.

The nature and age of the buildings is imposing growing costs just to maintain the structures in serviceable condition. These costs must be recovered through the rates charged to the GPO's customers. Currently, 12 percent of our costs, about \$35 million annually, are for building-related expenses (including utilities, maintenance and repair, security). The GPO will need to spend between \$275 million and \$530 million over the next 5–10 years to maintain, repair, and secure our current facilities. If there is no change in our situation, these costs will have to be recovered from Congress, Federal agencies, and the public through our printing rates and sales prices.

Our objective is to secure a modern, inline production facility that is appropriately sized and equipped to meet the GPO's current and future needs, which are still in the process of being determined through our planning process. Optimally, this facility would be located conveniently in the District of Columbia to enable us to serve Congress, Federal agencies, and the public efficiently. We envision entering into an agreement with a private sector concern to redevelop our current buildings and use the revenue generated from the redevelopment to acquire, construct, and equip a new GPO facility. The redevelopment agreement would also be configured to provide a revenue stream that would be used to underwrite GPO's operations into the future. This financing approach should obviate the need for congressional appropriations to accomplish the relocation project, remove the burden of building-related expenses on GPO's rate and price structures, and ensure the continuation of the GPO's information production and dissemination services well into the 21st century.

*Question.* How many people took the buyout with the funding we provided you last year? What is the annual savings from this reduction? Did this reduction affect your request for appropriations for 2005? How is your current buyout effort proceeding?

*Answer.* A total of 319 employees took the buyout we conducted last year, resulting in annual savings of \$21.7 million. These savings—more accurately characterized as a reduction to our costs—have been a primary factor in eliminating the loss pattern that the GPO sustained over the past several years. We are currently conducting another buyout with the target of reducing our current employment level by 250 by July 1, 2004. This buyout, which has been approved by the Joint Committee on Printing, will be financed through the GPO's revolving fund. It will generate annual savings of \$16.5 million beginning in fiscal year 2005. It is proceeding well and we expect to meet the targeted goal of reducing employment by 250 positions.

*Question.* You've requested authority to accept contributions of property, equipment, and services to support and enhance the work of the GPO. How do you see this authority working? How would GPO avoid a conflict of interest in accepting gifts?

*Answer.* Last year we requested authority to accept contributions of property and services on behalf of the GPO and to make donations of surplus property and equipment to specified Federal, state, local, and charitable entities. The authority to accept contributions of voluntary services, such as those provided by interns, and to make donations was approved in the fiscal year 2004 Legislative Branch Appropriations Act. For fiscal year 2005 we are renewing our request to accept contributions of equipment and property, which was approved by this Committee last year.

Currently, GPO is not authorized by law to accept contributions of equipment and property. This authority would allow us to accept the placement of prototype equipment for beta-testing and systems trials without requiring a Government investment, providing us with the flexibility we need to evaluate new and emerging technologies onsite in this period of rapid technological change. It would also permit us to work with the private and non-profit sector on the development of programs designed to increase the public visibility of GPO's operations, such as the creation of a printing museum similar to the U.S. Postal Service Museum located nearby.

The authority we are requesting is similar to donation acceptance authorities possessed by many Federal agencies, such as the Library of Congress, the U.S. Court of Veterans Appeals, the Department of Housing and Urban Development, the Consumer Product Safety Commission, the Department of Commerce, the Administrative Office of United States Courts, and the Department of Labor. Acceptance of contributions of equipment and property would be solely on behalf of the GPO and subject to the usual limitations covering donations to the Government. To assure accountability, our request this year includes additional language that would require reporting on all contributions to the Appropriations Committees and the Joint Committee on Printing.

*Question.* What are the benefits from providing a direct appropriation for your Inspector General?

*Answer.* The GPO's Office of the Inspector General, established under the provisions of 44 U.S.C. 3901 et. seq., is currently funded through the GPO's revolving fund. The costs of this office are distributed as overhead to the various revenue-generating operations of in-plant printing, printing procurement, and documents distribution. The rates for the GPO's products and services must be adjusted to recover our overhead costs, including those of the IG. Along with other actions we are taking to reduce costs and improve efficiency, we are asking Congress to provide direct appropriated funding to cover this mandatory expense to help reduce cost pressures on our rates and prices.

Equally as important, we believe it is necessary to have direct funding to the GPO's IG to ensure a level of independence for this operation that is appropriate to its mission. The IG is responsible for conducting audits and investigations relating to the GPO, yet is dependent on the Public Printer to provide approval for the necessary staffing, funding, equipment, and training necessary to carry out this mission. By law the Public Printer has "no authority to prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation." However, providing the IG with the capability to execute its mission independent of the GPO's management would put this office on a par with how most Federal IG operations are funded today.

*Question.* What efforts have you undertaken to identify and make use of new and emerging information technologies?

*Answer.* The GPO has implemented a variety of strategies over the past year to identify, evaluate, and incorporate new and emerging information technologies into our operations. An Office of Innovation and New Technology (INT) was established to identify new technologies and practices that will help us move forward. Reporting directly to the Public Printer, INT also helps create associations with other public and private sector entities to carry out the GPO's mission. During 2003, we announced a partnership with the National Archives and Records Administration in support of permanent online public access.

Along with INT, we have expanded our participation in technology and trade forums and shows to gain greater exposure to new developments. Through management reorganization and associated strategic and contingency planning functions, we are also carrying out broader outreach to the technology community. We have begun modernizing the GPO's product lines with new planned offerings such as Public Key Infrastructure technology. We are participating in the ongoing General Accounting Office long-range study of Federal printing and information policy, and expect to be able to use the study's results to help guide technology evaluation and acquisitions programs at the GPO. We have also revised our capital acquisitions policy to establish a more rigorous standard for return-on-investment to ensure we gain the maximum value from taxpayers' technology dollar.

*Question.* Tell us what you see as the future of the depository library program. Why are additional staff needed in fiscal year 2004? What will be the impact if we are unable to provide these additional staff?

*Answer.* The ongoing transition to a more electronic Federal Depository Library Program (FDLP) will continue into fiscal year 2005 and beyond. Approximately 63 percent of the new titles entering the FDLP in fiscal year 2003 were electronic and this percentage will continue to grow. Currently, there are more than 262,000 titles in the FDLP electronic collection and it is expected to increase substantially over time.

New challenges associated with discovering, acquiring, cataloging, and preserving digital documents for the FDLP electronic collection, working through these changes with our depository library partners, and carrying out our cataloging and indexing responsibilities will require an increase of sixteen FTEs for the Salaries and Expenses (S&E) Appropriation in fiscal year 2005. The increase will support the following activities:

- Fourteen of the additional FTEs would be dedicated to preservation activities associated with maintaining and providing permanent public access to materials in the FDLDP legacy and electronic collections and a proactive program that emphasizes consultation and education and promotes best practices for our depository partners during this transition.
- Two FTEs would be added to our cataloging and indexing efforts to ensure that the full range of in-scope electronic information being published by our Government is brought under bibliographic control and made publicly available.

While every effort to reallocate resources from traditional pursuits has and will provide some of the required personnel, not increasing the FTE level would mean that we would not be completely able to carry out our program responsibilities in fiscal year 2005.

*Question.* You completed a management reorganization last year. How has that helped your transformation efforts at the GPO? Do you anticipate additional realignments?

*Answer.* Last year we implemented an organizational model that is relatively new to the Federal Government but widely used in industry, wherein the chief executive officer (Public Printer) focuses on organizational policy and long-range planning and the second in command (Deputy Public Printer) serves as chief operating officer focusing on the day-to-day operations of the business. This has streamlined decision-making and is designed to keep the overall GPO organization focused on movement forward while ensuring that the day-to-day tasks of the agency are fulfilled. The reorganization of the top-level management structure has been followed by organizational restructurings at lower levels. There will be further organizational change in the future as the result of the development and implementation of the GPO's strategic plan.

*Question.* Last year you reached an agreement with OMB on executive printing. Can you tell us how that agreement is working? Where do you expect this to go in fiscal year 2004 and fiscal year 2005?

*Answer.* The OMB/GPO Compact on printing (June 6, 2003) successfully resolved the longstanding controversy over executive printing by proposing a new system 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 providing all documents for cataloging and entry into the GPO's Federal Depository Library Program and related dissemination programs. As called for by the Compact, during fiscal year 2004 we are operating a demonstration project at an agency selected by OMB, the Department of Labor. We plan to deploy the system established by the Compact government-wide in early fiscal year 2005.

*Question.* How important is employee workforce development to your transformation efforts at the GPO? What changes have you implemented in your workforce development program?

*Answer.* Workforce development is critical to GPO's transformation process. It is the means by which GPO will move our current workforce into our future mission. Last year we doubled our workforce development program and increased our training budget to help us shape the staffing capabilities we will need for the future. We also revised our training policy to support mission-related training, not just job-related training. To guide our workforce development for GPO's future mission, we will conduct a systematic needs assessment across GPO and a corresponding skills assessment of the current workforce.

GPO has made a number of changes in order to ensure the success of the workforce development. A new Director of Workforce Development position was established and a new Director has been selected. The Director works under the leadership of the Chief Human Capital Officer. A Workforce Development Advisory Committee, involving the key leaders in each major area of GPO, has been working on the critical aspects of the needs assessment. A working committee involving management and key labor representatives has also been involved in formulating a process for ensuring that the needs assessment and the skill assessment is reflective of the differences that exist in GPO across organizations and occupations. These efforts have been widely promoted throughout GPO.

*Question.* What is the status of emergency planning at the GPO?

*Answer.* Over the past year, the GPO has completely revised its Emergency Action Plan. New procedures for emergency evacuations and "shelter in place" were developed and published in an Interim Plan. Both plans were exercised and based on the results, adjustments to the procedures were made, and the final version of the Plan will be published this month. We also completed a number of physical security improvements such as raising the height of outside air intakes to preclude easy introduction of toxic substances into our heating and ventilation system. We

also upgraded the ventilation control and fire alarm systems in our passport production building. We further reduced the number and operating hours of building access points and implemented more rigorous metal detection and package x-ray policies. This month we are installing an upgraded access system based on smart card technology which will allow us to incorporate digitally signed certificates and biometric identification data into our building and computer access control systems. Finally, we are in the final phase of acquiring an emergency mass notification system, which will enable us to individually notify and instruct all of our employees in a matter a few minutes during an emergency. Collectively, these actions represent a significant upgrade of our ability to protect and secure GPO employees and property.

In the area of continuity of business operations, we this week signed the Memorandum of Understanding with the Congress which will enable the GPO to backup our critical computer databases and applications at the Legislative Alternate Computing Facility (ACF). In preparation for this, we have been consolidating databases and systems at our main North Capitol Street facility into a state-of-the-art data center, which we currently back up on a daily basis. As we implement our new capability at the ACF, we will be able to back up systems continuously and thus will be able to provide virtually uninterrupted support to Congress and our other Government customers in all but the most catastrophic disasters. Last summer, we initiated a comprehensive program to complete enterprise-wide risk assessments and security upgrades for all of our business applications and databases. This effort will be complete by the end of fiscal year 2004 and will further secure the integrity and security of our operations.

## CONGRESSIONAL BUDGET OFFICE

### STATEMENT OF DOUGLAS HOLTZ-EAKIN, DIRECTOR

### ACCOMPANIED BY ELIZABETH ROBINSON, DEPUTY DIRECTOR

Senator CAMPBELL. Now we will hear from our third panel from CBO, Douglas Holtz-Eakin, the Director, accompanied by Elizabeth Robinson, the Deputy Director. Mr. Holtz-Eakin, if you would like to proceed, your complete testimony will be in the record. I see you have got abbreviated notes right there in front of you.

Mr. HOLTZ-EAKIN. I have very little to say.

Senator CAMPBELL. They look like the kind of notes I use too.

Mr. HOLTZ-EAKIN. I thank you for the chance for us to be here this morning to talk about CBO's budget request for 2005. I want to take the opportunity to introduce Beth Robinson, who has done a sterling job in under a year as the Deputy Director of CBO. And I want to thank the committee for its support with our—

Senator CAMPBELL. May I interrupt you? What was your background before you got to the position, Ms. Robinson?

Ms. ROBINSON. It was an eclectic one. I have training as a geophysicist actually.

Senator CAMPBELL. A geophysicist.

Ms. ROBINSON. Yes, and I spent some time on the Hill at the Office of Technology Assessment.

Senator CAMPBELL. Does the geophysicist background help you with CBO?

Ms. ROBINSON. Well, sometimes I wonder, but basically a lot of skills that you learn to handle large data sets, to get the computers to give you the answer you want, we use a lot at CBO.

Senator CAMPBELL. I have got an eclectic background too, and I am not sure it helps me being a Senator.

Mr. HOLTZ-EAKIN. She is being very modest. One of the reasons I was attracted to her is, in fact, that she has a background in science; and the range of issues that rolls through the CBO is quite broad. She brings skills that we did not previously have.

Senator CAMPBELL. Welcome aboard. Please proceed.

### OVERVIEW OF CBO'S REQUEST

Mr. HOLTZ-EAKIN. Briefly, this year we have a request that would be an increase of \$1.6 million for pay and benefits for the existing FTEs at CBO and an additional roughly \$200,000 that would cover a variety of needs—including our alternative computing facility communications, which are part of the disaster recovery system at CBO, and some higher costs for the Federal Accounting Standards Advisory Board, and other things are detailed in the written request.

The total would be a budget of \$35.5 million, an increase of \$1.8 million, or 5.5 percent. We view this as essentially a current-serv-

ices request, which will allow us to maintain our level of productivity, which we hope is well documented in our submission, in supporting the Congress in its need for budgetary and economic advice.

We have made great progress, I think, in being responsive, cutting the time required to produce reports and being timely in their delivery for the deliberations of Congress. I would be happy to expand on that if necessary.

As you mentioned in your opening remarks, we recognize that Congress may desire an even more limited request, and we respect Congress' desire to limit the growth of spending in the Federal budget and will work with this committee as necessary to meet any target that you might provide.

I will point out that we have modest opportunities in the non-pay part of CBO's budget, which is only 12 percent of the budget. Many of those would be one-time reductions, which we will entertain as possible. But to the extent that there was an ongoing need for budgetary stringency, it would be concentrated in our personnel, which constitute 88 percent of the CBO budget. Moving to a freeze, for example, given the current pay and benefits requirements, would create the need to reduce by about 12 full-time equivalents at CBO.

Senator CAMPBELL. Twelve employees, twelve FTEs?

Mr. HOLTZ-EAKIN. With more flexibility on the scale of the pay increase, that, of course, could be different, and we could ameliorate that to some extent through the non-pay part of the budget.

#### PREPARED STATEMENT

But certainly we would work with you. We look forward to additional guidance on the kind of request that is appropriate and would be happy to answer your questions.

[The statement follows:]

#### PREPARED STATEMENT OF DOUGLAS HOLTZ-EAKIN

Mr. Chairman and Members of the Subcommittee, I am pleased to present the fiscal year 2005 budget request for the Congressional Budget Office (CBO). The mission of CBO is to provide the Congress with timely objective, nonpartisan analyses of the economy and the budget and to furnish the information and cost estimates required for the Congressional budget process.

The Congressional Budget Office's proposed budget for fiscal year 2005 is effectively a "current-services" request, in which the increases from 2004 are primarily for pay, benefits, and general inflation. The request totals \$35,455,000, a \$1.8 million, or 5.5 percent, increase over the appropriation for fiscal year 2004 (after the rescission of 0.59 percent).

The total increase requested is dominated by \$1.6 million for expected increases in staff salaries and benefits. Funding for salaries and benefits constitutes 88 percent of CBO's budget, and those costs will grow by 5.5 percent in 2005. Additional factors include a new \$75,000 charge for telecommunications services associated with the Alternate Computing Facility, a component of the legislative branch's disaster recovery system, and a \$32,000, or 8.1 percent, increase in CBO's portion of the cost of operating the Federal Accounting Standards Advisory Board (FASAB). The remainder of CBO's budget request increases by 3.2 percent over that in 2004, a rate of growth affected by the fact that this portion of the budget will absorb almost half of the 0.59 percent rescission in 2004.

With the requested funds for 2005, CBO plans to continue to support the Congress in exercising its responsibilities for the budget of the United States government. CBO participates in the Congressional budget process by providing analyses required by law or requested by the House and Senate Budget Committees; the

Committees on Appropriations, Ways and Means, and Finance; other committees; and individual Members. In particular, CBO:

- Reports on the outlook for the budget and the economy to help the Congress prepare for the legislative year;
  - Analyzes the likely effects of the President's budgetary proposals on outlays and revenues;
  - Estimates the costs of legislative proposals, including formal cost estimates for all bills reported by committees of the House and Senate and for unfunded mandates on states and localities and the private sector;
  - Constructs statistical, behavioral, and computational models to project short- and long-term costs and revenues of government programs; and
  - Conducts policy studies of governmental activities having major economic and budgetary impacts.
- In fiscal year 2005, CBO's request will allow the agency to build on current efforts:

- Increase the number and reduce the preparation time of reports and in-depth analyses for the Congress, extending progress begun in 2003. The request will support a workload estimated at 2,120 legislative and mandate cost estimates, 82 major analytical reports (11 percent more than in 2003, which itself represented a 76 percent increase over 2002), 74 other publications, and a heavy schedule of Congressional testimony.
- Consolidate gains from additional staff resources provided by the Congress for 2004 to augment the agency's ability to estimate revenues and conduct dynamic analyses of the budget. Overall, the request will support 235 full-time-equivalent positions, the same number as in 2004. It includes an across-the-board pay adjustment of 3.5 percent for staff earning a salary of \$100,000 or less, which is consistent with the pay adjustment requested by other legislative branch agencies, along with a projected increase in benefits of 7.0 percent.
- Fund a combination of promotions and merit increases for all staff, including those whose salary exceeds \$100,000 and who do not receive automatic annual across-the-board increases.
- Provide \$429,000 for CBO's share of FASAB's budget.
- Provide \$75,000 (previously paid by the House of Representatives) for telecommunications services for the Alternate Computing Facility.
- Complete the replacement of CBO's Budget Analysis Data System, the agency's primary budget-tracking system, with a lower-cost, more-capable in-house system. After accomplishing that replacement midyear in 2005, CBO plans to continue to develop and exploit the capabilities of the new system—to improve the speed and breadth of the agency's analyses—during the remainder of the year and into the next, but at a much lower annual development cost.

Before I close, I would like to thank the Committee for its support of CBO's 2004 budget request, in particular, the two new positions that it approved to strengthen the agency's ability to forecast the economy and project revenues. And I would also cite the Committee's ongoing support of the student loan repayment benefit, which is an increasingly valuable tool in CBO's recruiting.

I look forward to answering any questions that you might have about this request.

#### STAFFING IN DIFFICULT AREAS

Senator CAMPBELL. Thanks.

In fiscal year 2004, the committee agreed to provide two additional staff for CBO. Are those staffers both on board?

Mr. HOLTZ-EAKIN. Those were identified to address needs for enhanced precision in our baseline receipts forecasts, and also to meet the desire for Congress to have some more dynamic analysis of macro-economic effects and also some budgetary proposals. We have not only enhanced the FTEs and are hiring for those, but we have also done some internal reallocations to make sure that there are people available in some of the tough cross-cutting areas, in particular finance. A lot of the difficulties in forecasting baseline revenues in the past several years have involved large run-ups in the stock market and then declines and associated bonuses and options. Finance people are difficult to hire, hard to retain. If Senator

Durbin were here, I would point out that that has been one of our targets for student loan repayment. It has been successful.

Senator CAMPBELL. They make more in New York.

Mr. HOLTZ-EAKIN. We have had some success on that front, and we have got more firepower in those areas.

PROGRAM CHANGES

Senator CAMPBELL. You have \$227,000 in what is described as program changes. What are those program changes and what is the money for, necessary at this time?

Ms. ROBINSON. The largest component of that is twofold. One is a new \$75,000 charge for disaster recovery for the physical data connections between CBO and alternate computing facility.

The second one is an investment in our defense-modeling capability, of the defense budget itself. We had been contracting in the past for some data sets and other things, and we find, actually, that these contractors are retiring. It is a very specific \$75,000 expense to bring that capability in-house.

Senator CAMPBELL. Thank you.

INCREASED PRODUCTIVITY

Your budget also discusses your effort to increase staff productivity. What are you doing to accomplish that goal?

Mr. HOLTZ-EAKIN. Well, there are two major problems. The first is management: setting clear objectives for deadlines for studies, keeping track of progress for those deadlines, and making sure in our merit review system that productivity is a component of the merit review. So internal management issues are one aspect, but there are also some changes in the nature of the process, the most notable being moving toward a more modern platform for publication, moving from word processors to a real desktop publishing system.

RETENTION OF EMPLOYEES

Senator CAMPBELL. How does the CBO compare with other Federal agencies on the retention of employees?

Mr. HOLTZ-EAKIN. I do not have the precise statistics, but I think we have been very successful.

Senator CAMPBELL. Could you provide that for the committee?

Mr. HOLTZ-EAKIN. Yes.

[The information follows:]

Employee retention is defined by the amount of turnover and agency experiences. The chart below describes the Congressional Budget Office's (CBO's) turnover among management and professional staff over the last two fiscal years. (Clerical staff are not included because CBO's workforce is less than 10 percent clerical, and the agency experiences very little turnover among clerical staff.)

Comparing the Congressional Budget Office's turnover with other agencies' is challenging because agencies maintain their data in disparate ways. The chart shows the information that we have been able to gather.

	Fiscal Year 2002			Fiscal Year 2003		
	Staff on Board	Separations	Turnover (percent)	Staff on Board	Separations	Turnover (percent)
Congressional Budget Office .....	190	18	9.47	193	28	14.51
General Accounting Office .....	n/a	n/a	8.80	n/a	n/a	7.70

	Fiscal Year 2002			Fiscal Year 2003		
	Staff on Board	Separations	Turnover (percent)	Staff on Board	Separations	Turnover (percent)
Congressional Research Service .....	554	31	5.60	609	22	3.61
Library of Congress <sup>1</sup> .....	2,622	146	5.57	2,725	123	4.51
Executive Branch Agencies <sup>2</sup> .....	1,232,496	71,866	5.83	1,244,493	86,285	6.93

<sup>1</sup> Includes Congressional Research Service as part of the Library of Congress.

<sup>2</sup> Does not include the Federal Bureau of Investigation, the Postal Service, or intelligence agencies (such as the Central Intelligence Agency and the National Security Agency). Source: www.fedscope.opm.gov.

Notes:

Data are for permanent employees in management and professional positions.  
n/a = not available; GAO does not track staff by the category of management and professional and therefore could not provide this breakdown.

#### SUBCOMMITTEE RECESS

Senator CAMPBELL. Well, I have no further questions. Senator Durbin might and/or Senator Stevens, and if they do, they will submit those in writing to you. If you could get those back to us. Okay?

Mr. HOLTZ-EAKIN. Thank you very much.

Senator CAMPBELL. I thank you and with that, the subcommittee is recessed.

[Whereupon, at 11:43 a.m., Thursday, March 4, the subcommittee was recessed, to reconvene subject to the call of the Chair.]



# LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2005

THURSDAY, MARCH 11, 2004

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

The subcommittee met at 11 a.m., in room SD-138, Dirksen Senate Office Building, Hon. Ben Nighthorse Campbell (chairman) presiding.

Present: Senators Campbell and Stevens.

## LIBRARY OF CONGRESS

STATEMENT OF HON. JAMES H. BILLINGTON, THE LIBRARIAN OF CONGRESS

### ACCOMPANIED BY:

DONALD L. SCOTT, DEPUTY LIBRARIAN OF CONGRESS  
JO ANN C. JENKINS, CHIEF OF STAFF, OFFICE OF THE LIBRARIAN  
LAURA CAMPBELL, ASSOCIATE LIBRARIAN FOR STRATEGIC INITIATIVES  
RUBENS MEDINA, LAW LIBRARIAN  
DANIEL P. MULHOLLAN, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE  
MARYBETH PETERS, REGISTER OF COPYRIGHTS  
DEANNA MARCUM, ASSOCIATE LIBRARIAN FOR LIBRARY SERVICES  
FRANK KURT CYLKE, DIRECTOR, NATIONAL LIBRARY SERVICES FOR THE BLIND AND PHYSICALLY HANDICAPPED  
KENNETH E. LOPEZ, DIRECTOR OF SECURITY  
MARY LEVERING, ACTING DIRECTOR, INTEGRATED SUPPORT SERVICES  
JOHN D. WEBSTER, CHIEF FINANCIAL OFFICER  
KATHRYN B. MURPHY, BUDGET OFFICER, OFFICE OF THE CHIEF FINANCIAL OFFICER

### OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. The subcommittee will come to order.

We meet today to hear from Dr. James Billington, Librarian of Congress, on the fiscal year 2005 request for the Library of Congress. Dr. Billington will also have testimony for the record on the Open World Leadership Program.

Dr. Billington is accompanied by the Deputy Librarian, General Donald Scott, and a team of others; and we welcome you this morning.

The Library is requesting almost \$563 million, an increase of 7.6 percent over the current year. In addition, a total of \$161 million

is requested by the Library buildings and grounds appropriation, under the Architect of the Capitol.

Clearly, there are many critical areas for which the Library seeks increases, including funding activation of the new audio-visual conservation center in Culpeper, Virginia, and increasing acquisition costs, in addition to routine payroll and inflationary increases. With the increases being requested, this budget will be very tough to accommodate in the budget environment we face this year, so we will be looking to you to prioritize and to help us make some very difficult choices as we move forward. Thank you very much.

The chairman of the full committee is here this morning and I would like to yield to him.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Well, thank you very much. I am glad to be here with Dr. Billington and General Scott, but I cannot stay long because of other matters. I did want to come and show my support, basically, for the programs that are outlined in the budget. And I agree with you, it is going to be a difficult year. I want to make sure that we do the best we can to help the Library. Thank you.

Senator CAMPBELL. Dr. Billington, if you would like to proceed. Your complete testimony will be included in the record; as General Scott's will, too, if he has any comments.

PREPARED STATEMENT OF SENATOR RICHARD J. DURBIN

Before you proceed, Dr. Billington, we have received a statement for Senator Durbin who could not make it today, but asked that his statement be submitted for the record.]

[The statement follows:]

PREPARED STATEMENT OF SENATOR RICHARD J. DURBIN

Mr. Chairman, thank you for scheduling today's budget oversight hearing on the Library of Congress and the Open World Leadership Center.

I want to welcome you Dr. Billington. It has been a pleasure working with you in your capacity as Librarian of Congress. My staff informs me that you are now in your 18th year as the Librarian. I would also like to welcome the Deputy Librarian, General Donald Scott, to today's hearing.

I recently had the opportunity to visit the Churchill Exhibit. It was extremely well done and I enjoyed it tremendously.

Your fiscal year 2005 budget request is 7.6 percent over the fiscal year 2004 enacted level. While this is not as high as some of our legislative branch agencies' requests, it is rather high. I hope you will shed some light on your priorities so we can make informed decisions in what promises to be a very tight year.

I understand that due to security upgrades at the Jefferson Building the retail store has been relocated. I hope you will talk a little bit about how the retail sales are going, both from the shop and from the Library's website, and what affect, if any, relocating the shop will have on its visibility to visitors to the Library.

I'd like to hear about how your security needs at the Library are being addressed. I noticed in your budget request that you are asking for an additional 45 police personnel. I hope you will address the need for these extra personnel to the subcommittee, particularly in light of the pending merger of your force with the Capitol Police.

I'm very happy with the continuing success of the Open World Leadership Center. The United States just hosted the first delegation from Lithuania and I understand it went quite well. I congratulate you on the success of this program, Dr. Billington.

I hope you will provide us with an update on the Culpeper National Audio-Visual Conservation Center. I noticed a request for \$5.28 million and 16 FTEs in your

budget. It would be helpful to know the particulars of the request and the need for extra personnel.

You are requesting \$160.7 million in Library of Congress building projects under the Architect of the Capitol. In light of our tight budget constraints, I hope you will explain to the subcommittee what your priorities are for these projects.

I'd also like to hear more about the Veterans' History Project.

I'm anxious to hear more about your technological advances to the Blind and Physically Handicapped Program. I hope you will describe to the subcommittee the Digital Talking Book Machine.

Thank you both for attending today's hearing. I look forward to hearing your testimony.

Thank you, Mr. Chairman.

#### INTRODUCTION OF THE ASSOCIATE LIBRARIAN FOR LIBRARY SERVICES

Dr. BILLINGTON. Thank you, Mr. Chairman. First, I would like to introduce Deanna Marcum, our new Associate Librarian for Library Services.

She is coming back to the Library from a decade-long position as President of the Council on Library and Information Resources, which is the only think-tank in the world, Mr. Chairman, devoted exclusively to library concerns.

She was with us before as Director of Public Service and Collection Management at the Library of Congress; and she was previously Dean of the Library School at Catholic University. So, we are very fortunate and grateful to have her with us.

#### OPENING STATEMENT OF THE LIBRARIAN

The Library, Mr. Chairman, in many ways can be seen as the Nation's strategic information reserve, at a time when our security, economic competitiveness, and our creative dynamism is increasingly dependent on information. The Library provides America with the world's largest and most diverse collection of retrievable human knowledge. At the same time, it is the mint record of American private sector creativity and a world leader in freely distributing high-quality material on the Internet.

From this time last year to this year, we estimate that we had about 3 billion electronic transactions. At the same time, we are digitally transforming our internal processes, ranging from re-engineering the Copyright Office to moving into new user-friendly digital materials for the blind and physically handicapped.

We are also developing a national plan to store digital collections, even as we continue to add 10,000 new analog items to the Library every day. We are doing all this with 7.7 percent fewer full-time equivalent staff than we had in 1992, before all this began, and with a magnificent but somewhat aging workforce, 25 percent of whom will be eligible for regular retirement by September of this year with potentially another 23 percent, if early retirement is offered as an option at the Library.

Guided by our strategic plan and a rigorous review process, we are requesting some resources needed to continue performing our statutory obligations and core mission for Congress and the Nation. We must increase our modest acquisition budget for traditional print materials, which are growing by an estimated 15 percent, particularly in troubled regions of the developing world that are of concern to American foreign policy.

## ACQUISITION AND PRESERVATION OF LIBRARY MATERIALS

In our extraordinary Arabic collections, we discovered an autobiography of Osama Bin Laden and two volumes of Afghanistan's traditional laws, that were destroyed by the Taliban. These were, in part, reconstructed largely by our Law Library, which digitized them within 24 hours for distribution to 1,000 institutions in Afghanistan. So, these acquisitions are extremely important and we must also adequately preserve and store them. We have 128 million analog items.

## NAVCC—CULPEPER

By far the largest private gift ever received by the Library, is an unprecedented \$120 million, which is being donated by the Packard Humanities Institute. This is to build a national facility for housing the audiovisual heritage of 20th century America, where much of the world's history and of our Nation's creativity is preserved, but in presently fragile and perishable forms at widely scattered locations.

This will be a state-of-the-art facility in Culpeper. The construction is already well underway but it requires some modest, largely one-time increases in our own budget to equip it, to prepare for the move, and to sustain for the future of the good relationship with our extremely generous donor.

## FORT MEADE PROJECTS

We are also requesting in the Architect of the Capitol's budget, continuation of the Fort Meade storage project for specially formatted collections. About 15 million of them will be housed here in accordance with a plan previously discussed with the committee. We also need a copyright deposit facility for housing the vast, but presently scattered, creative record of America into one location. This is needed to fulfill our preservation obligations to depositors and to assure continuation of the voluntary deposit system that annually provides more than \$30 million worth of material for the Library's collections. These occur, actually, in the Architect's budget.

## FLEXIBLE HIRING TOOLS

Now, the single greatest challenge facing the Library in the digital age is to develop a workforce that can think and work in new ways, without losing the immense inherited traditional knowledge and memory embedded in our staff. We will soon need the committee's support for a package of flexible human capital tools, in line with practices already in use within the Federal Government. The Library simply must be able to train a new type of objective knowledge navigator, to provide Congress and the Nation with seamlessly integrated old analog and the new digital materials.

## POLICE MERGER

With regard to the police merger, Mr. Chairman, the Library is fully engaged in increasing security, integrating police operations, and improving budget economy here on Capitol Hill. We are, however, deeply troubled by the proposed plan that the U.S. Capitol

Police have issued for implementing the merger of the Library's police force with that of the U.S. Capitol.

The proposed plan that the U.S. Capitol Police have submitted for congressional approval does not protect the statutory responsibilities that we bear and the distinct problems connected with protecting the collections, as well as the buildings and people of the Library. The merger is happening de facto and is eroding the Library's authority to exercise this core task, since we no longer can hire our own police.

#### NATIONAL FILM PRESERVATION PROGRAM

The Library also submitted, during the first session of the 108th Congress, a request for re-authorization of the National Film Preservation Program that has brought 375 motion pictures into the National Film Registry, which was created by Congress in 1988. This program has played the leading role in identifying endangered films, and setting national preservation standards, and working with other archives to save American films of all kinds from otherwise irreversible deterioration.

#### PREPARED STATEMENTS

On behalf of the Library and all of its staff, I want to thank this committee for its continued support for, and interest in, the Library. Individual members of this committee have provided continuity and guidance for the Library. We are all in your debt and we will be happy to answer your questions.

Senator CAMPBELL. Thank you, Dr. Billington.

[The statements follow:]

#### PREPARED STATEMENT OF JAMES H. BILLINGTON

I appreciate the opportunity to discuss the Library of Congress budget request for fiscal year 2005. This unique institution has become increasingly important to the nation as the economic and security needs become increasingly dependent on knowledge and the wise use of information. All libraries—and especially the Library of Congress—must deal with the greatest upheaval in the transmission of information and knowledge since the invention of the printing press—the electronic onslaught of digitized information and communication. The Library is responding to this challenge, with program-focused goals and objectives contained in our new strategic plan, which was forwarded to the Congress in September 2003. The plan will undergo continuous improvement to ensure our place as the foremost library of the 21st century.

The Library's mission is unchanging—to make its resources available and useful to the Congress and the American people and to sustain and preserve a universal collection of knowledge and creativity for future generations. What is new is the need to acquire, sort, and provide access to the massive unfiltered content of the Internet in order to keep our collections universal and continue to provide full information and services to Congress and the American people.

The Library must continue to acquire, preserve, and provide access to analog collections with new storage facilities and mass deacidification. At the same time, the Library must implement fundamental technological changes to accommodate the digital revolution. Both collections and staff are being reconfigured by new initiatives in digital preservation, digital talking books, and Copyright reengineering, and by the increased reliance on digital services. The fiscal year 2005 budget request addresses this "Challenge of Change; Maintenance of Tradition."

The priorities of our fiscal year 2005 budget, reflecting the major objectives in the Library's strategic plan, are: to bring the National Audio Visual Conservation Center into operation; to restore the diminished acquisition capabilities for our collections; to regain full funding for the Congressional Research Service staff capacity at 729 full-time-equivalent (FTE) positions; to implement the Copyright Office's re-engineered processes; to support the conversion to digital talking book technology

for people who are blind and physically handicapped; to fund the fifth increment of the Library's mass deacidification program; to accelerate the Veterans History Program; to gain additional security for the Library's systems, staff, buildings, and collections; and to address critical infrastructure support requirements.

For fiscal year 2005, the Library of Congress requests a total budget of \$602.3 million (\$562.6 million in net appropriations and \$39.7 million in authority to use receipts), a total increase of \$43.0 million above the fiscal year 2004 level. The total increase includes \$20.5 million for mandatory pay and price-level increases and \$34 million for program increases, offset by \$11.5 million for non-recurring costs. The Library's fiscal year 2005 budget request is a net appropriations increase of 7.6 percent above that of fiscal year 2004. The Library has submitted a fiscal year 2005 budget amendment, which is reflected in the above numbers, that increases the net appropriations amount by \$1 million, which is discussed under the headings "Copyright Office" (\$.8 million) and the "Sustaining the Collections" (\$.2 million).

Requested funding supports 4,363 FTE positions, a net increase of 80 FTEs above the fiscal year 2004 level of 4,283. The 80 additional FTEs are requested to support the core needs of the collections, security, and management.

#### THE LIBRARY OF CONGRESS TODAY

The core of the Library is its incomparable collections and the specialists who interpret and share them. The Library's 128 million items include almost all languages and media through which knowledge and creativity are preserved and communicated.

The Library has more than 29 million books and other print items; 12 million photographs; 4.8 million maps; 2.7 million audio materials; 925,000 films, television, and video items; and 57 million manuscripts.

Every workday, the Library's staff adds some 10,000 new items to the collections. Major annual services include handling more than 875,000 on-line and customized Congressional inquiries and requests, registering more than 534,000 copyright claims, and circulating approximately 23.8 million audio and braille books and magazines free of charge to blind and physically handicapped individuals all across America. The Library annually catalogs more than 300,000 books and serials and provides the bibliographic record inexpensively to the nation's libraries, saving them millions of dollars annually.

The Library also provides free on-line access, via the Internet, to its automated information files, which contain more than 75 million records, including more than 8.5 million multimedia items from its American Memory collections. The Library's acclaimed Web site ([www.loc.gov](http://www.loc.gov)) will record more than 3 billion hits in 2004.

#### 21ST CENTURY LIBRARY

As impressive as the everyday work of the Library of Congress is, we recognize the need to address the future. All libraries are rapidly changing in response to new digital technologies. The Library of Congress, like other research libraries, is building digital collections, making them readily accessible on-line, and developing search services previously not feasible. Digital technology also benefits smaller libraries because it allows them to expand and enhance resources for their patrons in colleges, schools, and communities. Libraries, in effect, are moving their catalogs and collections from physical buildings into patron's computers and are transforming their individual storage repositories into collaborative information-service centers. As this transformation continues, 21st century libraries will develop in the following significant ways: libraries will collect at the point of creation rather than after publication; libraries will complement classification systems with simpler search services; libraries will work with information creators and publishers to create digital preservation repositories; libraries will work with legislators to balance copyright against access needs; and libraries will retrain print oriented staffs for digital information services.

In a world in which Google is the preferred search mechanism, the library of the future will be less the custodian of a collection in a physical building than a guide to Internet-accessible resources and a creator and provider of on-line information services. Realizing this library of the future depends on providing opportunities for today's librarians to learn to take advantage of digital developments and on integrating this new digital technology into the basic library processes of acquisition, cataloging, preservation, and reference services. The Library's strategic plan and this fiscal year 2005 budget request are helping guide us in making this inevitable change to a 21st century library.

## FISCAL YEAR 2003 ACCOMPLISHMENTS

Even as the Library plans for a dramatic new future, the immediate challenges continue to be addressed. In fiscal year 2003, the Library provided concerted congressional research support in more than 150 major policy areas, including terrorism, health care, the U.S. economy, environmental and resource issues, and space exploration. The Library supported the war effort by making information and services available to the Congress as it executes its constitutional responsibilities, by documenting for future generations the war as it progresses, and by helping reconstruct the national libraries in Afghanistan and Iraq. Specifically, the Law Library helped reconstruct the destroyed law codes of Afghanistan from its collections.

The Library also received congressional approval for the plan for the National Digital Information Infrastructure and Preservation Program; expanded the Global Legal Information Network to include the laws of 48 countries and international organizations; added seven new multimedia historical collections to the American Memory Web site; increased to more than 8.5 million the number of items freely available on-line or in digital archives; recorded more than 2.6 billion electronic transactions on the Library's Web sites; registered more than 534,000 copyright claims; added more than 1.8 million items to our collections; opened the off-Capitol Hill storage facility at Fort Meade, Maryland; and produced more than 2,700 new braille, audio books, and magazine titles for the blind and physically handicapped. Private funding enabled the Library to make notable new acquisitions, including the great Alan Lomax collection of Americana, and brought into residence a distinguished new cohort of invited senior scholars and competitively chosen junior researchers in the Thomas Jefferson Building with the opening of the John W. Kluge Center.

## NATIONAL AUDIOVISUAL CONSERVATION CENTER (NAVCC)

An increase of \$5.28 million and 16 FTEs is requested for the NAVCC, a projected state-of-the-art facility for audiovisual collections. These funds are needed to continue the construction of the NAVCC and to begin the move-in of collections and staff of the Motion Picture, Broadcasting and Recorded Sound Division of the Library. The Packard Humanities Institute (PHI) is generously providing the majority of the funding to build the NAVCC—consolidating in one place and enhancing film and recorded sound preservation. The Library continues to work closely with PHI representatives and the Architect of the Capitol (AOC) on this much-needed project.

Construction on this national repository for America's audiovisual treasures began in early September 2003, and the current schedule calls for the newly renovated Collections Building and Central Plant to be ready for collections to be moved in by summer 2005. The new Nitrate Vaults and Conservation (Laboratory) Building is scheduled to be ready for staff move-in by summer 2006. The Library's ability to procure, deliver, and install NAVCC furnishings, equipment, and infrastructure will require close coordination with PHI's construction schedule. The requested additional funding in the current budget is essential to maintain the construction schedule and the various components and procurements that support the transition to the new facility. Fiscal year 2005 funding will support staff relocation, collections relocation, and the design, procurement, and integration of the complex digital preservation systems within the NAVCC's audiovisual laboratories.

The NAVCC will enable the Library to redress significant limitations in its current ability to store, preserve and provide access to its moving image and recorded sound collections. When the entire NAVCC complex is opened in 2006, the Library for the first time will be able to consolidate all of its collections in a single, centralized storage facility that provides space sufficient to house projected collections growth for 25 years beyond the NAVCC move-in date. Without the NAVCC, the Library's current preservation rate would result in the preservation of only 5 percent of its total endangered sound and video materials by the year 2015. By contrast, we project that the new NAVCC laboratories will enable us to preserve more than 50 percent of these endangered collections in the same 10-year period after move-in. The NAVCC will also include a Digital Audiovisual Preservation System that will preserve and provide research access to both newly acquired born-digital content and analog legacy formats. This new system is contributing to the Library's overall development of a digital content repository and signals a new paradigm of producing and managing computer-based digital data.

The Packard Humanities Institute's contribution to building this new state-of-the-art facility will represent the largest private donation to the Library of Congress in its entire history.

## SUSTAINING THE COLLECTIONS

Acquiring timely and comprehensive collections for the National Library and Law Library as well as the highly specialized research materials required for the Congressional Research Service (CRS) is among the most essential tasks the Library performs. All else depends on acquiring needed materials—preferably at the time they appear on the market. The rising tide of new kinds of knowledge and new formats make it essential that the Library address the already-serious catastrophic projected shortfalls in these areas. A total of \$4.462 million and seven FTEs are requested for addressing—for the first time in many years—this critical area. Lost purchasing power and the increased complexity and cost of acquiring proprietary electronic resources make this a critical problem that must be addressed.

Serial subscriptions prices alone have increased by 215 percent over a 15-year period ending in 2001, yet the Library's GENPAC appropriation—used to purchase library materials—has grown at an annual average rate of only 4 percent. These shortfalls accumulated because the Library understated annual price-level increases for research materials. The Congress, in most years, has supported the Library's modest requests for inflationary increases in research materials, but the Library's methodology did not adequately factor in the value of the dollar, the sharp escalations in market prices for serials, budget rescissions, and the changes in how research materials are packaged and sold. The Library's fiscal year 2005 acquisitions budget proposals include funding for the recovery of lost purchasing power (a one-time increase to the Law Library [\$205,000] and CRS [\$1 million]), and a one-time and incremental increase in the National Library [\$2.333 million], for a total of \$3.538 million. The \$3.538 million request includes a \$.2 million budget amendment for the CRS element; the original CRS catchup amount was determined through fiscal year 2004 rather than fiscal year 2005. During the next year, the Library will develop a new formula that will adequately reflect the inflationary increases for research materials beginning in fiscal year 2006.

In addition, \$479,000 and 7 FTEs are requested to support the new acquisitions methodology and policy that has been successfully piloted in China. Collecting materials published in China is difficult, but a three-year pilot project, funded by private donations, successfully demonstrated that the Library can acquire high quality, hard-to-obtain and politically sensitive materials, which traditional channels are not providing. Funding of \$479,000 is requested to establish six teams of experts in the social sciences, located at carefully selected sites throughout China. The teams will recommend materials from their regions, which will then be shipped by the Library's established vendors. The Library's pilot program has proven that important added information about China can be obtained in this way. The Library requests funding to make this a permanent acquisition process for the world's largest country as it assumes an even-greater world role.

Lastly, \$445,000 is needed to allow the Law Library to begin properly reclassifying 800,000 volumes or one-third of its legal collections from the "LAW" class—previously used to shelve legal materials—to the "Class K," (the new international standard for the classification of legal materials that was developed by the Library of Congress). Currently, one out of every four foreign legal documents cannot be located because of the outdated classification system, and the inevitable change to the new "Class K" cataloging system is required to effectively provide foreign legal research. The five-year project would enable the Law Library to meet its own cataloging standards before the few remaining staff with the experience and knowledge of the outdated "LAW" class cataloging leave or retire.

## CRS STAFF CAPACITY

In fiscal year 2005, CRS must face the increased cost of sustaining the research capacity needed to meet the legislative needs of the Congress. CRS is requesting a base increase of \$2.71 million—the equivalent of about 25 FTEs. During the past ten years, the total size of CRS has decreased from 763 to 729. However, the salary costs per person have increased at a rate that exceeds the funding provided in the budget process. Without the proposed base increase, CRS would have to staff down further to a level of about 704 FTEs. The impact of this reduction would be a loss of CRS capacity in serving the Congress of about 275 hours a year in each of more than 150 major policy areas in which the Congress can be expected to be engaged. CRS would lose between eight and nine weeks of capacity per major policy area.

CRS has been evaluating workforce opportunities and authorities to improve the productivity, efficiency, and attractiveness of CRS as an employer. During fiscal year 2003, CRS hired approximately 90 new staff—nearly 13 percent of the total staff population. To enhance retention of new staff and to further staff development Service-wide, CRS is requesting \$546,000. This funding would be used to initiate a

pilot student loan repayment program, to increase slightly its training and related travel budgets, and to provide monetary incentive awards to the Service's most highly talented and productive employees. The CRS Director will provide more details of this request in his statement.

#### COPYRIGHT OFFICE

The Copyright Office's Reengineering Program, which will be completed in fiscal year 2006, requires additional funding authority for fiscal year 2005. The extensive multiyear Reengineering Program has redesigned the Office's business processes, developed a new information technology infrastructure, created new work-flows and new job roles, and developed a new facilities plan. The program will allow the Copyright Office to replace outdated information systems with technology that promotes the use of electronically transmitted applications and works. The Library requests \$3.66 million, in budget authority and equal offsetting collections authority (zero net appropriations), in order to implement the facilities portion of the Reengineering Program. This funding will support relocation of staff, redesign and construction of current space, and acquisition of furniture and other equipment.

In developing the fiscal year 2005 budget request, inflationary factors for mandatory pay and price level increases were applied to both the Copyright Office's net appropriated funds and receipts funds. In reviewing this approach and upon further analysis, the Library has determined that the increases needed to cover inflationary growth cannot be met by the initially requested receipt level. As a result, the Library is requesting, via a budget amendment, that the fiscal year 2005 receipt level be reduced by the inflationary adjustment of \$810,000, with a corresponding increase in net appropriations. The Register of Copyrights will provide in her statement more details about the Reengineering Program and this adjustment.

#### DIGITAL TALKING BOOK MACHINE

In support of the Blind and Physically Handicapped (BPH) program, the National Library Service (NLS) for the BPH is implementing a revolutionary change from analog to digital technology, which has been projected and planned since the early 1990s. The service will replace cassette tape players with Digital Talking Book (DTB) players and introduce a new medium for distributing the DTBs: solid-state ("flash") memory, replacing the present cassette tape.

NLS plans to introduce the DTB players to its customers by fiscal year 2008. The Library is requesting a total of \$1.5 million in fiscal year 2005, of which \$1 million will support the beginning of the design phase of the DTB player. In concert with the development of a DTB player, NLS will begin converting its current analog collection to digital format to ensure that its patrons will have a large and diverse collection of DTBs by fiscal year 2008. The balance of \$500,000 in the request is for the first installment of a three-year conversion of 10,000 audio titles from analog to digital format. Support for the fiscal year 2005 budget will help prepare the way for the new delivery system to replace the current analog cassette tape technology.

#### MASS DEACIDIFICATION

A total increase of \$948,000 is requested for the fifth increment of the Library's five-year, \$18 million initiative to save through deacidification one million endangered acidic books and five million manuscript sheets during the period 2001-2005. The Congress has approved the first four increments of this critical preservation program, and the Library requests the planned increase to continue to scale up to \$5.7 million annually. By 2005, the Library plans to have reached the capacity to deacidify 300,000 books and 1,000,000 manuscripts annually.

#### VETERANS HISTORY PROJECT

Additional funding of \$1.035 million and four FTEs is required for this important and growing project. Support is requested to increase public participation in interviewing veterans and creating the collection; to preserve accounts and documents for researchers, educators, and future generations; and to disseminate this compelling material to the public more widely. The overwhelmingly positive nationwide reaction to this program has exceeded our expectations, and will require additional resources to respond to the growing demands of this mandated program.

#### SECURITY

The Library is requesting an increase of \$7.306 million and 47 FTEs to support improved security of the Library's systems, staff, buildings, and collections. The Library continues to work with the Architect of the Capitol (AOC) to support major

perimeter security improvements, consistent with the entire Capitol Hill campus (e.g., garage barriers, bollards, entrance reconfigurations). Seventy-five percent of Phase I (Jefferson and Madison Buildings) perimeter security project construction has been completed. However, unforeseen structural conditions below the James Madison Building have resulted in a partial redesign and additional AOC costs to complete the Phase I work. The Library understands that the AOC is working with the Committee to fund the additional costs and complete the initial phase. We ask the Committee to support the funds required to bring our perimeter security fully up to Capitol Hill standards.

The Library is also working with the Capitol Police regarding the filling of 23 new police officer positions authorized by the Committee for the Library's campus. Capitol Police officers will be detailed to the Library to fill the new positions beginning in March 2004.

Components of the Library's fiscal year 2005 security budget request are:

*Police Staffing.*—The Library is requesting \$3.825 million and 45 FTEs for the continuation of the fiscal year 2004 hiring initiative, which identified a police staffing shortfall of approximately 100 FTEs. This is the second of three fiscal year requests for funding beginning in fiscal year 2004. For fiscal year 2005 funding and staffing are being requested in the Library of Congress's budget to ensure that this critical need is set forth to the Congress. The staffing requirements will not diminish if and when the Library's Police Force merges with the Capitol Police Force. The requirements will be the same, regardless of which force provides the service. The Library needs additional police positions to meet minimum staffing levels at all public building entrances; to staff new and enhanced fixed exterior posts; and to ensure an overtime rate that does not exceed 10–15 percent above the standard 40-hour workweek.

*Police Merger.*—On August 6, 2003, the Library responded in a letter to U.S. Capitol Police Chief Gainer regarding the U.S. Capitol Police Implementation Plan for the Merger of the U.S. Capitol Police and the Library of Congress Police. In this response, we relayed our concerns about how this proposed plan will impact the Librarian's statutory responsibility to protect Library assets.

The Library remains concerned about the how the merger of the Library of Congress Police Force with the U.S. Capitol Police Force diminishes the Librarian's authority to exercise his responsibilities. The current plan proposed by the Capitol Police does not take into account the statutory obligation of the Librarian of Congress to oversee the Library's collections and buildings. The Library's police force is focused not only on the physical safety of our staff, visitors, and buildings, but on the integrity and security of our invaluable collections and is the primary arm for the Librarian of Congress in discharging this responsibility. At the very least, the Library must have a presence on the Capitol Police Board in order to argue for the level of resources made available to protect the Library's assets. The Capitol Police officers that serve on Library property must also be under the technical direction of and accountable to the Librarian of Congress. The Library looks forward to working with this Committee and the authorizing Committees to ensure that the merger is completed in a manner that preserves the mandated authority of the Librarian.

*Security Equipment Maintenance.*—A total of \$930,000 is requested for the maintenance and repair costs of five new major electronic security systems, which will become fully operational in fiscal year 2005. Sustaining their operations will be crucial for Library security. The requested funding will ensure that these vital security systems, installed in accordance with the Library's Security Enhancement Plan, are adequately maintained and repaired by accepted best industry practices.

*Intrusion-Detection System.*—\$1 million is requested to build-out the electronic access control and primary intrusion detection systems requirements identified in the Library's Security Plan's risk framework and needed to mitigate safety risks within the Library.

*Alternate Computer Facility (ACF).*—An increase of \$622,000 is needed for CRS to support the annual recurring operating costs of this all-important facility. The ACF will provide for IT business continuity in the event of a catastrophic failure of the Library's computer center. In the event that the Library's primary computer center becomes inoperable, the ACF will also provide continued on-line service to the Library's remote/local users, preventing disruption of service to the Congress and its constituency.

*IT Security Certification and Accreditation.*—Security must be treated as an integral part of the Library's overall IT infrastructure if risks are to be systematically reduced. Accordingly, the Library has embarked upon a thorough review of its IT security. Funding of \$929,000 and two FTEs is requested in fiscal year 2005 for ITS to certify and accredit existing, mission-critical IT applications, systems, and facili-

ties of the Library (\$720,000) and to conduct computer security audits by the Inspector General Office (\$209,000/2 FTEs).

#### INFRASTRUCTURE SUPPORT

The Library is requesting \$6.531 million and nine FTEs to address critical support systems, space, and staff initiatives. These Library-wide initiatives support all organizational entities and are key to performing our varied tasks efficiently and to providing our customers with efficient and seamless services. Funding supports:

*Information Technology (IT).*—IT is a critical tool for achieving organizational success in the Library. An additional \$3.316 million is needed for the Library's IT infrastructure. To keep pace with the rapid increase in electronic traffic, ITS server processing power and associated storage has increased, and the corresponding funding for maintenance must also increase. A total of \$1 million is needed to cover ITS's actual and projected maintenance costs (we anticipate a 14 percent increase in hardware maintenance and a 6 percent increase in software maintenance in fiscal year 2005). The Library's technology needs change as services expand, and they require 24-hour support to satisfy the Library's customers, which sharply raises contract costs. The requested \$1.017 million will allow ITS to support the increasing costs of the IT service provider contract, which the current ITS budget cannot fund. Without added funding, ITS will have to either curtail services or dangerously cut back on equipment purchases or maintenance. One-time funding of \$1.299 million is also needed to implement a single integrated search function for the Library's primary on-line information sources (LIS/Thomas, American Memory, LC Web pages, and the Integrated Library System bibliographic catalogs). This initiative will support searching with the commonly used data standard (XML) that the Congress is now applying to the preparation of its publications. As the House and Senate develop and implement new authoring systems that support XML, the congressional clientele expect the Library to have a search engine and related software that can handle XML. CRS will be partnering with the ITS Office to identify the requirements, develop solutions, and procure, migrate, configure, and optimize the needed new search engine tools.

*Facilities Management.*—An increase of \$1.880 million and nine FTEs are requested to modernize the Library's facilities services, supporting space management (\$1.658 million/8 FTEs) and custodial services (\$222,000/1 FTE). The Library's Facilities Services Division cannot effectively meet current and future Library space support requirements, and lacks flexibility to respond to the Library's rapidly changing needs. Multiple internal and external audits and studies of Facilities Services have identified fundamental problems in facilities programs that only division-wide modernization and workforce development can improve. The funding request addresses the most urgent recommendations identified by the auditors, several outside expert consultants, the ISS Director, and the Facilities Services management team. Implementation of these recommendations will provide the Library with the basic support tools, previously not available to the Library but used throughout industry and by other government agencies, to increase the efficiency of all space-related projects, and enable rotated scheduling of preventive maintenance (reducing costly repairs Library-wide). These steps are especially important for the Offices of Safety Services, Security and Emergency Preparedness, and for ITS.

Reduced funding for custodial services in recent years has resulted in a general deterioration of building conditions, and an additional \$196,000 and one FTE (custodial work inspector) is needed to supplement the current contract. Since Fort Meade will add 335,000 square feet of space between fiscal year 2005–2009, the Library is requesting \$26,000 to fund the needed custodial services.

*Personnel Management.*—A total of \$1.335 million is requested to upgrade the Library's personnel hiring system. The future of all of the Library's efforts depends on our greatest asset the expertise, intellect, and dedication of a Library staff that makes our vast collections and services relevant and accessible. Library management must be able to train, develop and renew its staff and add fresh talent to sustain the Library's leadership role amid the massive technological changes in the 21st century. The Library's Human Resources Services (HRS) needs a fully integrated and comprehensive Web-based Human Resource Information System (HRIS) that interfaces with the Library's payroll provider. The added funding of \$1.335 million requested for fiscal year 2005 will procure and implement staffing and classification modules that will be integrated with the emerging HRIS and will improve the timeliness and efficiency of the Library's hiring and classification processes.

## LIBRARY BUILDINGS AND GROUNDS

The Architect of the Capitol (AOC) is responsible for the structural and mechanical care and maintenance of the Library's buildings and grounds. In coordination with the Library, the AOC has requested in its fiscal year 2005 budget an increase of \$121.8 million for Library-related work and support. The AOC budget includes funding for six key projects requested by the Library. The two most crucial projects are (1) continuation of the Fort Meade construction program by the construction of Book Storage Modules 3 and 4 (\$38.5 million) and (2) construction of the Copyright Deposit Facility (\$59.2 million). Both of these capital improvement projects are critical in addressing basic storage and preservation deficiencies, as well as serious environmental, fire, and employee safety issues. Delay in funding this construction will make an already-critical situation worse and will increase the future cost of construction. Funding is also requested for increased space modifications (\$150,000), construction of six secure storage rooms/vaults (\$860,000), a dishwashing machine for the Madison cafeteria (\$210,000), and an integration and upgrade study (\$400,000) of our aging book conveyor system. The Library strongly recommends the approval of the AOC's Library Buildings and Grounds budget, which is essential for the effective functioning of the Library.

## LEGISLATIVE INITIATIVES

The Library has proposed language to extend, by five years, the period for securing commitments from partners to join the National Digital Information Infrastructure and Preservation Program (NDIIPP), to provide the mandated matching funds, and to work out formulae to include grants, cooperative agreements, contracts, and other legally enforceable pledge agreements entered into before 2010.

The Library's strategy for meeting the requirements of the legislation revolves around making investments that require mutual participation and cost-sharing agreements with a wide variety of stakeholders. Given the current economic climate, the Library anticipates that a substantial volume of non-federal matches will be in the form of in-kind, cost sharing contributions to the joint NDIIPP projects that will be defined and developed by the Library over time. The Library seeks to extend the period of time in which these non-federal contributions can be solicited and received. The Library's ability to support these jointly funded projects will be substantially enhanced if the \$75 million that is subject to a matching requirement can be made available for obligation over the extended time frame in which the different schedules of pledge donations are likely to be fulfilled.

The Library is funding the NDIIPP by investing in a first set of practical experiments and tests. Following an assessment, we will fund a second set of investments as described in the plan that was submitted to and approved by the Congress in December 2002. The initial planning and fact-finding phase of NDIIPP made it clear that the entire amount available to NDIIPP could not be responsibly committed without the benefit of the earlier testing and iterative learning, followed by reinvestment in a second generation of work. The language we are proposing for fiscal year 2005 is required to implement this approach, which was needed for the Congressionally approved NDIIPP plan. Attaining the \$75 million of matching federal funding and achieving the desired results in the preservation of digital material requires investing the initial \$20 million in a series of practical projects that will unfold over a five-year period.

The creation of an attainable national preservation strategy will occur incrementally, because of the complexity of the challenge and the number and diversity of partners involved. The Library is taking actions to begin building the preservation infrastructure by: building the technical architecture that can support these multiple partnerships; developing a network of partners who will share the responsibility in the course of the next five years; and participating in joint collaborative research on long-term digital preservation and archiving issues.

A first formal call for network partners was released in August 2003, and we received final proposals on November 12, 2003. The Library, along with the National Endowment for the Humanities, is making selections among the proposed applicants to seed the NDIIPP network with partners for long-term preservation of digital content. The Library anticipates awarding up to \$15 million of the available \$20 million available in this initial round of investments.

The Library is simultaneously funding a test of existing architectures to assess how digital content can be shared and inter-operate among different institutions. This will result in a revised technical architecture and a second generation of investments in developing the overall technical preservation architecture.

The Library is partnering with the National Science Foundation (NSF) in a digital archiving and long-term preservation research program. The goal of the program is

to stimulate research that builds capacities for long-term management and preservation of digital materials. The intent of the program is to support both technical and economic, social, and legal research topics related to archiving digital materials. The Library signed a memorandum of understanding with NSF in February 2004.

Language is also proposed to prohibit transferring funds from the Library of Congress to the State Department (DOS) for the construction of embassies. The DOS has proposed establishing a Capital Security Cost-Sharing Program that, by fiscal year 2009, would cost the Library as much as and possibly more than the entire present cost of our overseas offices. Under the proposed new program, the Library would be paying DOS, by fiscal year 2009, approximately \$7.4 million for 202 positions located in 12 locations—95 percent of which are located in only six locations. This assessment would be equivalent to 90 percent of the Library's fiscal year 2004 total present overseas budget of \$8.231 million. The DOS proposal does not follow government cost-sharing standards and would unfairly leverage additional costs on the Library's overseas acquisitions programs that are essential for our continued understanding of the Near East and other foreign areas of national concern.

The budget before this subcommittee reflects important needs for the Library—preservation of its collections, expansion of its services to the Congress increasingly services for the nation. As the national library leading and working with a complex network of partners at the beginning of the 21st century, the Library's workforce—now and in the future—is an essential element to the success of our mission and goals. In previous appearances before this Subcommittee, I have stressed the need to transfer knowledge and expertise to a new generation of knowledge specialists. An estimated 40 percent of the Library's workforce will be eligible to retire by 2009. The Library must also be able to attract and retain the very best talent available—in CRS, the Law Library, the Copyright Office, in its core library management areas.

Elsewhere in the federal government—widely in the Executive Branch and within sister agencies such as GAO—the recruitment, management, and pay scales of the federal workforce are being changed. The Library will be seeking from the 108th Congress authorization for broad-based human capital tools and flexibilities, in line with practices already in use within the federal government. We need to ensure that the Library of Congress can attract, retain, motivate, and reward a top quality and high performing workforce to serve the Congress and to sustain and make even more usable the nation's strategic information and knowledge reserve. In order to meet the ambitious goals of our strategic plan and accomplish our goals, we must be able to compete on a level playing field within the federal government for the best talent. The Library's services to Congress and the nation are unique and multifaceted, and they require the Library's workforce to possess cutting-edge knowledge and skill sets.

#### SUMMARY

As the keeper of America's—and much of the world's—creative and intellectual achievements, the Library of Congress is keenly aware of its awesome responsibility. This Library is the research and information arm of the national legislature and contains the world's largest storehouse of knowledge and the mint record of America's creativity. The strategic plan and supporting fiscal year 2005 budget request will continue the Library's great tradition, which covers the world and has now been expanded to include Congressionally mandated leadership in the massive task of sorting and preserving digital material. All of this is needed to support the Congress, the public, and the democratic ideal.

The Library's vision for the 21st century is to lead the nation in ensuring access to knowledge and information by promoting the Library's creative use of its unmatched human and material resources for the Congress and its constituents. By 2008, the Library plans, with the support of the Congress, to have achieved the following:

- The Library's National Audiovisual Conservation Center is operating and is recognized as having assumed international leadership in providing film and recorded sound preservation and accessibility. The new storage facilities at Fort Meade are operating and are recognized as an outstanding example of how to perform off-site storage, long-term preservation, and rapid access to the material.
- The core national programs of Library Services and the Office of Strategic Initiatives are recognized to have sustained the breadth and depth of the universal artifactual and digital collections. These programs will also have provided positive, verifiable assurance that the Library is acquiring, establishing biblio-

- graphic control, preserving, providing 24/7 access, and securing the collections for future generations regardless of the information's format.
- The Congressional Research Service has succeeded in restructuring both its permanent workforce and its supplemental interim capacity so that it is always the first-choice research provider of the Congress for authoritative, nonpartisan, timely, and objective research and public policy analysis in support of legislative deliberations. It will have improved both the quality of its analysis as well as its overall research capacity.
  - The National Library Service for the Blind and Physically Handicapped has completed the development of digital talking book technology and has begun conversion to use of the technology through distribution of the new talking book machines.
  - The Copyright Office is a leading advocate of an effective national copyright system that serves both creators and users of copyrighted works; is the primary advisor to the Congress on national and international copyright matters and is a relied-upon source of information and assistance to federal agencies and the judiciary on these matters; is providing its services, including registrations, electronically; and is creating registration records compatible with the Library's cataloging system.
  - The Law Library of Congress will have achieved and maintained an enhanced electronic system involving almost all countries important to the U.S. Congress in order to provide it with more comprehensive, authoritative, and timely global legal information.
  - The Library has implemented human capital management initiatives resulting in recruitment, development, and maintenance of a diverse, well-trained, highly skilled, and high-performing workforce to filter, navigate, analyze, and objectively interpret knowledge for the Congress and the nation. Further, the workforce functions in a management-supported environment characterized by open communication, innovative thinking, leadership in managing change, and effective and efficient program and supporting processes rivaling the best commercially available services. Special emphasis will be paid for providing flexible rewards and responsibility for staff with substantive expertise that leads to productivity improvements.

On behalf of the Library and all of its staff, I thank the Congress for its continued support of the Library and its programs. I ask for the support of the Library's fiscal year 2005 budget request as the next step in moving toward achieving these strategic outcomes.

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PREPARED STATEMENT OF DANIEL P. MULHOLLAN

Mr. Chairman and Members of the Committee: I am pleased to appear before you today to discuss the work of the Congressional Research Service (CRS) and our fiscal year 2005 request. I want to thank this Committee for the confidence it has shown in CRS in the past and the support that has enabled CRS to serve the Congress during these difficult times of demanding policy deliberations, which have been made especially challenging because of our heightened need to provide for security at home and abroad, and because of greatly increased fiscal constraints.

As CRS completes its ninth decade of service to the Congress, we continue to uphold our sole mission: We work exclusively and directly for the Congress, providing research and analysis that is authoritative, timely, objective, nonpartisan, confidential, and fully responsive to the policy-making needs of the Congress.

The Congress continually and routinely calls on CRS research assistance as it examines policy problems, formulates responses, and deliberates on them across the broad range of complex and challenging issues on the legislative agenda. Our paramount concern, especially given the critical constitutional role of the Congress during a time of war, is preserving independent, accessible, and responsive analytic capacity in the legislative branch.

Mr. Chairman, my statement today highlights CRS accomplishments in supporting the Congress over the past year. My statement also outlines the fiscal challenges CRS will face in the upcoming year and reports on the steps we have been taking to contain costs. I am concerned about the Service's ability to continue providing the level of support Congress has come to rely upon. For the coming year, we seek to maintain our research support for the Congress including priorities targeted to meet major law-making needs as Congress faces continuing and unfolding policy concerns, as well as significant, unanticipated crises.

## FISCAL YEAR 2003 HIGHLIGHTS IN CRS LEGISLATIVE SUPPORT

Throughout fiscal year 2003 Congress called on CRS as it confronted numerous, challenging public policy problems in its demanding schedule of legislative and oversight activities. Today I will touch upon some issues emanating from the war with Iraq and efforts to enhance homeland security last year. CRS has and continues to play a significant role in keeping the Congress abreast of policy questions, options and their implications during rapidly changing situations of vital importance to the Nation.

*The War with Iraq.*—U.S. involvement in Iraq—the diplomatic activities and military preparations leading up to the war, the war itself, and the war’s aftermath—dominated the congressional foreign affairs and defense agenda during the year. CRS specialists responded to diplomatic, military, and postwar issues; provided briefings on the congressional joint resolution authorizing the President to use force against Iraq; and fielded queries on war powers, declarations of war, and the preemptive use of force under international law.

As military action began, CRS assisted with issues such as Iraq’s relations in the Middle East, U.S. efforts to change the Iraqi regime, and the United Nations oil-for-food program. Analysts examined the postwar needs of Iraq for humanitarian and reconstruction assistance, the role of the international community and the United Nations, Iraq’s economy and foreign debt, and the likelihood that any U.S. loans to future Iraqi governments would be repaid.

*Homeland Security and the Potential for Terrorism.*—To assist the Congress as it addressed homeland security and terrorism, CRS continued its Service-wide, coordinated response that draws upon a wide range of expertise. Following passage of the Homeland Security Act, CRS experts developed a comprehensive organization chart that identified statutory requirements for congressional staff who monitor the establishment of the Department of Homeland Security (DHS). As Congress began oversight activities pertaining to this new government agency, CRS provided help with procedural and jurisdictional questions, briefings on the operational and organizational aspects of DHS, and analyses on the protection, use, and disclosure of critical infrastructure information submitted to DHS. Anticipating the subsequent intense demand for information and analyses on new or expanded programs related to homeland security, CRS examined such matters as emergency management funding programs, federal disaster recovery programs, and federal assistance programs aiding state and local government in terrorism preparedness.

Other related domestic policy issues related to the war and terrorism arose late in the 107th and continued throughout the 108th Congresses. CRS responded to requests regarding bioterrorism and health issues, such as the public health system’s ability to respond to health threats posed by chemical and biological agents; border and transportation safety; the continuity of Congress in the event of a catastrophic attack; critical infrastructure security including communications systems, oil and gas pipelines, electrical power grids, and highway systems; immigration concerns such as restructuring the issuance of visas; and legal ramifications of anti-terrorist enforcement, including the roles and authorities of law enforcement and the intelligence community.

The Service’s overall productivity and performance in fiscal year 2003 are best illustrated by four measures of its workload during the year: (1) support for 160 major policy problems at all stages of the legislative agenda; (2) maintenance of 900 key products in major policy areas, representing a 30-percent increase over the 700 products maintained at the close of last fiscal year; (3) immediate 24/7 online access to key products and services through the Current Legislative Issues (CLI) system on the CRS Web site, with a 10-percent increase in congressional use of our electronic services over use last year; and (4) custom work for the Congress—thousands of confidential memoranda, in-person briefings, and telephone consultations. In fiscal year 2003, CRS delivered 875,197 research responses, a number that includes analysis and information requests, product requests, in-person requests and services at Research Centers, electronic services, and seminars.

## COST CONTAINMENT EFFORTS

Over the past several years, in order to sustain the level of research support on issues such as those outlined above, CRS has conducted numerous management reviews to evaluate current operations, maximize value, and implement cost containment measures. As stewards of the taxpayers’ money, it is our obligation to review continuously how we can work most cost-effectively. Our reviews identified opportunities for containing operational costs of current services: for example, closure of the Longworth Research Center and one copy center, elimination of the Info Pack, and reorganization of the Service’s information professional staff. In addition, the Serv-

ice formed collegial research partnerships with major public policy universities to enhance research capacity, created a hiring strategy that does not routinely replace staff attrition one-for-one, but rather continually adjusts the work force composition to respond to the evolving needs of the Congress, and examined outsourcing of selected activities where cost efficiencies could be realized. I assure you that CRS has exhausted all reasonable means of realigning existing resources to maximize its efficiency and effectiveness in supporting the Congress. Yet despite these many efforts, our research priorities for the future remain in jeopardy without additional funding.

#### FISCAL YEAR 2005 BUDGET REQUEST

Mr. Chairman, I am requesting a total of \$100.9 million for fiscal year 2005. This represents a 10.7 percent increase in funding over fiscal year 2004. This funding request is critical to the continual delivery of high-quality analysis to the Congress. A 2001 congressional directive obligates the CRS director to: “. . . bring to the attention of the appropriate House and Senate committees issues which directly impact the Congressional Research Service and its ability to serve the needs of the Congress. . . .” [H. Rept. 1033, Cong. Rec. 146, H12228, November 30, 2001]. I am fully aware of the fiscal realities that the Congress faces and the hard choices that must be made in the coming months, and I make a request for this funding because I believe that these resources are critical to preserving our ability to provide the Congress with the level of expertise and breadth of services it has come to rely upon so heavily.

The remainder of my statement summarizes three critical challenges facing the Service this upcoming year preserving the Service’s research capacity, meeting congressional requirements, and funding uncontrollable increases for essential research materials.

#### PRESERVATION OF CRS RESEARCH CAPACITY

Preserving CRS’s research capacity is of the highest priority. Over the last several years, with the help of the Congress, the Service has been able to abate erosion of its workforce. The Service’s capacity—measured by the number of full-time equivalent positions (FTEs)—has decreased from 763 in 1994 to 729 this year. After delays due to the implementation of the Library’s new merit selection, the Service has nearly rebuilt its capacity by hiring much needed analytic staff. To preserve this capacity the Service is requesting two actions full funding for its mandatory pay and inflationary increases and a one-time adjustment to sustain its current ceiling of 729 full time equivalent staff.

CRS needs \$4.3 million to cover its mandatory and price-level cost increases. Without this adjustment, the Service would have to reduce its full-time equivalent (FTE) capacity by 37 staff. In addition, the Service’s budget request includes a one-time financial adjustment of \$2.7 million to sustain the CRS current FTE level of 729. Without the one-time funding adjustment, CRS would have to staff down further by another 25 FTEs.

Change in the CRS workforce composition is an increasingly significant factor affecting personnel costs. The nature of the work—reflecting the increasingly complex and specialized research and information requirements of the Congress—dictates that CRS hire individuals with high levels of formal education and specialized experience. In the period from fiscal years 1995 to 2003, the grade level of the average competitive CRS hire has increased from a GS–7, step 9, to a GS–13, step 1.

When Congress confronts unanticipated major policy events, it turns immediately to CRS to draw on the existing stock of knowledge of CRS experts and their proven ability to assess situations and options reliably and objectively. Congress gained significant, immediate support from CRS experts as the world listened to early reports of the Columbia Space Shuttle accident, during the electricity blackout last August, when Mad Cow disease was found in the United States, when ricin was discovered in a Senate office building, and on many other occasions.

Congress routinely turns to CRS as it engages in long-term policy endeavors for which precedents or experience is limited. Congress is receiving continuing assistance from CRS experts in formulating, implementing and overseeing a complex complement of provisions for homeland security; in grappling with major revisions in government personnel practices; in responding to an array of novel assaults on corporate and financial integrity; in responding to world health threats from SARS, avian flu, and AIDS; in assessing unique conditions in Iraq and Afghanistan relating to security, reconstruction and governance; in relating a mix of policy objectives across the use of the tax code and providing for a robust economy in a far more globalized setting than experienced before.

Without the full funding of our mandatory costs and the one-time adjustment to our salary base, CRS would lose a total of 62 full-time equivalent staff—a 9 percent reduction to its workforce. The results would be devastating. What could be said with certainty is that, overall, CRS would not be able to provide the Congress with 102,300 productive work hours per year. For example, for the 160 active policy areas for which CRS maintains ongoing research coverage, 682 productive work hours—more than 21 weeks per year—per major issue—would be unavailable to the Congress. While the Service would do its best to carry out its mission to serve the Congress as it carries out its legislative function, this outcome would, by the very scope of its effect, force the Service to reduce seriously or eliminate customized, timely, and integrative analyses of some critical policy issues. It would be difficult to predict what issues would be the most impacted but seasoned, expert staff working on high demand issue areas will likely leave and we would not be able to replace them.

#### MEETING CONGRESSIONAL REQUIREMENTS

Another challenge facing the Service is to support CRS business continuity and improved technological infrastructure activities as required by the Congress. I am seeking \$622,000 for continuing operations of the alternative computer facility (ACF) that houses back-up and emergency computer and other technology capacity for the Congress, the Library and CRS. With this facility CRS will be able to meet needs of the Congress in emergency situations while maintaining a secure and reliable technology environment.

The Service is also requesting \$549,000 to develop the XML international standard authorized by the Congress as the data standard for the creation and accessibility of all congressional documents through the Legislative Information System (LIS). CRS will continue to work with the House Committee on House Administration, the Senate Committee on Rules and Administration, and the Library's Information Technology Services to implement this much-needed capability. Without funds to replace the existing search system, the LIS will need extensive, costly, and proprietary modifications to be able to receive and index the legislative documents you need.

#### MEETING UNCONTROLLABLE INFLATIONARY INCREASES FOR ESSENTIAL RESEARCH MATERIALS

And the last challenge facing the Service is funding research materials. Providing accurate, timely, authoritative, and comprehensive research analysis and services to the Congress has become increasingly difficult due to the high annual increases in the costs of research materials. Thus our budget includes a one-time financial adjustment of \$1.0 million to meet cumulative increases over recent years in subscription and publication prices. Restrictive industry policies limit our alternatives for obtaining needed materials, especially electronic resources, in a more cost-effective manner. Information resources sought with the additional funding include those that provide information on port security, prescription drug pricing, and the nature and status of corporate financial reporting.

In closing, Mr. Chairman, I appreciate the opportunity to inform the Committee about the state of CRS. During a time of war, Congress, the First Branch of Government, must ensure that it maintains its independent capacity to analyze the complex challenges that the Nation confronts in combating terrorism and sustaining homeland security.

I trust that you agree that CRS contributes significantly to this independent capacity of the Congress. I also trust that you believe we are fulfilling our mission in a way that warrants your continued support. I am, of course, always available to answer any questions that the Committee might have.

#### PREPARED STATEMENT OF MARYBETH PETERS

Mr. Chairman and Members of the Subcommittee: Thank you for the opportunity to present the Copyright Office's fiscal year 2005 budget request.

For fiscal year 2005, the Copyright Office is seeking the Committee's approval of two major requests. First, we are requesting \$3,660,000 in new offsetting collections authority and spending authority to construct the new office space required to support our reengineered business processes. I am pleased that, with this Committee's support, we have been able to keep our Reengineering Program moving ahead and are now planning for full implementation in fiscal year 2006. Second, as part of the Architect of the Capitol's budget, we are requesting \$59.2 million to construct a Copyright Deposit Facility at Fort Meade. This facility will, for the first time, ensure

that copyright deposits not selected by the Library are stored for certain periods in environmental conditions that allow us to meet our legal requirements to retain, and be able to produce copies of, these works.

I will review these two areas in more detail, but first will provide an overview of the Office's work.

#### REVIEW OF COPYRIGHT OFFICE WORK AND ACCOMPLISHMENTS

The Copyright Office's mission is to promote creativity by sustaining an effective national copyright system. We do this by administering the copyright law; providing policy and legal assistance to the Congress, the executive branch, and the judiciary; and by informing and educating the public about the principles of our nation's copyright system. The demands in these areas are growing and becoming more complex with the rising use and evolution of digital technology.

I will briefly highlight some of the Office's current and past work, and our plans for fiscal year 2005.

##### *Policy and Legal Work*

We have continued to work closely with Members and committees on copyright policy and legal questions during the present Congress. During the past year, I testified at hearings on peer-to-peer networks, state sovereign immunity and the "broadcast flag" issue, and the Office's General Counsel testified at a hearing on additional protection for databases.

Last April, the House Subcommittee on Courts, the Internet, and Intellectual Property held a hearing on the Copyright Royalty and Distribution Reform Act of 2003 (H.R. 1417), a matter which could impact the operations and budget of the Office. This bill, which was reported to the House on January 30, would replace Copyright Arbitration Royalty Panels (CARPs) with three full-time independent Copyright Royalty Judges appointed by the Librarian of Congress. CARPs are ad hoc panels composed of arbitrators which determine royalty rates, distributions, and conditions of payment. Panels have been operating under Copyright Office auspices since Congress eliminated the Copyright Royalty Tribunal in 1993.

The current system authorizes the Copyright Office to deduct CARP administrative costs from royalty fees collected by the Office. The new program would require funding primarily from net appropriations. We estimate these new costs could approach \$1 million.

During the remainder of this session, the Office expects to assist Congress with legislation on and oversight of a number of copyright issues, including the extension of the Satellite Home Viewer Act (which expires December 31, 2004) and review and possible revision of section 115 of the Copyright Act, and in particular, the provisions of section 115 governing digital transmissions of music.

Last year, we assisted the Department of Justice in a number of important copyright cases, including cases before the Supreme Court. We also completed the bulk of our work on the second Section 1201 rulemaking to determine whether any particular classes of copyrighted works should be exempted from the protection afforded by the prohibition on circumventing technological protection measures that control access to such works. As a result of this rulemaking, four such classes of works were exempted, including one proposed by the American Federation for the Blind and supported by library organizations aimed at making sure that the blind and visually impaired gained meaningful access to literary materials.

The Copyright Office continues to provide ongoing assistance to executive branch agencies on international matters, particularly the United States Trade Representative (USTR), the Department of Commerce, and the Department of State.

As part of this work, our staff participated in U.S. delegations to negotiations of several bilateral and plurilateral Free Trade Agreements that have been recently concluded, including with Australia, Morocco, and a group of Central American countries, and will continue involvement with ongoing negotiation efforts, such as with the Free Trade Area of the Americas and Bahrain. We also were active in drafting and negotiating the intellectual property provisions of the bilateral Free Trade Agreements with Chile and Singapore signed in 2003.

We have also participated in U.S. delegations to multilateral fora such as meetings of the World Intellectual Property Organization's Standing Committee on Copyright and Related Rights and ad hoc Committee on Enforcement, and the preparatory meetings for the World Summit on the Information Society. We completed reviews of draft copyright laws for a number of countries and, for USTR, provided assistance to other nations in their World Trade Organization accession processes. In the past year, we also advised and assisted the Bureau of Customs and Border Protection in resolving issues and developing new procedures relating to border enforcement.

### *Registration and Recordation*

In fiscal year 2003, we made it a priority to complete our recovery from the fiscal year 2002 mail disruption while also improving the timeliness of our registration and recordation services. During fiscal year 2003, the Copyright Office received 607,492 claims to copyright covering more than a million works. Of these, it registered 534,122 claims. The Examining Division reduced its registration work on hand by half and continued toward a goal of currency in correspondence. Two years ago, the Office required an average of approximately 200 days to issue a registration certificate. By the beginning of fiscal year 2003, we had shortened the average processing time to approximately 130 days. In January 2003, the Office began a focused effort, reducing the number of claims awaiting processing by nearly a third over the course of the last nine months of the fiscal year. At year's end, the average time to process a claim was 90 days.

We also reduced processing times in the Cataloging Division. The Division created cataloging records for 543,105 registrations in fiscal year 2003. Throughput time from receipt in the division until the completion of a public record was reduced from over seven weeks to less than five.

As part of its statutory recordation services, the Copyright Office creates records of documents relating to copyrighted works that have been recorded in the Office. These documents frequently involve works of significant economic value. During fiscal year 2003, the Documents Recordation Section recorded 16,103 documents covering approximately 300,000 titles of works. The majority of documents involve transfers of rights from one copyright owner to another. Other recorded documents include security interests, contracts between authors and publishers, and notices of termination of grants of rights. During the course of the year, the Section cut its processing time by more than half.

### *Licensing Activities*

As part of our responsibilities for the copyright law's statutory licenses, we administered six Copyright Arbitration Royalty Panel proceedings. Five involved rate adjustments, and one was a distribution proceeding. The use of electronic funds transfer (EFT), including the Treasury Department's "Pay.gov" Internet-based remittance collection system, in the payment of royalties increased. The percentage of remittances made via EFT was 94.5 percent at the end of fiscal year 2003. The Licensing Division deducts its full operating costs from the royalty fees.

### *Public Information and Education*

In fiscal year 2003, the Office responded to 371,446 in-person, telephone, and e-mail requests for information, a 4 percent increase. The Office web site received 16 million hits, a 23 percent increase. We were pleased to inaugurate new Spanish-language web pages on our site which provide basic information on copyright and instructions on how to register a work.

Finally, we worked throughout the year on a project to develop a new official seal and an updated logo for the Office. For more than 25 years, the Office's seal and logo has been a representation of a pen in a circle. The new seal and separate logo became effective on January 1, 2004.

## FISCAL YEAR 2005 BUDGET REQUEST

I will now describe the two principal areas of our fiscal year 2005 request.

### *Reengineering Program*

Since my testimony last year, we have made significant progress in our Reengineering Program:

- On August 22, we awarded a contract to SRA International to build a new integrated IT systems infrastructure which will support our new processes and public services. This work began in September; since then we have defined the system architecture, refined our system requirements to match the selected software environment, and completed the preliminary design of staff screens and the system's data model.
- We completed a facilities project plan, a program report identifying facilities and requirements across the Office, adjacency and blocking diagrams, and began detailed design work for each division.
- We completed much of the process of reviewing and revising the more than 135 position descriptions for jobs that will be changed, in some way, in our new processes.

Our challenge over the next two years is to coordinate our execution across the three reengineering fronts of information technology, facilities, and organization. Since our processes are changing so dramatically, our Office structure in each of

these areas will change dramatically as well to the point that our new processes cannot begin without full implementation of each front.

At the same time we are making this dramatic transition to our new processes, we need to make sure that we continue to provide our services to the public including registration, recordation, licensing activities, and acquisition of copyrighted works for the Library's collections. We realize that the most significant impact on our public services, in terms of the Office's transition, will be in the area of facilities. As such, we need to complete our facilities work as quickly as possible. We determined that under the fastest construction schedule, this redesign would take at least six months. We then concluded that, in order to keep providing our services to the public, the best option would be to move off site into rental space during the construction period.

Our plans are to begin construction in October 2005 and complete this work in April 2006.

We are including in our fiscal year 2005 approximately \$7.5 million in spending in the facilities area, consisting of both relocation and construction costs. As I mentioned, this budget submission requests an increase of \$3,660,000 in offsetting collections authority to allow us to use funds in the No-Year Account for these tasks.

We are working with the staff of the Architect of the Capitol on the overall facilities approach, and are very appreciative of their understanding of our requirements and willingness to work with us to address them. We are on schedule to fully complete the design and construction documents this year so that the Architect can request fiscal year 2006 funding to perform the structural and safety aspects of the construction work.

In addition to our facilities work, in fiscal year 2005, we will be piloting our new processes with the new IT systems, obtaining Library approval of our new organization, and completing bargaining with the unions.

While we still have a lot of work ahead of us, I believe the entire Copyright Office staff is excited that they are involved in building the Copyright Office of the future. The result will be better service to our customers, including more of our products being available online, and a better work environment for our staff.

#### *Fort Meade Copyright Deposit Facility*

The imperative for the Copyright Deposit Facility at Fort Meade is to fulfill the requirement under the Copyright Act for the Office to provide for long-term preservation of copyright deposits. The Copyright Office is required by statute to retain unpublished copyright deposits for the full-term of copyright, which is the life of the author plus 70 years, and to retain published deposits for the longest period considered practicable and desirable by the Register. Retention periods of 120 years for unpublished deposits and 20 years for the published deposits have been established to fulfill this legal requirement.

Deposits serve as evidence of what was registered; they reflect the nature and extent of the material that has been registered. Copies of copyright deposits, certified by the Copyright Office, are used in a variety of legal proceedings. The Office retrieves approximately 2,500 works from its offsite storage each year.

The present retention requirements took effect in 1978. If we continue to hold deposits under the conditions that have been in place since then, some works will deteriorate to such an extent that we would not be able to either ascertain the full work or make a copy.

The Office currently stores about 50,000 cubic feet of deposits at the Landover Center Annex, a GSA leased facility. In addition, the Office stores over 85,000 cubic feet of deposits at a commercial records management storage facility in Sterling, Virginia run by Iron Mountain.

The legal deposits consist of a variety of formats and types, which include: paper in varying quality and size such as books, architectural drawings, sheet music, and computer code printouts; magnetic tape (both audio and video); photographs; CD-ROMs, CDs, and LPs; and fabric.

The current storage space, both at the leased facility and the commercial records storage facility, fails to provide the appropriate environmental conditions necessary to ensure the longevity of the deposit materials. The storage space at the Landover Annex is subject to wide temperature variances, high humidity levels and water leaks. The commercial records storage facility is also subject to seasonal temperature fluctuations and uncontrolled humidity levels.

Continued storage under present substandard environmental conditions will accelerate the aging of the deposit material and reduce the useful life span by 75 percent, i.e., deterioration that would occur in 100 years occurs in 25 years. These conditions place these legal deposits at risk in the long term. This is particularly applicable to the video and audio magnetic tapes in storage which are especially sensitive

to environmental conditions. In addition, the current storage space at the Landover Annex and the commercial records storage facility does not meet the NARA fire protection requirements for storage of long-term records which must be in place by fiscal year 2009.

The Fort Meade facility would be a highly secured, environmentally controlled, high-density storage building with sufficient space for retaining current and future deposits. The facility has been 100 percent designed and construction documents are complete. It will be in full compliance with the NARA regulations for records storage facilities, and would bring together all copyright deposits in a single location, improving retrieval time and our service to the public.

The Fort Meade facility will allow for 245,000 cubic feet of storage. When the building is ready for occupancy in fiscal year 2007, we would immediately occupy about two-thirds of that space. Currently, the Copyright Office is adding an average of 3,500 cubic feet of deposits of published works and records and 3,500 cubic feet of deposits of unpublished works annually. Although it is difficult to estimate the volume of copyright deposits that we will receive in the future, we project that the facility would provide adequate storage space at least through 2020.

We consulted with the Library's Preservation Directorate to determine the climate control requirements to ensure that the useful life of the legal deposits would be sufficient to meet the legally mandated retention periods. Because published and unpublished deposits retention periods are different, the necessary environmental requirements are different as well. Published deposits need to be stored in a temperature of 68 degrees Fahrenheit (F), and 45 percent relative humidity (RH). Unpublished deposits must be stored in a climate-controlled area maintained at 50 degrees F and 30 percent RH.

We have briefed the Committee staff on our current storage problems and our need for this facility. The Committee staff has asked us to ascertain whether there are acceptable alternative storage options. We have contacted NARA and Iron Mountain to determine whether other storage options exist. All options need to be evaluated based on our requirements in the areas of environmental conditions, security and retrieval of deposits. We will report our findings to the Committee shortly.

#### FISCAL YEAR 2005 OFFSETTING COLLECTIONS AUTHORITY REQUEST

As I have mentioned, for fiscal year 2005 the Office is requesting a one time increase of \$3,660,000 in offsetting collections authority, to be funded by fee receipts in the No-Year Account, for the facilities work related to our Reengineering Program. In addition, the budget submission contained inflationary factors for mandatory and price level increases that were applied to both the Copyright's appropriated and receipt funds. This resulted in an additional \$809,594 increase to offsetting collections authority for a total increase of \$4,469,594.

In reviewing this approach, and upon further analysis of receipt projections, we have determined that inflationary increases cannot be met by the requested increase in offsetting collections authority. Receipts have generally been level since fiscal year 2001 and there does not appear to be any basis to believe they will increase in fiscal year 2005. As a result, we are requesting that the fiscal year 2005 offsetting collections authority be reduced by the inflationary adjustment of \$809,594, with a corresponding increase in net appropriations. We have submitted a formal budget amendment to make this change.

Certain factors support a conservative receipt projection in fiscal year 2005. Currently, there is no mail backlog, so all receipts have been accounted for. Recent delays in the delivery of mail, however, underscore the Office's vulnerability to unforeseen events and the need for conservatively projecting receipts. The relocation and construction phase of the Reengineering Program could disrupt fee processing for a few weeks, reducing the receipt level in fiscal year 2005.

In summary, I ask that the fiscal year 2005 budget request for Copyright Basic offsetting collections authority be reduced to \$26,843,406, and that net appropriations be increased by \$809,594 for a total of \$20,178,594. The use of the no-year funds to partially fund the facilities piece of the reengineering implementation will leave approximately \$620,000 in the account for unanticipated decreases in fee receipts.

I would be most grateful for the Committee's acceptance of this budget amendment.

#### CONCLUSION

Mr. Chairman, this fiscal year we are determined to continue the improvements we have made in providing public services and to maintain steady progress in our Reengineering Program.

Our fiscal year 2005 request permits us to move forward on the facilities work critical to the final implementation of our Reengineering Program. The new Copyright Deposit Facility at Fort Meade gives us the assurance that we will be able to meet the copyright law's requirement that deposits be retained under proper conditions.

I thank the Committee for its consideration of this request and for its support of the Copyright Office in this challenging time of transition and progress.

#### OPEN WORLD LEADERSHIP PROGRAM

Senator CAMPBELL. Since the chairman of the full committee is here, I would like to ask one question first, that I was going to get to a little later, but as the chairman of the Board for the Open World Program, this is a program that Senator Stevens was instrumental in helping move.

Would you give us a quick update on the program, since we authorized that expansion to new countries?

Dr. BILLINGTON. Yes, sir, Mr. Chairman. We will shortly be delivering the Open World's 2003 Annual Report to the Congress; but just a few highlights.

In 2003, a total of 1,201 families, in 542 communities in 46 States, hosted people from this program. We have completed pilot programs also in Ukraine, Uzbekistan, and Lithuania, launched a new cultural program in Russia, while continuing to bring political and civic leaders in Russia. Our alumni now total 7,547. There is also a group who came from Belarus.

This has been extremely useful. I think the addition of Russia's cultural leaders, who play an important role in the development of the country, has been an important new dimension; and it focused on vibrant areas outside of Moscow and Petersburg that have not previously had the opportunity to come. The first hosting was in North Carolina and Michigan, and it has already spurred some collaborative efforts in historic preservation and plans for exchanges of exhibitions. So, the spin-out, the roll-out, of this is very gratifying.

The focus on the rule of law continues. We have had 838 Russian judges and legal professionals hosted by Federal and State judges, and that has led to the establishment of sister courts and all kinds of relationships.

Senator CAMPBELL. Do they come over one time?

Dr. BILLINGTON. Yes, they come—well, there have been occasional repetitions but almost all of them are one time, yes, from—and that is just terribly important, because they have a lot of professional demands.

#### GAO REVIEW OF OPEN WORLD LEADERSHIP PROGRAM

Senator CAMPBELL. There is a GAO review of the program now; isn't there? Do you know what their preliminary findings are?

Dr. BILLINGTON. Yes. The GAO review, which has been completed, and we have had a chance to comment on it. I do not know that it has been published yet, but I have reviewed the draft, which should be published, I think, this week.

They spent a lot of time on this, and I want to give them full credit, traveling to Russia and Ukraine to interview State Department officials and Open World alumni. The draft report found that our delegates were highly favorable about their Open World pro-

gram, and noted that the congressional sponsorship was particularly important because it helped the program attract emerging leaders who might otherwise not have participated.

The program also came up with some recommendations for long-term strategic and business planning, which we have already begun on and will be incorporating into the next meeting of the board. So, I think it has been very helpful and it has generally reinforced the impressions we have had very distinctly. With the average age of 38, these people—large numbers of women, something totally new for Russia. It is really a different kind of exchange program—and it has been valuable to the American hosts, communities, families, and community leaders that have given so much in-kind support.

One of the GAO recommendations is that we try to quantify that. It is going to be hard to quantify it because it is real people from all 89 regions of Russia—

Senator CAMPBELL. Those are personal relationships that carry on.

Dr. BILLINGTON. Our American hosts are real people from all over the States, all 50 States, and the District. So, it has been a very rewarding program that has gotten good reviews and I think has been very successful.

We also had a group from Belarus that was very important. They met with the Governor of Virginia, with the Helsinki Commission.

Senator CAMPBELL. Yes. I met several from Belarus as Chairman of the Helsinki Commission.

Dr. BILLINGTON. Yes, sir.

#### FUNDING PRIORITIES AND CHALLENGES

Senator CAMPBELL. Dr. Billington, I guess I need to ask you what we have asked every agency that has come before the committee, and that is: What happens if we do get a freeze in the fiscal year 2004 level on your budget, and have you prioritized things that you are—I mean from the wants to the desperate; and are you prepared, if we have to, to make any cuts in your programs?

Dr. BILLINGTON. Well, if we had a freeze, the most immediate effect would be to radically reduce staff, since personnel costs represent, on average, almost 65 percent of our overall budget; and in the case of CRS, it is 89 percent. So probably, we would have to consider RIFs, furloughs, and so forth.

Without the requested \$20.5 million, for instance, for mandatory pay and price staff increases, we would have staff reductions that would be about 195 FTEs in the LC,S&E appropriation—a 7 percent reduction in capacity, 62 FTEs in CRS—a 9 percent reduction in capacity, and 26 FTEs in the Copyright Office.

Senator CAMPBELL. Well, the committee is thinking of staffing and hiring.

The committee understands that years ago you instituted a new hiring system; is that correct?

General SCOTT. Yes; that is correct.

Senator CAMPBELL. What is the status of that hiring system? I understood in your testimony, I am not sure if that was an across-the-board number you mentioned, of 7.7 percent fewer staff than 1992, was that—

Dr. BILLINGTON. Yes. We presently have 7.7 percent fewer FTEs now than we had in 1992, and we are doing a tremendous amount more work, as I think is evident. So, to have further reduction beyond that would be quite serious.

There would be all kinds of implications for many important ongoing initiatives, for example Culpeper—not to do our part that prepares for the processing and the movement of things into the building—when the construction is underway largely with private sector costs would upset a whole set of relationships there.

#### AGING WORKFORCE

Senator STEVENS. Yield to me right there. I must leave. But would you enlighten the chairman about the problem of the aging of your staff, and then assess these for really reaching out now to train people, to take the place of so many people? I think it is unique.

Also, the one thing I would like to see you consider is, I spent some time with the archivists the other evening, and they are now going through a digitalization program similar to what you have gone through. I wonder if you could find the opportunity to confer with them to see if you could assist them in the progress of their new program to go digital with all of their materials as possible, particularly in terms of the aging of the staff? That worries me considerably.

Dr. BILLINGTON. Yes, this is tremendous; 48 percent of Library staff by this September will be either eligible for regular retirement or eligible for early out retirement, if they are given that option. This is very serious, particularly at a time when we are, in effect, re-tooling people to get into the new electronic age and we are losing a lot of our subject expertise that has enabled us to find these important things, particularly in trouble spots around the world. But, I invite General Scott to comment on this. We hope to bring a package forward quite soon, and perhaps General Scott can elaborate on this.

General SCOTT. Yes, sir.

Senator CAMPBELL. General Scott.

General SCOTT. Thank you.

Senator CAMPBELL. Go ahead.

General SCOTT. Yes, Mr. Chairman. With respect to the Library's workforce, it is a highly qualified, aging workforce. By the end of September this year, 25 percent of our workforce, some 1,033 individuals, will be eligible to retire. We also estimate that another 23 percent would be eligible to retire if we had an early out this year.

For each year projected ahead, we would of course continue to have more employees eligible to retire. By 2009, or thereabout, we could be looking at one-half of our workforce that would be eligible to retire.

Dr. Billington has just referenced that our challenge is to retain those who we can, retrain staff to handle the new knowledge navigation requirements under the digital period, and remain competitive in the hiring process. We will be submitting a legislative proposal that would in addition to other management tools give Dr. Billington some flexibilities for handling the fluctuation with staff retirements that we expect to happen within the next 3 to 4 years.

Senator CAMPBELL. What is the average years of service of the people who are retiring?

General SCOTT. It ranges from 22 to 24 years.

Senator CAMPBELL. They stay a long time.

General SCOTT. Yes, sir.

Dr. BILLINGTON. This requires succession planning which includes both retraining current staff, and hiring new staff. To successfully accomplish our planing effort, we are going to need a great deal more flexibility. We will have a package to present to you, Mr. Chairman, very soon that will build on the recognition of this problem, capitalizing on HR initiatives that have been approved by Congress for other agencies.

The demands on this institution, with a very low training budget and an extremely high demand for skills dictate that we focus even more energy on succession planning; CRS has been in the forefront but this is an extremely important institutional issue that we gain greater flexibility and competitiveness. This is important because what our people are doing.

#### COLLABORATION WITH THE ARCHIVES

Incidentally, on the question on collaboration with the Archives, we would be very happy to do that. We have been talking with the Archives in connection with the digital preservation plan and with other Federal agencies, as well. So, we are happy to share our experience and to work collaboratively with other institutions.

#### FLEXIBLE WORKFORCE

But this is really the development of a flexible, well-trained workforce that is able to work seamlessly between the old traditional materials, of which we have unique copies, particularly in these trouble spots in the Third World that no other library really has the materials on, and at the same time, integrate it with the digital world, which is exploding at an exponential rate.

The demands on our people are going to be colossal. We will be coming back to you with proposals for legislation that can help us in that regard.

#### CRS STAFF CAPACITY

Senator CAMPBELL. Along the manpower line, I had a question relating to CRS and I did not know if you wanted to try to answer it; or Mr. Mulhollan, if he is with you here. Mr. Mulhollan, come on up to the table there.

Could you tell the committee why the CRS needs \$2.7 million for what is called "lost purchasing power"? What does that mean? Does it mean your average pay level has increased significantly, or are you requesting more staff, or what does lost purchasing power mean?

Mr. MULHOLLAN. Yes, sir, that refers to the budgetary resources needed to sustain the current CRS staff. You, the Congress, are facing more complex issues—whether it is the war on terrorism, homeland security issues, aging of the U.S. population, infrastructure problems, or nuclear proliferation—you require greater expertise on each of these complex issues. For many years, CRS and this

committee has been supportive of what Dr. Billington referred to with regard to succession planning. CRS faces the possibility of having half of our staff retire by 2006. We have already begun replacing them—in fact, last year, we filled 91 vacancies.

The cumulative financial impact of these two phenomena has been an overall shift in the composition of the CRS workforce. In 1995, aside from special recruiting programs, the average new hire was a GS-7, step 10. Today, it is a GS-13, step one. This increase is indicative of the greater level of expertise needed by the Congress. In addition, the vast majority of our losses are staff who are covered by CSRS, the older Civil Service Retirement System. Where the average costs of employer-paid benefits are 13½ percent.

Nearly all of new employees are covered under the newer retirement system, FERS, where the average benefit is 27 percent. That fact alone doubles the employer-paid benefit—which is significant in an organization where the average grade is a GS-13, step nine.

Another influence contributing to lost purchasing power is the gap on the pay raise. In fiscal year 2004, we requested, and you approved, a pay increase of 3.7 percent; however a 4.2 percent pay raise was enacted—creating a \$400,000 deficit in our fiscal year 2004 budget. That is four FTEs.

Finally, the rescission of 0.59 percent, in the CRS budget was \$540,000—equating to five FTEs. So, that is a loss of nine FTEs in fiscal year 2004 alone. We are looking for the committee to provide the Service with a one-time adjustment to sustain an FTE level of 729.

Senator CAMPBELL. I wish I had not asked that question.

I am just kidding. I appreciate that, for the record.

Mr. MULHOLLAN. You are welcome.

Senator CAMPBELL. Thank you, Mr. Chairman.

#### NAVCC—CULPEPER DONATION

Dr. Billington, the very generous donation that Mr. Packard did of \$120 million, how does that compare with what we are investing in that National Audiovisual Conservation Center?

Dr. BILLINGTON. Well, the original arrangement was that over a period of time, the Congress would provide \$16.5 million and the Packard Humanities Institute would match it with some \$50 million. That adds up to about \$66 million. The Congress has appropriated its part for that original investment but the costs overall have doubled to \$120 million—or, actually, more than that, but the Packard Humanities Institute has agreed to—very generously agreed to—absorb all the additional construction costs.

So, all we are asking for, in the current budget, is for added staff who can work on the processing and sorting of these materials, which is widely scattered. A lot of that is permanent value for—as well as to begin the move; because the train is moving very fast, thanks largely to their added investment in this. And we will be, by next summer, ready to move into the re-done vaults for storage; and the following year, a whole new building will come on stream. So, this is moving very rapidly and all the added construction costs have been absorbed by the Packard Humanities Institute.

What our part of the bargain is, it was attached to the agreement, the tripartite agreement among us, the Packard Humanities Institute; and the Architect of the Capitol, of course, is making sure that all of this conforms to all of the relevant standards and so forth.

We are asking for some FTEs and some added funding that will enable us to fully process this material and prepare for the move. A lot of that is one-time cost, which will not stay in the base; but it is essential that it be done now so that the schedule of moving these things in can be done immediately and will not hold up construction.

Let me see, a total of \$16.5 million was appropriated for the acquisition.

Senator CAMPBELL. \$16.5 million?

Dr. BILLINGTON. Yes, but we will need additional funding for the annual carrying costs, which must be covered. A lot of the requests that are included for this year will be one-time costs that will not be repeated but are essential to come on stream at this point, so that the whole process can go forward.

So, those are the basic outlines, Mr. Chairman. I can give you a full, detailed accounting and projection, if you would like, on this, for the record.

[The information follows:]

From fiscal year 2000 to fiscal year 2003, the Congress appropriated \$16.5 million to the Architect for the acquisition of the facility. In fiscal year 2004, the Congress appropriated \$14.8 million to the Library for the National Audio-Visual Conservation Center to support one-time equipment and other implementation costs. In fiscal year 2005, the Library is requesting an increase of \$5.3 million for a total project cost of \$20.1 million. Total Library funds through fiscal year 2008 are projected to be approximately \$77 million of which \$9.8 million reflect ongoing program costs for fiscal year 2009 and beyond.

#### LIBRARY BUILDINGS AND GROUNDS—BUDGET REQUEST

Senator CAMPBELL. Your budget request includes \$161 million for buildings and grounds, which is a 312 percent increase over the prior year appropriation for that activity. There are two projects which account for the majority of that money; \$39 million for the two new book storage modules at Fort Meade, and \$59 million for the new copyright storage facility.

Can you just briefly describe those two facilities? Are there any alternatives to those buildings?

Dr. BILLINGTON. Well, just briefly. The one—the copyright deposit facility is already essential for the reasons that I have indicated. They are examining some variant options but it does not appear that any will be cheaper than the presently projected one.

The other is dealing with basic storage for special format collections. For copyright deposit, the obligation to store unpublished works has been extended for 20 years, because of the extension of the copyright term. So, we have a much bigger pile-up even than we had before; the same is true of our special collections.

#### LEASED SPACE

Senator CAMPBELL. The storage now of all that material, is it mostly in leased space or in Government buildings scattered around?

Dr. BILLINGTON. It is in leased space, namely at Landover. I think I will let General Scott, who has been working most closely on these issues, elaborate, if he would.

Senator CAMPBELL. Okay.

General SCOTT. Thank you, sir. With respect to modules three and four, Mr. Chairman, those modules are for special collections. With special collections, we are talking about maps, and we are talking about microfilm, we are talking about prints and photographs.

Currently, those items are being stored in leased facilities, the largest of which is in Landover. Now, modules three and four—first, let me just make a statement that all of the construction for the modules is about 5 years behind, which sort of exacerbates the problem of deterioration, and making sure that we can preserve those items.

Now, we also are concerned that in a delay, particularly with the copyright deposit facility, any delay increases the risk of further deterioration. There is—

Senator CAMPBELL. Are those leased spaces climate controlled?

General SCOTT. Yes. Some of it is not climate controlled, others have minimal climate control.

Senator CAMPBELL. What is the cumulative cost of all that leased space to the Library of Congress, do you know off hand?

General SCOTT. I do not have the cumulative total, Mr. Chairman, but I will provide that for the record.

Senator CAMPBELL. I would like to know that, if you could get that to us.

General SCOTT. Yes, sir.

Senator CAMPBELL. It would help—

General SCOTT. Will do.

Senator CAMPBELL [continuing]. When we talk about that big increase for facility construction, if we would know the comparative costs of what it is costing us now. I think the committee would be interested in that.

[The information follows:]

Lease space for storage collections is costing the Library approximately \$1.293 million in fiscal year 2004 and \$1.390 million in fiscal year 2005.

#### COPYRIGHT DEPOSIT FACILITY

General SCOTT. Yes, sir. I will add that with the copyright deposit facility, that the Copyright Office is currently looking at three alternatives. The first is in Lenexa, Kansas, where the National Archives has leased some storage space.

Senator CAMPBELL. Kansas?

General SCOTT. Yes, sir. Lenexa, Kansas. There is a cave out there that meets some of the requirements for preservation controls, and that sort of thing.

Senator CAMPBELL. What is in that cave now?

General SCOTT. Some National Archives material. We are looking at it to come up with some cost comparisons. We are also looking at the alternative computing facility, which is new out at Manassas, Virginia. And the third site is a limestone cave at Iron Mountain. We expect to have our report completed within 2 or 3 weeks,

and we will certainly make sure that the Committee has access to all of that information.

Senator CAMPBELL. Okay. I appreciate that.

Dr. BILLINGTON. There are two considerations, Mr. Chairman, on this; one is effective preservation and the other is accessibility. One of the great things about Fort Meade module one, which is more than two-thirds filled now, is that every single request to retrieve has been answered successfully. They found it and brought it to the main reading rooms, where the stuff can be used fairly rapidly.

So, you may get excellent preservation at one of these distant locations but you will not get the access. We have to have continued access because you never can tell what is going to be important, German archaeological records—

#### PRESERVATION OF THE COLLECTIONS

Senator CAMPBELL. Let me ask you, in some of this leased space that is not climate controlled, have you been able to monitor deterioration of any of the things that you have stored there or have you lost anything, because of it being stored in places that are not controlled?

Dr. BILLINGTON. Well, we—yes. We do monitor our preservation department physically restores or does preservation treatment of some chemical or just physical sort to somewhere between 300,000 and 500,000 physical items every year. We have a very active program for deacidification but also transposition into more safety-based films and so forth. So, part of this whole process of moving into these things is to assure that we can get the highest state-of-the-art preservation protocols, which Congress has encouraged us to make, and for various formats, actually brought into place.

I mean Culpeper—for instance, an archive of radio and television materials was mandated by the Congress in 1976. Culpeper will finally enable us to realize that. It will also include film and recorded sound of all kinds. So, this preservation is of capital importance; it is monitored very heavily. We estimated that something like 75,000 or 77,000 printed volumes a year risk disintegration. So, we have turned the pages into—

Senator CAMPBELL. How many volumes?

Dr. BILLINGTON. So, these are problems that our preservation department works on very intensively; and we are making great progress thanks to the Congress' support. But without these facilities, we cannot be sure that the progress is uniform and that the immense 128 million item collections are going to be safely preserved for posterity.

#### EMBASSY CONSTRUCTION—BUDGETARY IMPACT

Senator CAMPBELL. I understand. Thank you. The last question, the Library has six overseas field offices for acquiring international publications, and you requested a provision exempting the Library from a State Department proposal to charge all U.S. Government agencies with an overseas presence to pay a portion of the Department of State's new building program.

Why do you believe the Library should be exempt from the State Department's proposal and what would be the budgetary impact if the State Department's proposal is enacted?

Dr. BILLINGTON. Well, the budgetary impact, I can give you the exact computations on this, Mr. Chairman. But let me just say that this would be really quite catastrophic. The way the assessment is computed, in any case, is based on constructing 150 Embassies—95 percent of the Library's staff is located in only six positions—none of which are a part of the proposed new construction. While the Library does have three positions in two locations where new Embassies are projected to be built, we question the \$7 million price tag for three positions.

So if you figure it up, this is an extremely cost-effective way, not only for the Library of Congress but for the other research universities that use these things. These offices are almost all in trouble spots in the so-called developing world, which are of extreme importance to the United States. We would have to reduce, immediately, the budget for actually gathering in these works.

I can give you some exact statistics. Let me see, the proposal would nearly double the cost of our overseas offices eventually to about \$15 million from the \$8.2 million they cost today. As I say, it is based on the number of all employees overseas, as opposed to the actual use of space and services.

Overseas offices are critical, as I say, to the gathering of the information of this developing world. So, I think we just have to block this inequitable charge from the State Department and we would appreciate your help—these overseas offices have never been more important. Islamabad, Delhi, Djakarta, Nairobi, Cairo, these are areas that are extremely important to the United States—there are very few secrets in the world. So much can be discovered from more effectively reading; and, to jeopardize the ability to put their maximum effort on acquiring materials, rather than just paying this inequitable surcharge, would make a huge difference.

#### ADDITIONAL COMMITTEE QUESTIONS

Senator CAMPBELL. Thank you. I appreciate it. I have no further questions, Dr. Billington. Thank you for appearing. There may be some in writing from other members of the committee. Senator Durbin, the ranking member, was tied up today and could not get here. He may have some questions that he will send to you in writing.

Thank you both for appearing.

General SCOTT. Thank you, sir.

Dr. BILLINGTON. Thank you.

Senator CAMPBELL. General Scott, thank you for being here.

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

#### QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

##### RETAIL SALES

*Question.* Dr. Billington, as you know I have been a strong advocate of retail sales within the Library of Congress. Could you please update me on the status of the Library's retail activities initiatives?

*Answer.* The Congress appropriated \$335,000 per year for 3 years to the Library to support its retail initiatives, beginning in fiscal year 2004.

Both the Retail Sales Shop and the Photoduplication Service (PDS) ended fiscal year 2003 in the black.

Our online sales revenues have totaled \$105,000 in the year since the last hearings. This represents an increase on the \$73,000 we reported this time last year.

We have introduced a new website that allows visitors for the first time to purchase pre-selected images from the Library's collections.

We concentrated on major activities to implement the Business Enterprises strategy developed and presented to Congress last year.

We focused on (1) improving and expanding existing e-commerce operations; and (2) adding key infrastructure fixes to improve the financial management and operations of the Sales Shop and PDS.

We took actions that included: reducing operating costs, installing a new accounting application in PDS, and setting new pricing policies.

We have developed a "Strategic Plan Fiscal Year 2004-2006" and an "Implementation Plan Fiscal Year 2004" that provides a planning framework, goals, and implementation actions.

We have established a team dedicated to the development of this program in the areas of business, retail, finance, and marketing.

#### CONSTRUCTION IMPACT ON SECURITY

*Question.* I understand that the retail store is changing locations in the Jefferson Building due to new security initiatives. Will the new location be more visible to visitors to the Library of Congress? What impact, if any, has the construction related to the new security initiatives in the Jefferson Building had on the retail store?

*Answer.* The retail store is scheduled to move from its current location to one directly across from where it is now. The current move date is targeted for between mid-January and the end of February 2005, in order to minimize the impact of sales during the store's busy holiday season, late October through December. Its new location will be equally visible to visitors.

We do not expect the new security initiatives to have a negative impact on the retail shop. In fact, in its new location, it will be immediately accessible to visitors as they exit the Jefferson Building, which should be an advantage for sales purposes.

#### POLICE FORCE

*Question.* Dr. Billington, I notice you are requesting \$3.825 million and 45 FTEs for the Library of Congress' Police force. Given that there are relatively concrete plans in place to merge the Library's Police force with the Capitol Police, are you coordinating your plans with the Capitol Police Board to ensure a proper skills mix in the merged police force?

*Answer.* The Library did not coordinate its fiscal year 2005 staffing request with the Capitol Police Board, but the request is consistent with the Library's multi-year fiscal year 2004 request that was reviewed by the United States Capitol Police (USCP). The Library's fiscal year 2005 staffing request, which reflects year two of a three-year staffing request of 100 Library Police Officers, is consistent with the USCP minimum staffing standards.

#### HUMAN CAPITAL

*Question.* Dr. Billington, in your statement you indicate that the Library will be seeking broad-based human capital tools and flexibilities to enhance recruitment and retention activities. What new authorities will the Library be requesting? Are you working with the authorizing committees?

*Answer.* The Library seeks to exercise authorities that Congress has granted throughout the federal government, and to do so without seeking executive branch approval. For example, consistent with that already granted to both the executive and judicial branches, we will request authority to offer early outs and buyouts to Library employees. We will also be seeking authorities that will ease significant competitive disadvantages the Library would otherwise experience in recruitment and retention of senior managers, and skilled professionals, who would be better compensated or experience better leave, bonuses or training opportunities in the executive branch.

As Dr. Billington testified in his appearance before this subcommittee, as well as the Joint Committee on the Library, we will be sending our legislative request to the Library's House and Senate authorizing committees.

## OPEN WORLD LEADERSHIP PROGRAM

*Question.* I understand that the United States recently hosted the first Open World Leadership delegation from Lithuania. How was the expansion received in Lithuania? When will other delegations from Lithuania be arriving?

*Answer.* The expansion of the Open World Program to Lithuania was received with great enthusiasm in Lithuania. U.S. Ambassador to Lithuania Stephen Mull and his colleagues at the U.S. Embassy were extremely supportive of the idea from the start, and planning this pilot would not have been possible without their assistance. A number of Lithuanian and American organizations nominated strong candidates under the theme "civil society." The first delegation traveled to the United States in February 2004 to examine topics such as business, community development, media, NGO development, and youth initiatives. Ambassador Mull spoke at their pre-departure orientation in Vilnius, and upon arrival in Washington D.C. the delegation was greeted by Ambassador Vygaudas Usackas Lithuanian Ambassador to the United States. Initial feedback from this delegation is very positive, the trip gave the Lithuanian participants the opportunity to build long-lasting professional partnerships and friendships with their American counterparts. The Open World Leadership Center plans to host its next delegation of Lithuanian leaders in the fall of 2004.

*Question.* How is the Open World program working in Russia and other former Soviet satellites? Do you believe it is workable in the rest of the former eastern bloc and elsewhere?

*Answer.* The Open World Program has made a considerable contribution to bettering United States-Russian relations as well as to the development of civil society and democracy in Russia. Since the program's inception in 1999, Open World has brought over 7,500 Russian leaders to the United States, allowing them to experience first-hand American style democracy and free enterprise. Now, these Russian leaders comprise an active Open World alumni network, a network that is working together for positive change in Russia.

In 2003, the Open World Program was expanded to Lithuania, Ukraine, and Uzbekistan. In total, 148 participants were hosted in the United States from the three countries under the theme "civil society." While each program was adapted to meet the specific needs of the country, these pilot exchanges prove that the Open World Program model is applicable and useful to countries around the world. Open World participants returned to their home countries with new contacts and fresh ideas and inspiration. In Uzbekistan, for example, Open World alumni are putting their Open World experience to work to better their communities by writing articles in the local press, establishing Rotary clubs, drafting proposals for developing child and maternity health care services, and planning new programs for children with disabilities.

The pilot exchanges demonstrate that leaders and activists from a variety of countries can benefit greatly from meeting and sharing ideas with their American counterparts. In addition, the Open World Program has contributed significantly to furthering bilateral relations between the United States and other countries.

## CRS SCIENCE AND TECHNOLOGY CAPACITIES

*Question.* Mr. Mulhollan, what distinguishes the work done by the Congressional Research Service in providing analysis of science and technology issues for the Congress from those which were performed by the OTA, and are now conducted by the General Accounting Office, the Congressional Budget Office, the National Academy of Sciences, or other sources?

*Answer.* Each of the entities that you mention performs different activities serving different purposes. The sum total of the work being conducted by all is complementary in that each organization brings a different perspective or different scope of analysis to the same problem.

The Office of Technology Assessment (OTA) conducted technology assessments—a recognized and structured methodology that is very distinct from legislative and public policy support. These assessments addressed the multiple positive and negative impacts of technology on society and offered policy options.

OTA studies were performed at the request of any congressional committee Chairman. The Chairman may have requested work on behalf of a Ranking Minority Member or on behalf of a majority of committee Members. The OTA Board could also request assessments as could the OTA Director. In practice, most assessments were requested by the Chairman and the Ranking Minority Member of a Committee.

OTA assessments, which usually took over a year to complete, relied heavily upon groups of external experts and involved extensive external review, monitored by in-

ternal staff. The contracts issued to obtain information or to write parts of the reports could cost well over \$100,000 each—with the total costs of each study reported to range from \$500,000 to nearly \$1 million each.

OTA's enabling legislation permitted its reports to be made available to the public and its work typically was not prepared on a confidential basis.

The General Accounting Office's (GAO) current technology assessments are being conducted on a pilot basis, pursuant to law and report language originating in Legislative Branch appropriations.

To date, GAO has worked on three assessments—each of which has taken about a year to complete and has cost in the hundreds of thousands of dollars.

While GAO reports normally make recommendations, its assessment reports seem to offer policy options, together with a discussion of legislative implications.

The Congressional Budget Office (CBO) provides budgetary analysis on a wide range of issues related to science and technology, ranging from health policy to high-technology industries.

The National Academy of Science (NAS) conducts studies which are oriented to resolving technical issues or policy issues.

Most of the NAS science and technology studies are not mandated by Congress—even those which are requested by Congress, via statutory or report language, are contracted for by federal executive branch agencies. Seven such studies were mandated in public laws and completed for the 107th Congress.

The NAS studies usually cost several \$100,000 and take between one and two years to complete.

NAS retains control over the scope of these studies. The NAS typically convenes panels of scientific and technical experts to write reports, which undergo extensive Academy review prior to transmittal to the agency requestor.

NAS reports typically contain recommendations and advice and are not done on a confidential basis.

Extensive use is made of the expertise provided by the NAS and their staff, via contracts. The topics of assessments are typically suggested by a few interested Members of Congress.

The Congressional Research Service (CRS) undertakes analyses for both committees and Member offices in scientific and technological areas to: (1) assess the overall policy context on specific broad-scale legislative issues; (2) assess tradeoffs and alternatives; (3) evaluate proposals with heavy technical components; (4) help Congress to understand technical and scientific background and developments; and (5) provide program and institutional memory.

Because of the diverse and open-ended needs of Committees and Members, the Service must work carefully to ensure that the appropriate research capacity is available to the Congress when it needs it.

Some CRS analyses take several months to over a year to complete. The agency's specialization, however, is on integrative policy analysis that is legislatively oriented, client-focused, confidential, and decision-oriented in nature.

Science and technology support includes personal, confidential consultations, briefings, seminars, workshops, a variety of programs for Members of Congress and their staff, technical analytical memos, and background reports that assess oversight and legislative issues relating to technical subjects.

For instance, CRS staff have written analytical reports on such subjects as management and technical issues relating to the National Ignition Facility; vaccine policy issues for the 108th Congress; technical, trade, and policy issues for space launch vehicles; digital television; and bioterrorism policy issues posed by ricin and monkeypox, among many others.

Several projects involving science and technology in the aging area are under way including Medicare assessment of molecular technologies and interventions for coverage; biomedical issues in diagnosis and treatment of Alzheimers disease; chronic illnesses among older people and implications for health care programs; coverage of genetic testing by private payers; shifting of risk and responsibilities in an aging society; bioethical issues at the end of life; and factors driving health care costs; among others.

CRS has also developed more formal, comprehensive, and systematic assessments of technical and/or scientific issues

These assessments often address broad questions requiring foresight, analysis, and synthesis.

Examples of these in-depth studies include: children's environmental health; various global climate change studies; invasive species issues; ecosystems management; health benefits of air pollution control; electricity restructuring; external costs of oil used in transportation; chemical and biological agents and pathogens; and various studies on acid rain issues.

Such in-depth studies take several forms: some—including the ones on children’s environmental health, the health benefits of air pollution control, and ecosystems management—have been implemented through national symposia. Some in-depth studies have been undertaken with internal resources, but because of their scope and the effort required, others have been conducted under contract or through foundation grants typically in the range of \$20,000 to \$100,000.

CRS continues to monitor its science and technology requests and workload through close work with committee staff, discussions with nationally recognized scientists, and analysis of scientific developments. These actions help CRS anticipate issues as well as signal future needs for resources and technical capabilities. For example, concerns about terrorism in the 1990s led CRS to begin, before September 11, 2001, an assessment of chemical and biological agents and pathogens—a study that proved useful during the Homeland Security debates of 2002 and 2003.

#### CRS ONE-TIME FINANCIAL ADJUSTMENT

*Question.* Mr. Mulhollan, can you explain the \$2.7 million “one-time financial adjustment” in your budget request?

*Answer.* CRS is seeking a one-time budgetary adjustment of \$2.7 million to sustain a total capacity of 729 FTEs. Without the additional funding, we estimate that the current budget base will afford the Service approximately 704 FTEs in fiscal year 2005 and beyond—25 FTEs short of its current ceiling. Any reduction from the current level of 729 FTEs will result in a diminution in the Service’s ability to meet the needs of the Congress.

The basis for the one-time cost adjustment in fiscal year 2005 is the confluence of two dynamic influences:

A change in the work force composition is the most significant factor. During the past ten years, the total size of CRS has decreased from 763 FTEs to 729 FTEs. Within these shrinking resources, CRS has consistently produced “more with less” and demonstrated increased productivity in responding to congressional needs. Economies that were previously realized from technology and contractual assistance are no longer possible. Assisting the Congress as it addresses increasingly dynamic and complicated issues requires a cadre of highly skilled, knowledgeable, and motivated workers—a work force that is increasingly more expensive to sustain.

The second influence is related to the changing proportion of staff in the two federal retirement systems. CRS is behind the CSRS-to-FERS transition curve when compared to the rest of the federal sector. The CRS workforce has historically remained with the Service for the duration of their career—and often beyond their retirement-eligibility dates. Recent experience confirms that: (1) the majority of CRS retirements/separations are CSRS staff, and (2) the majority of CRS hires are from the private sector/school—eligible only to participate in the FERS. The employer-paid benefit rate for a FERS employee is nearly double that of CSRS employee making the same base salary. For fiscal year 2003, the benefits rate for a FERS employee was just over 27 percent of his/her salary versus 13.5 percent benefit rate for a CSRS employee making the same basic pay.

Without the one-time funding adjustment, CRS services to the Congress would be reduced by about 206 hours a year in each of over 150 major policy areas in which the Congress can be expected to be actively engaged—between 5 and 6 weeks of lost capacity per major policy area. Across the Service as a whole, this reduction would equate to a loss of about 365 productive hours per week that would not be available to provide critical research and analytical support for the Congress.

#### SUBCOMMITTEE RECESS

Senator CAMPBELL. This subcommittee is recessed.

[Whereupon, at 11:39 a.m., Thursday, March 11, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

## LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2005

WEDNESDAY, MARCH 31, 2004

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

The subcommittee met at 2 p.m., in room SD-138, Dirksen Senate Office Building, Hon. Ben Nighthorse Campbell (chairman) presiding.

Present: Senators Campbell, Stevens, and Durbin.

U.S. SENATE

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

STATEMENT OF HON. WILLIAM H. PICKLE, SERGEANT AT ARMS

ACCOMPANIED BY:

**KEITH KENNEDY, DEPUTY SERGEANT AT ARMS**

**CHRIS DEY, CHIEF FINANCIAL OFFICER**

OPENING STATEMENT OF HON. BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. The subcommittee will come to order. We meet this afternoon to take testimony from Senate Sergeant at Arms Bill Pickle, and the Capitol Police Board, currently chaired by House Sergeant at Arms Bill Livingood and the Chief of Police Terrance Gainer.

We will first hear from the Sergeant at Arms. Mr. Pickle is accompanied by the Deputy Sergeant at Arms, Keith Kennedy, and his Chief Financial Officer, Chris Dey, along with a team of others. We welcome you here today.

The Sergeant at Arms' budget request totals \$187 million, a 3 percent increase over last year. This modest overall increase reflects the final year of funding for several major projects in fiscal year 2004, such as the recording studio project and the digital technology migration project. Your salary budget, as I understand it, would increase about 10 percent over fiscal year 2004.

Following the Sergeant at Arms, we will take testimony on the Capitol Police budget. The Capitol Police request totals \$291.6 million and total of 2,361 staff, which is a large increase, 33 percent over the fiscal year 2004 appropriation. That one will be a little tougher to deal with.

In addition to the Capitol Police's own appropriation, \$40 million is included in the Architect's budget for the Capitol Police buildings

and grounds, including a new firing range and an off-site delivery facility.

We will need to make some tough choices this year, as all of us know, but I look forward to hearing your testimony. I might tell you that I did read your testimony so you do not need to read it again to me. I can read most of the words, and if you will abbreviate that would be fine with me. I'd like to turn it to a ranking member, Senator Durbin.

#### SENATOR DURBIN'S STATEMENT

Senator DURBIN. Thank you very much, Senator Campbell. I ask that my entire statement be made part of the record.

Senator CAMPBELL. We will put it in the record.

Senator DURBIN. And I'd like to commend Mr. Pickle; he did an excellent job with a very, very difficult assignment on the computer theft which we experienced in the Senate Judiciary Committee. I thought you demonstrated professionalism, non-partisanship, just what we expect from you.

Mr. PICKLE. Thank you.

Senator DURBIN. I commend you for that and all of those who worked with you. It was an exceptional effort with a very, very difficult assignment. I'll be asking a few questions about that when I get the opportunity.

#### PREPARED STATEMENT

Chief Gainer, good to see you again, along with the Capitol Police. And thank you and all of the men and women who serve us so well, put their lives on the line every day for us here at the Capitol.

Chief GAINER. Thank you, Mr. Chairman.

[The statement follows:]

#### PREPARED STATEMENT OF SENATOR RICHARD J. DURBIN

Mr. Chairman, thank you for scheduling today's budget oversight hearing on the Senate Sergeant at Arms and the U.S. Capitol Police Board.

First of all, I want to thank our witnesses, Mr. Pickle, Mr. Livingood, and Chief Gainer for joining us today to review your fiscal year 2005 budget requests.

Mr. Pickle, last November when I discovered that some documents stored on my Judiciary Committee staff's computers were taken from them and published in the Wall Street Journal, I asked you to begin a Sergeant at Arms investigation into the potential security breach. You did so almost immediately. Your staff—including Capitol Police—worked around the clock to secure the committee's computer servers to preserve the evidence and interviewed dozens of staff.

I want to commend you for the professional and expeditious way that you have handled the investigation, and your willingness, as demonstrated in the report, to follow the facts wherever they led you.

However, during your investigation, you came to realize that all of the Senate committees' systems were set up in essentially the same way, with similar vulnerabilities in place. I hope that very aggressive steps are being taken to assure that this does not happen again.

On another note Mr. Pickle, I had the opportunity to meet with Greg Hanson of your staff last week to discuss the technology available to us here in the Senate. It was very informative and I appreciated his updating me on this issue. As you know, I'm concerned that we are behind the House when it comes to technology. With the increased use of the internet, our constituents are able to get in touch with us much more quickly and easily. In my office, we receive close to a million emails a year. We need to be able to come up with a system that allows us to respond to this volume of email in a timely matter.

In this regard, I noticed in your fiscal year 2005 request that you are asking for \$10.3 million for three-year funding for purchase of computer equipment. I'd like to hear a little more about that.

I hope you will address the current status of the perimeter security upgrades. I'm interested to know if this project is on schedule and on budget.

I'd also like to hear about the status of the proposed Mail Processing Facility/Warehouse and whether a site has been selected to house this facility.

I hope you will talk a little bit about the security upgrades for our state offices and when we can expect to see these upgrades occur.

Overall your request of \$186.6 million, or 3.1 percent, seems quite reasonable. We all know how difficult this year is going to be in terms of funding.

I read in your testimony that there are plans in place to distribute emergency supply kits to all Senate offices. I hope you will talk a little about the contents of these kits and when our offices will be receiving them.

Chief Gainer, welcome. It is good to see you again. I see that your fiscal year 2005 budget request is \$291.6 million, an increase of 33 percent. I'm glad that you have provided us with a detailed prioritization of your request. I know that this will come in handy a little later on when we start to make some decisions with regard to funding.

There have been several organizational changes made at the Capitol Police since our last hearing. I hope you will describe for the subcommittee the changes you have made, why you have made them and how they relate to particular goals or objectives in your strategic plan.

I noted in your statement that in January your department started a Diversity Training Program. I hope you will tell us more about this training and when you expect it to be complete.

I have noticed on many occasions that the lines to get into the Dirksen and Hart Buildings are quite lengthy. It seems there should be a better way to get both staff and visitors through security and into the buildings without them having to wait in such long lines.

I hope you will update us on the progress of procuring an off-site delivery facility. I understand that you might co-locate this facility with the Sergeant-at-Arms' Mail Processing Facility.

I understand that the Capitol Police and FLETC are working together on a solution that would allow the Capitol Police to have adequate use of the firing range in Cheltenham, Maryland, thus eliminating the need to procure one of your own. I hope you will elaborate on that for the subcommittee.

I am interested in your thoughts on the idea of a security fence around the Capitol and office buildings.

Thank you Mr. Chairman.

Senator CAMPBELL. Mr. Pickle, why don't you go ahead.

#### SUMMARY STATEMENT OF WILLIAM H. PICKLE

Mr. PICKLE. Thank you, Mr. Chairman, and thank you for those kind words, Senator. We appreciate that.

Mr. Chairman, actually, some of your remarks stole my thunder here. I had some informal remarks to make but I'm going to cut right through most of them. I'd like to submit a formal statement for the record.

Senator CAMPBELL. It will be included in the record.

Mr. PICKLE. And what I would like to affirm is we are asking for about a 3.1 percent increase in our budget. It is modest but it is important that we get this funding to complete some of the many programs and security enhancements that we have begun with the approval and the support of this committee over the previous years. As you mentioned, some of them are very important to us. The security upgrades for Members' offices, the alternate computing facility, the computer network security and in particular the secure mail and package processing protocols in our warehouse are very important to us this year for all the obvious reasons.

Last year, when I testified before this committee, I made the statement that I was very honored and pleased to have been elect-

ed as the 37th Senate Sergeant at Arms. I also discussed with the committee that my goals, and indeed the entire Sergeant at Arms' Office, our goals are to provide the very best customer service we could here to the Senate, as well as the very best security and emergency preparedness. And what we hoped to do last year was to meld and use or leverage technology to do even a better job and be as efficient and as effective as we possibly could. Well, this year our goals remain the same; we've come a long way but we have a lot more to do. Security continues to be paramount, as it has since the anthrax scare of 2001.

We have had a very challenging year, as Senator Durbin said; we had something occur that is rather unprecedented for the Sergeant at Arms Office to participate in and that was the matter of improper access to the Judiciary Committee computers. It was unprecedented in the sense that we are not staffed to conduct such an investigation. While the Sergeant at Arms is the chief law enforcement officer of the Senate, he really does not have the operational personnel or resources to do this. But thankfully we had the Capitol Police; we also went to the United States Secret Service and with the support of this committee, which was involved with us when we talked about the funding that would be needed to do the work, we completed the investigation. And I too am very proud of our staff. I think what it shows is that we are a very diverse organization, we have some very talented people, and I'm just so proud of the work that they did in this area.

The other challenge we had this year was the ricin attack on February 3, 2004. Now, this was the second attack that's occurred here in the past 3 years. The anthrax scare of 2001 shut down a Senate building for several months. Fortunately, this time, because of the response of the Capitol Police and the Sergeant at Arms Office of Emergency Preparedness, along with our colleagues and the other entities here, we were able to get the Senate office buildings back up and running within 5 days. Now, as much as I'd like to take some credit for that, I think credit really belongs to my predecessor, Al Lenhardt, the former Sergeant at Arms. Al was confronted shortly after he arrived here with the anthrax attack and because of his efforts we have in place a very sound architecture and many sound security protocols that allowed us to be very successful in dealing with this ricin attack. I think the fact that it was only 5 days speaks well for the preparations of this body. It also speaks well for this committee which has supported us as well as the Rules Committee which was there to help out.

I know I'm dwelling only on security and technology, but finally I want to close by making just a comment. We have over 800 people here in the Sergeant at Arms Office, and when you look at the Sergeant at Arms Office, my analogy is the Senate is like a small city or mid-size corporation. We have about 8,000 people who work here on the Senate side, and on any given day we have many thousands more who are tourists, guests, official visitors, so we have all the components of a city here. I think we have several dozen different little businesses within our office. The people who do the work and who make this place run, day in and day out, and who are invisible to all of us are the ones who really need to be thanked for their hard efforts this year. And I'm talking about people such

as our facilities maintenance people who keep the Capitol clean, and it's always spotless in the morning when you come in; our furniture makers who make sure all the furniture and woodwork we have is just topnotch, and our communications people, who comprise most of our staff. These people do the job day in and day out, and I'm just so proud of them.

PREPARED STATEMENT

With that, Mr. Chairman, I'm going to dispense with anything else. And I'll just be happy to take questions. Thank you.  
[The statement follows:]

PREPARED STATEMENT OF WILLIAM H. PICKLE

INTRODUCTION

Mr. Chairman and Members of the Committee, thank you for inviting me to testify before the Committee on Appropriations. I am pleased to come before you today to report on the progress the Office of the Sergeant at Arms (SAA) has made over the past year and our plans to enhance the capabilities of the Senate in the coming year.

The SAA respectfully requests for fiscal year 2005 a total budget of \$186,701,000, which is an increase of \$5,669,000 or 3.1 percent over the fiscal year 2004 budget. This increase will enable the office to maintain the significant improvements and level of service we provided the Senate community over the past year.

This fiscal year 2005 budget request will fund the completion and support of several initiatives that are already in progress, including security upgrades for Members' state offices, the Alternate Computing Facility (ACF), enhanced communication services, secure mail and package processing protocols, and computer network security.

Last year I testified before this Committee and identified two priorities: (1) ensuring the United States Senate is as secure as possible and prepared for any emergency; and (2) accomplishing this goal through outstanding service and support, including the enhanced use of technology. The work of this office over the past year has been guided by these priorities.

In addition to the projects the SAA had planned to undertake and invest in this past year, we faced unique challenges requiring that resources be used to meet immediate, unanticipated needs. The ricin incident and the Judiciary Committee's request to conduct an internal investigation are two examples of such challenges. This testimony will detail later the work of the SAA staff in responding to the ricin incident.

The Committee on the Judiciary's request for the Sergeant at Arms to conduct an internal investigation into whether there was unauthorized access to the Committee's computer system was unprecedented. We were able to respond quickly to this request and to assemble an investigative team that included trained investigators detailed from the U.S. Secret Service and outside forensic experts. The sensitive nature of this matter required almost full-time involvement of several of our senior managers. The investigation and forensic analysis took almost four months and required a significant amount of personnel and financial resources.

In our response to the ricin incident and the investigation for the Judiciary Committee, we met the needs of the Senate and accomplished the tasks set before us. In the past year we have also moved forward in a number of crucial areas.

An outstanding senior management team led the efforts of the SAA's dedicated staff over the past year. This team consists of Deputy Sergeant at Arms J. Keith Kennedy, Assistant Sergeant at Arms for Security and Emergency Preparedness Chuck Kaylor, Assistant Sergeant at Arms for Police Operations Al Concordia, Assistant Sergeant at Arms for Operations and Administrative Assistant Rick Edwards, General Counsel Lynne Halbrooks, and Assistant Sergeant at Arms and Chief Information Officer J. Greg Hanson. This team has worked to develop and implement a comprehensive approach to Senate projects. The many accomplishments set forth in this testimony would not have been possible without their leadership and commitment.

This testimony highlights some of our achievements over the past year, and demonstrates how we plan to build on our accomplishments and to protect the Senate's interests. Specifically, this testimony identifies (1) the security measures we have

implemented and are working toward; (2) initiatives designed to keep the Senate at the leading edge of technology; and, (3) highlights of the critical operational support we offer the Senate.

#### A COMPREHENSIVE APPROACH TO SECURITY AND PREPAREDNESS

I am pleased to report that in the areas of security and emergency preparedness we expanded on the significant accomplishments of my predecessors, and particularly on the strong foundation that Sergeant at Arms Alfonso E. Lenhardt implemented to protect the Capitol and Senate Office Buildings after the anthrax attack in 2001.

The Senate now has in place an overall security strategy that establishes a layered defense based upon our understanding of threats to the Capitol and its vulnerabilities. Over the past year, this strategy led to updated security plans, created prevention and protection programs, and created life-safety, emergency preparedness, and information security programs. The strategy also led to training to educate staff and exercises to rehearse and evaluate our plans.

The SAA has relied on the strong support of the Secretary of the Senate, this Committee, the Committee on Rules and Administration, and other Committees and Members to advance the Senate's security and emergency preparedness. A comprehensive approach to these critical subjects has required the partnership and cooperation of Senate offices, the U.S. Capitol Police, the Attending Physician, other legislative branch offices, as well as federal and state agencies.

Together, we have made significant progress on our security and emergency preparedness.

Despite the substantial advances in security and emergency preparedness since September 2001, and particularly this past year, we cannot become complacent. The Capitol and Congress remain targets to those wishing to cause our country harm, and the means to cause that harm are available, varied, and growing in sophistication. We need to be vigilant, and we need to continue our comprehensive, forward-looking security and emergency preparedness programs.

This testimony outlines the SAA's security, emergency preparedness, and continuity of operations and government efforts. In addition to the initiatives set forth below, there are other steps being taken to secure Congress and the Senate community that are not appropriate to address in an open forum.

#### *Vulnerabilities and Threat Assessments*

Understanding the threats the Senate faces is essential to establishing appropriate and cost-effective security programs. We work with the U.S. Capitol Police on an aggressive approach to security that recommends and supports ongoing security projects. We are participating in several studies that address vulnerabilities around the Capitol relating to land-based and airborne threats, as well as chemical, biological, and radiological threats. The SAA also works with the U.S. Capitol Police to provide analysis of emerging global threats, current intelligence information, analysis of vulnerabilities, and available countermeasures. As a result of this work, policies are being developed in conjunction with the U.S. Capitol Police that provide high levels of protection on Capitol Hill for Members, staff, and visitors. These coordinated efforts with respect to vulnerability and threat assessment include:

*Vulnerability Assessments.*—Since 1998, the U.S. Capitol Police Board has conducted seven formal vulnerability assessments of the Capitol complex. These assessments serve as the basis for many of our protective measures. The assessments complement our work with the National Capital Region intelligence sharing initiatives for a complete view of the threats to the Capitol.

*Command Center.*—Over the past year, the U.S. Capitol Police have established a state-of-the-art command center and campus-wide security network that significantly improve their situational awareness. This provides information in a number of areas, which enables the police to better understand an event and better manage the necessary response. SAA staff work closely with the Capitol Police at the Command Center during emergencies.

*Threat Intelligence Sharing.*—The U.S. Capitol Police Board has approved the U.S. Capitol Police participation in the Targeted Violence Information Sharing System (TAVISS), a pilot program for sharing threat intelligence information. Created by the U.S. Secret Service to facilitate the sharing of threat information with twenty-seven agencies, this program will provide timely information about threats against Members of Congress and U.S. Government officials. Research has shown that people who attack public officials often switch targets, so subjects who come to the attention of one agency may be known to other agencies.

To provide more intelligence information, the U.S. Capitol Police have officers assigned to critical National Capital Region intelligence collection and analysis and

command centers. The U.S. Capitol Police also have a small but highly professional intelligence staff that collaborate with their counterparts, and participate in the national forums that provide the situational awareness we need.

*Air Security.*—The U.S. Capitol Police are integrated fully in interagency air security coordination planning for the National Capital Region and the National Capital Region Coordination Center. This planning integrates multi-agency assets into a protective air security system that encompasses the Capitol. The National Capital Region Air Security Plan focuses on countering terrorist threats from the air. The coordination uses multi-agency capabilities that involve intelligence, law enforcement, and Department of Defense assets. Early warning and situational awareness has:

- Enhanced detection of potential air threats.
- Improved dissemination of inter-agency intelligence information.
- Streamlined coordination of multi-agency assets to achieve command and control.
- Differentiated navigational errors and civil violations from hostile intent.

The threat environment is always changing, but we have the people and organizations in place that understand the needs of the Senate and can provide the information necessary to ensure the continued security of Members, staff, and visitors.

#### *Protecting the Senate's Physical Assets*

The first priority of the SAA's security strategy is to deter or prevent an incident. Our expanding protective measures program includes physical security measures, electronic systems, and law enforcement activities. It continues to improve the Senate's ability to prevent incidents. Many of the details of this program are confidential and sensitive. However, several of the significant protective measures that have been implemented are set forth below.

*Enhanced Perimeter Security Plan.*—The first phase of the perimeter security plan, proposed in 1998, was completed in 2002. The Enhanced Perimeter Security Plan, developed after September 2001, is now being implemented. The Enhanced Perimeter Security Plan features pop-up barriers and bollards, hardened police kiosks, improved security at vehicle access checkpoints, increased U.S. Capitol Police roving patrols, and other enhancements. It also includes improved screening procedures for visitors entering the Senate Office Buildings and the Capitol. The Capitol Police Board is working to establish more comprehensive and visible identification protocols to manage visitors better, particularly in the Capitol.

*Capitol Visitor Center.*—The Capitol Visitor Center remains an important focus of our security program. In 2000, almost three million people visited the Capitol and during peak season over 18,000 people visited the Capitol each day. In addition, delivery vehicles move tons of equipment, food, and other material into and out of the Capitol every day. These deliveries are essential to Congressional operations, but they also create risks to the Capitol complex. The Capitol Visitor Center will improve our ability to screen everything and everyone coming into the Capitol, and will enhance the public's access and experience while visiting the Capitol.

The Visitor Center will include a remote delivery-vehicle screening facility for all deliveries to the Capitol. The facility will make it easier to deliver goods to the Capitol and safer to accept those goods. The design incorporates blast-resistant features and systems that will minimize the risk of airborne hazards within the Capitol Visitor Center and the Capitol.

Once the Visitor Center is completed, the public will have just as much access to the Capitol, only through fewer access points. There will be enhanced screening and control of everyone and everything that enters the building. Screening will take place in the Visitor Center instead of near the Capitol doors, and, because of the design of the access points, the screening will make it easier to isolate and remove individuals who pose a security threat.

*Parking and Traffic Management.*—Construction of the Capitol Visitor Center, the implementation of the Perimeter Security Plan, and other construction activities have created parking and traffic management challenges.

To address the parking challenges, we made use of our existing resources and created 359 parking spaces proximate to the Capitol and Senate Office Buildings. This saved lease expenses of \$1 million annually, or approximately \$2 million to date. The parking is secure, near the Capitol, and convenient for Senators and staff.

Because the traffic that flows past the Senate Office Buildings and the Capitol directly affects the security of the Senate, the SAA staff worked with the Architect of the Capitol, the U.S. Capitol Police, and the District of Columbia's Department of Transportation to ensure the safety of Members, staff and visitors to the Senate and simultaneously minimize the traffic impact of construction projects. Much of the construction is limited to nights, weekends, and off-peak hours to reduce the impact

on traffic. The direction of one-way traffic is shifted to accommodate commuting in the morning and evenings. U.S. Capitol Police officers are stationed at major intersections to maintain traffic control and pedestrian safety.

*State Office Security.*—While many of the recent security efforts focus on Capitol Hill, Members' state offices continue to be a focus for the SAA. During the past year and a half, SAA staff have conducted comprehensive, on-site security assessments of the 430 state offices. Besides completing assessments of existing offices, a system has been implemented to assess each newly-established office.

The assessments provide the SAA an understanding of each state office's security needs and enable us to make recommendations, help the state office prioritize its needs and, ultimately, improve security. Each Member's Washington, D.C., office has the results of their state office assessments and the SAA's recommendations. We are working with each office to determine how to proceed to implement appropriate physical security upgrades.

This state office security project involves physical modifications to offices, installation of physical security systems in offices, and staff training. It is ongoing and multi-year, and the initial focus has been on state offices in commercial spaces. The Federal Protective Service and the Federal Marshals have been consulted regarding Members' offices in federal and court buildings.

#### *Emergency Preparedness*

To enhance the Senate's emergency preparedness, the SAA is addressing all aspects of preparing for, learning about, and responding to emergencies. Over the past year, the SAA has established notification systems, conducted training, and provided emergency response equipment and resources. SAA staff has also worked closely with the Architect of the Capitol and the U.S. Capitol Police to test and, where necessary, upgrade the alarms, emergency equipment, and notification systems in every Senate Office Building.

The Senate continues to improve evacuation and assembly area accountability procedures by regularly conducting evacuation drills. The SAA has also worked with Senate offices to update the procedures for evacuating mobility-impaired staff and visitors. This outreach to our special needs community will continue next year.

To maintain the focus on life-safety and emergency procedures, the SAA meets weekly with the U.S. Capitol Police, the Superintendent of the Senate, and the Capitol Fire Marshal to review life-safety programs and issues. This has resulted in better emergency equipment access to the Capitol Plaza and closer involvement by the Washington, D.C., Fire Department during evacuation drills. The SAA also is engaged with the National Capital Region's emergency management experts through a number of high-level interagency and intergovernmental committees and work groups that expand the National Capital Region's preparedness.

Highlights of the SAA's efforts to better prepare the Senate community for an emergency include:

*Alert and Notification Systems.*—In the past two years, the Senate provided BlackBerry devices and updated electronic pagers to Senators and key staff. The number of BlackBerry devices in use at the Senate continues to expand. Every office has a Senate "Group Alert" telephone system and approximately 1,000 telephones throughout the Senate are connected to the System.

Last year, wireless annunciators were added as a component of the emergency notification system. These wireless devices have been placed in every office. The U.S. Capitol Police use the annunciators to provide audible alerts of an incident, instructions on appropriate action, and additional information as an event unfolds. Annunciators supplement the Group Alert telephone system, the building fire alarms, the public address system, and other emergency notification devices.

The SAA is in the process of testing a newly installed, more capable automatic voice and text notification system that supplements the existing U.S. Capitol Police Dialogic system. Once this system is fully operational, it will be able to automatically call and send text alerts to predesignated individuals more quickly than in the past.

*Training.*—Over the past year, the SAA created and delivered training courses that cover a wide range of emergency preparedness issues. There have been 172 training sessions providing life-safety information to over 5,700 individuals. This training included: in-office sessions tailored to the emergency preparedness needs of each office, new staff and intern orientations that review emergency systems and procedures for all new staff, monthly emergency preparedness updates, and off-site training on the use of fire extinguishers.

Special topic seminars were conducted by SAA staff on evacuating Washington, D.C., evacuating people with disabilities, and sheltering in place. Training was also conducted for U.S. Capitol Police officers and Senate office personnel regarding evac-

uation procedures for mobility-impaired staff members. And, in coordination with the U.S. Capitol Police, the SAA helped train 6,770 individuals about the proper use of escape hoods. This training gives every participant the chance to don a training hood.

*Emergency Equipment.*—Almost 19,000 escape hoods, which provide protection against airborne hazards, are deployed in Senate offices and at cache sites throughout the Capitol and in Senate Office Buildings. Last year, hoods were distributed to every office. This year, escape hood cache locations were established in restaurants, hallways, near elevators, in the Capitol, and other public areas. These cache locations are quickly accessible to staff and visitors. This past year the SAA conducted the first full inventory of all the escape hoods issued to offices. Over the next year, options will be evaluated for replacing the escape hoods in anticipation of replacing the current hoods at the end of their shelf life in fiscal year 2006.

Last fall, in consultation with Senate offices, the SAA developed an emergency supplies kit that will be useful to offices in any emergency. The SAA plans to issue the kits and provide training to the Office Emergency Coordinators this spring.

#### *Continuity of Operations and Government*

This past year the SAA and the Secretary of the Senate developed and published the *Senate Continuity of Operations and Continuity of Government Planning Guide* that provides strategic guidance and a framework for developing comprehensive, integrated Senate Continuity of Operations and Continuity of Government plans. The SAA and Secretary of the Senate worked closely with all affected legislative branch agencies to ensure the plans, which are part of each office's emergency plan, are supportable and coordinated. Other initiatives the SAA has been, and will continue to be, involved in that are designed to meet the need for strong continuity of operations and continuity of government planning include:

*Senate Office Planning.*—The SAA participates in the review and update of the Senate's Continuity of Operations plans each Congress. Most Member and Committee offices now have their own Continuity of Operations plans in place. They have established alternate operating sites, have laptops and other equipment for these sites, and have backed up their essential data and other records so the sites are ready to use. Many offices activated their plans during the ricin incident and are now improving those plans. The SAA will continue to help offices prepare, review, and update their internal plans and procedures.

The SAA's Continuity of Operations planning support was extended to state offices this past year through a Web-based planning software application. The application helps Members' state offices create their plans, and enables Members' Administrative Managers to oversee those plans to ensure they fit within the office's overall office Continuity of Operations plan.

*Briefing Centers and Alternate Chamber.*—The Senate has established Briefing Centers and Alternate Chamber locations for use in emergency circumstances. Over the past year, the SAA continued to enhance its ability to support these locations, as well as Member office and Committee operations. During this time, two Briefing Centers were completed. The Centers provide temporary, protected locations where the Senate can account for membership; where Leadership, Senate Officers, and the U.S. Capitol Police can communicate with Senators; and where communications capabilities are available to Senators. A third Briefing Center is nearing completion.

Two years ago, a primary Alternate Chamber was established on Capitol Hill. Final modifications to that facility were made this past year and it is fully operational. A secondary Alternate Chamber location has also been selected off Capitol Hill. This facility is available now and final modifications are being made. Work to establish a second Alternate Chamber site off Capitol Hill will continue this upcoming year.

*Exercise of Emergency Plans.*—This past year was the second full year of an active program that ensures that we regularly rehearse and evaluate all aspects of our emergency plans. The SAA's exercise program focuses on evaluating new facilities and capabilities as they become available. In the first year, the ability to activate, relocate to, and operate out of our primary Briefing Center and the Capitol Hill Alternate Chamber location was tested.

This past year, exercises were conducted for using a second Briefing Center location and the off-site Alternate Chamber. These exercises included tabletop reviews of all aspects of the plans and procedures, and full exercises of the facilities. They included the U.S. Capitol Police Command Center and the Sergeant at Arms and Secretary of the Senate's Emergency Operation Center. The exercises also tested the transportation to each facility, support of each facility, and communications between the facility and the Command and Operation Centers. The program exercises life-

safety responses as well as emergency operations. A similar protective measures exercise of the Senate Chamber was also conducted recently.

This upcoming year, the operations of the Emergency Operations Center will be exercised and a tabletop exercise of the Alternate Computing Facility will be conducted. In addition, quarterly evacuation drills and monthly tests of the emergency communications systems will continue.

#### *The Ricin Incident*

The discovery of ricin in the Dirksen Senate Office Building on February 2, 2004, brought to test the emergency planning work done by the Senate in the last two years. The response was a collaborative effort. SAA staff worked with the U.S. Capitol Police, the Committee on Rules and Administration, the Office of the Secretary, the Office of the Attending Physician, and numerous other agencies and organizations, to support Senate operations even though all three Senate Office Buildings were closed.

The closure of the Senate Office Buildings required the activation of the SAA Continuity of Operations plan to support Senate, Member, and Committee operations. In cooperation with the Secretary of the Senate and Committee for Rules and Administration, the SAA established limited alternate space and services for Member and Committee operations. By the morning of February 4, 2004, space and operating capabilities were available for all Member and Committee offices that needed it. Offices were able to borrow equipment they needed from the SAA. Information hotlines and backup systems worked well under the circumstances. Assistance was also provided to Member offices to transfer their telephones to other offices to ensure constituents' calls were answered.

The support of the Committee on Appropriations was instrumental in implementing the systems and processes that helped the Senate respond successfully to this ricin event. Because redundant technology was available, the Senate offices were able to continue to conduct business even when they were unable to access their offices.

The feedback we received during and after the response to the incident will help improve our response to future incidents. Of primary concern is the need to improve notification processes and procedures. This incident demonstrated that a solid technical infrastructure is in place to ensure timely notifications, but the processes and procedures need improvement. We will continue to work with the U.S. Capitol Police and the Senate community to ensure effective notification in the event of an emergency.

Following the ricin incident, it was necessary to implement new mail processing procedures. Over two years ago, the Legislative Branch Mail Task Force (consisting of representatives from the scientific and medical communities, the United States Postal Service, security experts, and agencies within the legislative branch) established a mail processing system to treat and test all mail coming into the Congress. The discovery of ricin in the Majority Leader's office in February mandated the need for additional protective measures in our mail processing. Science advisors and the Legislative Branch Mail Task Force recommended that envelopes and packages be opened, examined, and tested for contaminants at an off-site location. With the approval of the Senate Leadership, these new mail processing protocols were quickly implemented.

Overall, the response to the ricin incident is encouraging. The Senate Office Buildings were reopened within 5 days. The response truly was a team effort and demonstrated the importance of preparing for emergencies to ensure continuity of operations.

#### INFORMATION TECHNOLOGY

This past year has seen significant advances in the area of information technology in the Senate. The addition of a Chief Information Officer to the SAA management team has facilitated the development and delivery of a technology vision, a strategy, and solutions to support the Senate and enhance its security.

The Senate's information technology infrastructure is used to complement other security efforts. Information technology is crucial to security in the Senate and to the Senate's ability to accomplish its day-to-day activities. With a strong emphasis on providing advanced technology capabilities and outstanding customer support to the Senate, the SAA is adopting a comprehensive approach to delivering technology solutions and services. This approach focuses on evaluating and implementing effective technology to help the Senate conduct its business.

The SAA is developing an information technology strategy that will be implemented in the coming year. The strategy will address the Senate's need for mobility,

flexibility, and redundancy in information and telecommunications systems and will specifically address the requirements that:

- Members and staffs need to be informed and have the ability to track current events in near real-time.
- Members and staffs need to be secure to carry out their duties under any circumstances.
- Members and staffs need to be able to communicate among themselves and with constituents and the public.
- Members and staffs need to be able to operate and maintain Washington, D.C., and state offices.
- Members and staffs must be able to collect, analyze, manipulate, and present information.

The strategy will include a plan and a technology roadmap for the next two years. The plan and roadmap will provide guidance to the Senate on its technology decisions, and a framework for making those decisions. In conjunction with this strategy, significant work will continue this coming year on information technology initiatives relating to security, emerging technology, and customer service. Several of these critical initiatives are set forth below.

#### *Security Initiatives*

*The Alternate Computing Facility (ACF).*—This year, the Alternate Computing Facility was added as a major addition to the Senate's operational capability. Much of the alternate computing facility infrastructure is complete, including facility fit-out, network infrastructure, network operating center, and central computing room facilities. The facility will soon be ready to house backup servers for interested Members and Committees. A fiber optic ring is now complete in both directions providing fully redundant connectivity between the ACF and Capitol Hill. A state-of-the-art storage area network at the ACF receives up to 15 terabytes of data daily from the Capitol Hill central computing facilities. The mainframe and server hardware, telephone equipment, enterprise fax server equipment, and all associated networks are in place and are being tested. Currently, installation of a fully redundant set of primary domain controllers to support the Senate e-mail system is almost complete. The next step is to complete installation and testing of all the software and applications running on the hardware infrastructure, upgrade the power infrastructure, and complete plans to purchase the facility.

*Contingency Communications.*—The SAA's contingency communications program involves a number of major multi-year projects. Last year the Senate's mobile recording studio became operational. Other mobile communications assets will be delivered over the next few months. We are working to complete communication systems that integrate communications across our emergency facilities. Combined, these projects provide a significant increase in the Senate's ability to continue to operate under any circumstance.

*Telecommunications Improvement and In-building Wireless Infrastructure.*—To enhance security, emergency preparedness, and customer service, a comprehensive telecommunications improvement plan is being implemented. Wireless devices, including cellular telephones and personal digital assistants (such as BlackBerry devices), have become critical telecommunication infrastructure components supporting daily Senate operations and emergency notification activities. The in-building wireless initiative will provide a Senate-owned wireless infrastructure integrating services from all cellular telephone carriers, BlackBerry devices, and wireless local area networks (LANs). Due to this innovative approach, which will lease infrastructure bandwidth back to the cellular telecommunications carriers, this program will pay for itself in less than five years while providing full cellular, BlackBerry, and wireless LAN connectivity across the entire Senate campus. In addition to the in-building wireless initiative, an analysis of telecommunications requirements is being conducted that will lead to a complete overhaul of our voice and data networks and services over the next several years. The first task in the analysis phase of this large project is already underway.

*Deployable Communications Assets.*—Mobility and flexibility are fundamental to successful continuity of operations and continuity of government planning and execution. The goal of this office is to make it possible for Members and their staffs to communicate and process data from almost anywhere at any time if they have to relocate. A variety of technologies and capabilities is being developed to provide mobility and flexibility options. Two state-of-the-art communications vehicles are being deployed that will allow us to establish the Senate's information infrastructure almost anywhere. Satellite, radio, and local area network and wide area network facilities currently are being integrated in each of these communications vehicles with full operational capability planned for later this year. Next year's Con-

tinuity of Operations and Continuity of Government exercises will incorporate these vehicles.

*Emergency Operations Coordination Prototype.*—To support security and emergency operations, we are working with the U.S. Capitol Police to develop a prototype emergency operations coordination system that will enable officers to update and track individuals electronically during a Capitol Hill evacuation operation. This system, which features tablet PC technology and back-end databases with full reporting capability, is currently in prototype, and will be fully operational later this year.

*Information Technology Security: Defense-in-Depth.*—During this past year, there has been a steep increase in cyber threats, as hostile entities attempt to attack our systems with viruses, worms, and denial-of-service attacks. The Senate's infrastructure and data are protected by continuously upgrading our defense-in-depth capability. The defense-in-depth approach includes multiple layers of defense that protect the Senate's information infrastructure at all levels, from the inside out. It includes an enterprise anti-virus program.

We expect to extend the enterprise anti-virus program to all 12,000 Senate desktop and laptop computers by the end of next year. To date, this software has been installed on 5,000 Senate computers, protecting them from viruses, worms, and denial-of-service attacks.

These security efforts have paid off; the Senate has not been successfully intruded upon from the outside and we have seen only minimal effects from the most aggressive virus and worm attacks. We are now working with office system administrators, who are responsible for the security of their office local area networks, to improve the Senate's overall security posture and enhance our ability to defend against intrusions.

Next year, as part of a comprehensive network infrastructure upgrade, it will be necessary to evaluate and upgrade the information security infrastructure in the Senate switched network by upgrading routers and firewalls. Increased intrusion detection systems, software tools, and services will complete the defense-in-depth approach to information infrastructure.

*Information Technology Security: Policies, Practices, Training, and Tools.*—An effective approach to information security goes beyond upgrading the information security infrastructure to include evaluating and applying best practices and information security and assurance hardware and software tools, and providing information security training for employees. Through the Information Security Policies and Practices Working Group, we are working with Members' technology staffs and the Committee on Rules and Administration to examine and improve information security practices across the Senate. Because of the increasing number of attacks the Senate faces, the SAA is also evaluating and upgrading the skills of our own information security staff.

#### *Emerging Technologies Initiatives*

One major theme that has been embraced in the Senate's information technology strategy is to identify ways that new and emerging technologies can support the Senate's priorities. We are already moving forward on this effort by analyzing trends to discern which emerging technologies will be most applicable in the Senate environment. Once promising technologies are identified, the SAA will work with interested Senate offices to pilot or prototype the technologies and prove the concepts. Following successful pilots, the technologies can be rolled out Senate wide.

*New Technology and Innovation.*—To elevate technology awareness, expose the Senate to the future of technology, and spur innovation, the SAA is sponsoring emerging technology events. The first Senate Emerging Technologies Conference, held in February 2004, brought experts from industry to the Senate to discuss emerging wireless technologies, telecommunications trends, knowledge management, and collaboration tools. The conference was followed by a technology fair highlighting low-cost applications that we could implement at the Senate in the near future. More emerging technology events are being planned for fiscal year 2005.

*Process Improvement.*—The Sergeant at Arms is creating an organization to focus on process improvement and innovation from the perspective of customer service and security. This year, the organization will perform top-down and bottom-up analyses of technology-related business processes. It will look for opportunities to innovate and will implement ways to make the Senate's technology and business processes more efficient and effective. The group will document, analyze, and improve processes such as technology project management, requests for assistance, and the Senate's systems development life-cycle.

*Technology Infusion.*—To move emerging technologies into the Senate environment quickly, the Office of the Sergeant at Arms is collaborating with Senate offices to develop prototype applications, consisting of subsets of target functionality. Two

such prototypes currently under development are the Office Emergency Coordinator tracking system and a knowledge management prototype. The approach is to think big, start small, and scale quickly.

*Customer Service Initiatives*

This office is paying special attention to how well it meets the Senate's technology needs. This effort requires the evaluation and analysis of all aspects of our information technology solutions and technology infusion and delivery programs. A survey was conducted last year that measured customers' satisfaction with technology. The survey revealed that Members and their staffs want more and better information about technology programs, a faster process for infusing new technologies, and an emphasis on looking "over the bow" toward emerging technologies and how the Senate can take advantage of these technologies in the next three years.

*Customer Service, Satisfaction, and Communications.*—The first step taken by the SAA to improve customer service, satisfaction, and communications was to implement an extensive customer outreach program that enables us to understand the Senate's requirements better. This program features communications through monthly information technology newsletters, quarterly project status reporting to Senate offices, participation in the Majority Leader's Information Technology Working Group, joint monthly project and policy meetings with the Committee on Rules and Administration and the Senate System Administrators Association leadership, and participation in a Hill-Wide Information Technology Group. We are also emphasizing customer service by enforcing stringent service-level agreements with our technology Help Desk contractor. This program has been extremely successful with sustained performance levels meeting or exceeding the service-level agreement (greater than 95 percent based on customer satisfaction surveys) for the past eight months.

*Business Applications.*—Based on input and feedback from users, it was determined that many of the business software applications supporting Members and their staffs needed to be updated. The Senate Information Services program will be modernized to provide more information from various news sources in near real-time and more comprehensive analysis of that information. The financial management systems that support the Secretary of the Senate's Disbursing Office are also being modernized and made Web-capable. We are also exploring new correspondence tracking and management systems and have added to the list of available application offerings.

*Intelligence over the Net-Web Services.*—One major technology focus is to move applications and processing capability to the Senate's Intranet. Flexible Web services technologies will allow the placement of many service-delivery applications to Webster so users can access them with a Web browser. The goal is for the Senate Intranet to evolve into a full capability portal providing Senate staff "one-stop shopping" for common business application functionality.

*Secure Remote Access Options.*—In addition to moving applications to the Web, this office is aggressively exploring alternate ways for Senate users to gain secure remote access to Senate information resources. In particular, biometric capabilities are being explored to add to the secure networking options already provided.

*Network Upgrades and Video Teleconferencing.*—To support flexibility, mobility, and improved customer service, we are expanding and upgrading the Senate's information networks. Over the next year, the Capitol Hill network infrastructure upgrade will be complete, delivering increased communications bandwidth to the desktop to support the applications of the future. This upgrade, already underway, will provide 100 megabits per second (Mbps) to the desktop and one gigabit per second (Gbps) between servers in the network. To improve communications for Members' state offices, we continuously analyze and adjust their wide area network connections and increase bandwidth as required. This flexibility allows us to support sophisticated Web services over the Internet, as well as the video teleconferencing program that is currently underway. Under the video teleconferencing program, a state-of-the-art video teleconferencing terminal will be installed at each Member's Capitol Hill office and a similar terminal at the state office of their choice.

*Electronic Mail and Office Automation Applications.*—The Senate Messaging Infrastructure is almost complete, with 98 percent of all offices migrated to Microsoft Exchange and Outlook. The Active Directory Messaging Architecture program, the successor to the Senate Messaging Infrastructure program, is currently in the design phase. It will allow Member and Committee offices to have choices between central and distributed management of their Exchange servers, a Senate global address list, and office servers updated from Microsoft NT4 to Microsoft Windows 2003 technology. In addition, we will continue to expand and upgrade our BlackBerry system to supplement both the Senate e-mail system and the emergency notification

systems. Moving into the next year, continued convergence of devices and the widespread use of combination cell phone and BlackBerry devices are anticipated. This office is committed to deploying systems that will allow Members more flexibility in choosing which wireless device to use for receiving emergency notifications and legislative alerts.

#### OPERATIONAL SUPPORT

While security and information technology initiatives are necessarily at the forefront of the SAA's efforts to serve the Senate community at this particular time in history, the core value required to execute these initiatives successfully—a commitment to exceptional customer service—has always been a cornerstone of the SAA's operational support. Over the past year, we have seen significant improvements in the operational aspects of the SAA's support to the Senate. Some of the achievements and projects outlined below are the result of better integrating technology into business practices; others originated from the need to find innovative solutions to challenges presented by the ricin incident. Regardless of the impetus for these accomplishments, they all demonstrate the hard work and dedication of the SAA operational staffs.

*Senate Post Office.*—The Senate Post Office delivered nearly 19 million safe articles of mail to the Senate community during fiscal year 2003. It is our understanding that this was accomplished for approximately \$3 million less than the House of Representatives, which uses an outside contractor to handle similar volume.

One of the security improvements implemented this past year was a new package and envelope-testing site for couriers, allowing for same-day delivery of time-sensitive items. Additionally, as set forth previously in this testimony, the ricin incident in February led to the adoption of new mail protocols. This was accomplished by leveraging existing personnel and assets while improving the safety, security, and cost effectiveness of mail delivery.

*Warehouse.*—The need for a modern, efficiently designed warehouse facility and mail processing facility continues and, following the ricin incident, has become more critical. All mail, packages, and deliveries to the Senate must be inspected to ensure the safety of the institution. We believe that locating a new warehouse adjacent to the U.S. Capitol Police off-site inspection facility will yield considerable security and operating benefits. The warehouse and mail processing facilities, together with planned U.S. Capitol Police initiatives, will ensure the safety and security of Senate assets and staff. The financial benefits include eliminating an estimated \$800,000 in annual recurring costs, including the outsourcing expenses for package processing that are currently being performed by a contractor.

Current warehouse facilities are geographically dispersed, environmentally inadequate for document and furniture storage and do not meet the minimum requirements of the General Services Administration. A new facility will correct these problems and enable volume discounts for Secretary of the Senate and SAA purchases. It will give a longer useful life to furniture and fixtures warehoused and provide specialized storage to meet the needs of the Senate Curator and Librarian. A new warehouse facility will ultimately benefit the whole Senate community through increased efficiency, enhanced security, and improved organization.

*Capitol Facilities.*—The Capitol Facilities staff continues to work around the clock to ensure that the environment within the Capitol is clean and professional. With a new management team and a fresh look at key processes, the appearance of the Capitol has significantly improved. Among the staff's many accomplishments this past year is its successful relocation of the Secretary of the Senate's Capitol staff from basement offices, which were disrupted by Capitol Visitor Center construction, to newly developed fourth-floor office space. This move was done without interrupting the Secretary of the Senate's ability to support the legislative process.

*Printing, Graphics, and Direct Mail.*—The innovations in this operational area resulted in substantial cost savings to its customers. Specifically, over \$1.8 million was saved through the staff's work with Member offices on ways to address letters to ensure discounted postage rates are received as often as possible. The amount of processed mail that qualified for discounted postage this past year was 23 percent higher than in fiscal year 2002.

The use of technology in this area has enhanced customer service. Over 2.2 million documents were produced through the SAA's online ordering service, a 427 percent increase over fiscal year 2002, when the service was first implemented. Online ordering reduces errors and provides convenience and labor savings by enabling Senate offices to order printing services from their desktops.

This past year, automation also resulted in a significant increase in the Senate's ability to archive documents. By fully automating the process, the SAA was able to archive over two million documents for the Senate. This represents a 218 percent increase over the previous year with no additional staff.

*Photo Studio.*—The Senate Photo Studio completed its transition from film to high-resolution digital photography and its conversion to digital photo printing processes this past year. Photography and photo printing services are now being performed digitally, eliminating some chemical processes and bringing significant improvements in quality and delivery of products to our customers.

The shift to a digital operation allows staff to view photographs taken by the Senate Photo Studio immediately, on site. It also enables the Studio to e-mail high-resolution images to Senate offices, and allows offices to view images and download them. These enhancements have been received well by customers.

*Senate Recording Studio.*—The Senate Recording Studio remains a leader in the use of technology. Last year, the Recording Studio initiated a project to upgrade and install multimedia equipment in Committee hearing rooms, including digital signal processing, audio systems, and broadcast quality robotic camera systems. This project will continue this year.

The audio upgrades will improve speech intelligibility and provide software-based systems that can be reconfigured based on an individual Committee's needs. The upgrades also include diagnostic monitoring, which enables staff to detect and resolve problems before the problems become disruptive. For instance, if a Member is speaking at a relatively low volume, the system can more effectively raise the volume of that microphone. If a Member who is about to speak does not turn on the microphone, the Committee clerk can remotely turn it on from a computer. Even if the main electronics fail, a backup system will take over within minutes. Additionally, the system provides networking that allows the audio to be automatically routed from one hearing room to other hearing rooms for overflow purposes.

The video upgrades will include the addition of broadcast-quality television cameras. These cameras will be installed on robotic systems and can be controlled remotely from the Recording Studio. The upgrades also include cabinetry so the cameras can be concealed when not in use. Once this project is completed, the Recording Studio will be able to meet the demand for the broadcast of Committee hearings and simultaneously maintain production capabilities in the television studios.

The Senate has had the ability to search Chamber proceedings by text and listen to audio playback from desktop computers for years. In fact, the Senate was a pioneer in this area, and accomplished it in the early years of computer browsers. The next major advance will be the replacement of the audio and text browsing systems this summer with a state-of-the-art audio/text/video browsing system. This will enable Senate staff to search and play back Chamber proceedings and news programming from any computer on the Senate LAN.

This system is the result of a modernization of the Senate Recording Studio's technical plant that incorporates technology so new that it is operational in only a handful of facilities in the country. This new technology will enable the Recording Studio to record, edit, and play media without ever using tape machines, while simultaneously making the media available for online searching and streaming. In the near future, the Recording Studio plans to add Senate hearings and other media to the system.

*Education and Training.*—In 2003, the Senate's Joint Office of Education and Training offered 694 classes, with 6,916 Senate employees participating. Of the total number of classes offered, 309 were technical training, with 1,730 students participating. The registration desk handled 15,390 requests for training and documentation. An additional 1,126 staff received coaching on various software packages and other computer-related issues. Training was provided to almost the entire Senate community as the new Senate Messaging Infrastructure was implemented.

Over 350 professional development classes were offered last year with a total attendance of 5,117 students. Managers and supervisors are encouraged to request customized training for their offices. As a result, the staff of the Joint Office of Education and Training worked on more than 40 occasions with teams on issues related to team performance, communication, and conflict resolution. Over 1,300 Senate staff also took advantage of the 18 health events sponsored by this office.

A "State Training Fair," which was first available in March 2000, was offered three times this past year to 134 state staff members. Forty-two senior leaders in state offices also participated in the first State Directors Forum. In addition, state offices continue to be offered "Virtual Classrooms," an Internet-based training library of over 300 courses. To date, 164 state office staff, representing 59 Senators, have used the virtual classrooms.

The Joint Office of Education and Training ensures that the training designed for Senate staff meets their needs. This upcoming year particular attention will be paid to providing training to increase the Senate's awareness of information technology security. Specifically, an IT Security Awareness program for Senate staff is being developed and a course on reviewing and configuring security settings on Windows servers is ready for delivery. Existing computer security classes and documentation are being revamped, and IT security issues will be included as an integral part of our system administration classes and other classes. System Administrators will be able to receive training to maintain and enhance their skills, including new, self-paced training with mentoring for those who would benefit from more instruction and personal guidance.

*Support to Other Organizations.*—In addition to the support the SAA provides the Senate, we also provide significant support to organizations outside the Senate. In fiscal year 2003, the SAA performed services for other organizations costing over \$3 million without reimbursement. Most of these services support the U.S. Capitol Police and the Architect of the Capitol. However, support is also provided on occasion to the House of Representatives, and to liaison offices and other organizations located in the Senate Office Buildings. These services include printing and graphics products, maintenance of radio and network systems, telephone services (some of which are reimbursed), and computer repair and installation.

#### CONCLUSION

The staff of the SAA has done tremendous work to keep the Senate safe, secure, and operating efficiently. The accomplishments and vision of this office would not be possible without the active, ongoing support of this Committee and the Committee on Rules and Administration. We thank you for your support and for the opportunity to present this testimony and answer questions.

From security to technology to operational support, we are dedicated to making sure that our products and services support the Senate's mission. The appendix accompanying this testimony elaborates the specific components of our fiscal year 2005 budget request.

#### ATTACHMENT I

#### FINANCIAL PLAN FOR FISCAL YEAR 2005

#### OFFICE OF THE SERGEANT AT ARMS—UNITED STATES SENATE

#### EXECUTIVE SUMMARY

[Dollars in thousands]

	TOTALS		Fiscal Year 2005 vs. Fiscal Year 2004	
	Fiscal Year 2004 Budget	Fiscal Year 2005 Request	Amount	Percent Incr/Decr
General Operations & Maintenance:				
Salaries .....	\$45,789	\$50,635	\$4,846	10.6
Expenses .....	\$46,581	\$55,585	\$9,004	19.3
Total General Operations & Maintenance .....	\$92,370	\$106,220	\$13,850	15.0
Mandated Allowances & Allotments .....	\$56,398	\$58,129	\$1,731	3.1
Capital Investment .....	\$27,570	\$18,062	(\$9,508)	-34.5
Nondiscretionary Items .....	\$4,694	\$4,290	(\$404)	-8.6
TOTAL .....	\$181,032	\$186,701	\$5,669	3.1
Staffing .....	845	860	15	1.8

To ensure that we provide the highest levels and quality of security, support services and equipment, we submit a fiscal year 2005 budget request of \$186,701,000, an increase of \$5,669,000 or 3.1 percent compared to fiscal year 2004. The salary budget request is \$50,635,000, an increase of \$4,846,000 or 10.6 percent, and the expense budget request is \$136,066,000, an increase of \$823,000 or 0.6 percent. The staffing request is 860, an increase of 15 FTEs.

For the third consecutive year, we have increased funds for security initiatives. The fiscal year 2005 budget request for security is \$17,698,000, an increase of \$1,588,000 or 9.8 percent compared to fiscal year 2004. The most significant aspects of the total security request are funding security upgrades for Member state offices (\$3,650,000 in expenses); the Alternate Computing Facility (ACF) (\$1,172,000 in salaries for 17 FTEs and \$2,166,000 in expenses); enhanced communication services (\$2,300,000 in expenses); personnel and operating expenses requested for the Office of Security and Emergency Preparedness (\$1,074,000 in salaries for 12 FTEs and \$2,166,000 in expenses); secure mail and package processing protocols (\$694,000 in salaries for 19 FTEs and \$2,165,000 in expenses); and network security (\$305,000 in salaries for 4 FTEs and \$1,704,000 in expenses).

We present our budget in four categories: General Operations and Maintenance (Salaries and Expenses), Mandated Allowances and Allotments, Capital Investment, and Nondiscretionary Items.

The general operations and maintenance salaries budget request is \$50,635,000, an increase of \$4,846,000 or 10.6 percent compared to fiscal year 2004. The salary budget increase is due to the addition of 15 FTEs, a 3.9 percent COLA, and merit funding. The additional staff will augment our security team, improve operations, expand services, and meet new requirements for the Senate community.

The general operations and maintenance expenses budget request for existing and new services is \$55,585,000, an increase of \$9,004,000 or 19.3 percent compared to fiscal year 2004. Major factors contributing to the increase are price adjustments and annual escalations in the IT Support contracts, \$2,583,000; increased cost of expanded intrusion detection monitoring services and software, \$1,105,000; implementation of a new real-time news service and renegotiation of all other Senate Information Services (SIS) contracts, \$860,000; management consultants and services required for security operations and planning and emergency preparedness, \$666,000; replacement of existing enterprise servers, \$565,000; replacement of wiring in the Capitol, \$500,000; increased hardware maintenance and licenses for the ACF, \$310,000; procurement of furnishings, carpeting, and window treatments for the Senate wing of the Capitol, \$238,000; support agreements for word processing and virus software, \$202,000; and increased mainframe software maintenance, \$181,000.

The mandated allowances and allotments budget request is \$58,129,000, an increase of \$1,731,000 or 3.1 percent compared to fiscal year 2004. Major factors contributing to the increase are projected increases in commercial and federal office rents, \$953,000, and maintenance and monitoring of previously installed security systems and new security installations in offices established following the 2004 elections, \$906,000. A decrease of \$294,000 in office equipment purchases in Washington D.C. and state offices partially offsets these increases.

The capital investment budget request is \$18,062,000, a decrease of \$9,508,000 or 34.5 percent compared to fiscal year 2004.

Major factors contributing to this budget request are completing the procurement of the Mail Processing Facility/Warehouse, \$7,200,000; upgrading Senate data networks and related management systems, \$2,952,000; initial design and equipment purchases for the replacement of the Capitol Hill telephone system, \$2,800,000; procurement of furnishings and equipment for the Senate side of the Capitol Visitor's Center (CVC), \$2,500,000; workflow technology hardware and software, \$400,000; backup document archiving system at the ACF, \$350,000; emergency backup storage for Members at the ACF, \$325,000; upgrading mail processing equipment, \$310,000; and testing and evaluating telecommunications equipment and products, \$250,000. Funds also are requested for several smaller printing and video projects.

Funding is no longer required for relocation of the Recording Studio in conjunction with the CVC Project and completion of Phases I, II and III for the Digital Technology Migration Project, completion of CMS projects, acquisition of the work-order system, acquisition of an ID laser printing system, acquisition of a mail sorter, and completion of the upgrade to the video conferencing project.

The nondiscretionary items budget request is \$4,290,000, a decrease of \$404,000 or 8.6 percent compared to fiscal year 2004. Major factors contributing to this budget request are contract maintenance for the Financial Management Information System (FMIS), \$2,700,000; enhancements to the Legislative Information System (LIS), \$1,220,000; and requirements definition for replacement of the Senate Payroll System, \$370,000.

## ATTACHMENT II

## FISCAL YEAR 2005 BUDGET REQUEST BY DEPARTMENT

The following is a summary of the SAA's fiscal year 2005 budget request on an organizational basis.

[Dollars in thousands]

Department	TOTALS		Fiscal Year 2005 vs. Fiscal Year 2004	
	Fiscal Year 2004 Budget	Fiscal Year 2005 Request	Amount	Percent Incr/Decr
Capitol Division .....	\$10,765	\$13,400	\$2,635	24.5
Operations .....	\$43,473	\$37,608	(\$5,865)	- 13.5
Chief Information Officer .....	\$91,781	\$99,074	\$7,293	7.9
Office Support .....	\$29,230	\$30,261	\$1,031	3.5
Staff Offices .....	\$5,783	\$6,358	\$575	9.9
<b>TOTAL .....</b>	<b>\$181,032</b>	<b>\$186,701</b>	<b>\$5,669</b>	<b>3.1</b>

Each department's budget is presented and analyzed in detail beginning on the next page.

## CAPITOL DIVISION

[Dollars in thousands]

Capitol Division	TOTALS		Fiscal Year 2005 vs. Fiscal Year 2004	
	Fiscal Year 2004 Budget	Fiscal Year 2005 Request	Amount	Percent Incr/Decr
<b>General Operations &amp; Maintenance:</b>				
Salaries .....	\$6,355	\$7,317	\$962	15.1
Expenses .....	\$1,666	\$2,433	\$767	46.0
<b>Total General Operations &amp; Maintenance .....</b>	<b>\$8,021</b>	<b>\$9,750</b>	<b>\$1,729</b>	<b>21.6</b>
Mandated Allowances & Allotments .....	\$2,744	\$3,650	\$906	33.0
Capital Investment .....	\$0	\$0	\$0	0.0
Nondiscretionary Items .....	\$0	\$0	\$0	0.0
<b>TOTAL .....</b>	<b>\$10,765</b>	<b>\$13,400</b>	<b>\$2,635</b>	<b>24.5</b>
Staffing .....	143	145	2	1.4

The Capitol Division consists of the Executive Office, Media Galleries and the Office of Security and Emergency Preparedness.

The general operations and maintenance salaries budget request is \$7,317,000, an increase of \$962,000 or 15.1 percent. The salary budget increase is due to the addition of two FTEs, an expected 3.9 percent COLA, and merit funding for fiscal year 2005. The Office of Security and Emergency Preparedness requires two additional FTEs to direct, develop and monitor the processes and procedures needed to ensure security for the Senate and to work on the Continuity of Operations Plan.

The general operations and maintenance expenses budget request is \$2,433,000, an increase of \$767,000 or 46.0 percent, primarily for increased management consulting services for security initiatives.

The mandated allowances and allotments budget request for state office security initiatives is \$3,650,000, an increase of \$906,000 or 33.0 percent. Funding is required for the maintenance and monitoring of previously installed security systems and new security installations in offices established following the 2004 elections and consists of three-year funds.

**OPERATIONS**  
[Dollars in thousands]

Operations	TOTALS		Fiscal Year 2005 vs. Fiscal Year 2004	
	Fiscal Year 2004 Budget	Fiscal Year 2005 Request	Amount	Percent Incr/Decr
General Operations & Maintenance:				
Salaries .....	\$16,349	\$17,817	\$1,468	9.0
Expenses .....	\$7,992	\$8,816	\$824	10.3
Total General Operations & Maintenance .....	\$24,341	\$26,633	\$2,292	9.4
Mandated Allowances & Allotments .....	\$0	\$165	\$165	.....
Capital Investment .....	\$19,132	\$10,810	(\$8,322)	- 43.5
Nondiscretionary Items .....	\$0	\$0	\$0	0.0
TOTAL .....	\$43,473	\$37,608	(\$5,865)	- 13.5
Staffing .....	363	364	1	0.3

The Operations Division consists of the Central Operations Group (Printing, Graphics and Direct Mail, Parking Office, Director/Management, ID Office, Photo Studio, and Hair Care Services), Operations Administrative Services, Recording Studio, Post Office, and Facilities.

The general operations and maintenance salaries budget request is \$17,817,000, an increase of \$1,468,000 or 9.0 percent. The salary budget increase is due to the addition of one FTE to provide administrative support, an expected 3.9 percent COLA, and merit funding for fiscal year 2005.

The general operations and maintenance expenses budget request is \$8,816,000, an increase of \$824,000 or 10.3 percent. Major factors contributing to the increase are maintenance and procurement of furnishings, carpeting and window treatments for the Senate wing in the Capitol building, \$238,000; increased warehouse rent and operating expenses, \$120,000; software customizations and interfaces for the work-order system purchased in fiscal year 2004, \$100,000; increased screening costs for more secure package processing, \$100,000; replacement of miscellaneous printing/ mailing equipment, \$90,000; and maintenance on software and production equipment, \$55,000.

The mandated allowances and allotments budget request is \$165,000 to furnish Capitol offices. The capital investment budget request is \$10,810,000, a decrease of \$8,322,000 or 43.5 percent.

Major factors contributing to this budget request are completion of the procurement of the Mail Processing Facility/Warehouse, \$7,200,000; procurement of furnishings and equipment for the Senate side of the CVC, \$2,500,000; purchase of a Data Storage Server to provide emergency archival backup services for Member offices at the ACF, \$350,000; upgrades to and replacement of outdated mailing equipment, \$310,000; replacement of an outdated color printer, \$200,000; and upgrades to and enhancement of the Photo Browser database, \$200,000.

Funding is no longer required for relocation of the Recording Studio in conjunction with the CVC Project and completion of Phases I, II and III for the Digital Technology Migration Project, upgrades to the Senate Chamber Audio System, acquisition of the work-order system, acquisition of an ID laser printing system, and acquisition of a mail sorter for the Post Office.

Funding for the Mail Processing Facility/Warehouse, \$7,200,000, and the Facilities CVC project, \$2,500,000, consists of three-year funds.

**CHIEF INFORMATION OFFICER**

[Dollars in thousands]

Chief Information Officer	TOTALS		Fiscal Year 2005 vs. Fiscal Year 2004	
	Fiscal Year 2004 Budget	Fiscal Year 2005 Request	Amount	Percent Incr/Decr
General Operations & Maintenance:				
Salaries .....	\$16,498	\$18,395	\$1,897	11.5
Expenses .....	\$35,795	\$43,074	\$7,279	20.3

(Dollars in thousands)

Chief Information Officer	TOTALS		Fiscal Year 2005 vs. Fiscal Year 2004	
	Fiscal Year 2004 Budget	Fiscal Year 2005 Request	Amount	Percent Incr/Decr
Total General Operations & Maintenance .....	\$52,293	\$61,469	\$9,176	17.5
Mandated Allowances & Allotments .....	\$26,356	\$26,063	(\$293)	- 1.1
Capital Investment .....	\$8,438	\$7,252	(\$1,186)	- 14.1
Nondiscretionary Items .....	\$4,694	\$4,290	(\$404)	- 8.6
TOTAL .....	\$91,781	\$99,074	\$7,293	7.9
Staffing .....	249	254	5	2.0

The Chief Information Officer Division consists of IT Support Services, Technology Development Services, Administrative Services, Process Management and Innovation, and Information Technology.

The general operations and maintenance salaries budget request is \$18,395,000, an increase of \$1,897,000 or 11.5 percent. The salary budget increase is due to the addition of five FTEs, an expected 3.9 percent COLA, and merit funding for fiscal year 2005. IT Support Services requires three new FTEs to serve as network engineers to accommodate increased workload for emergency preparedness and telecommunication systems at alternate locations. Technology Development Services requires one FTE to serve as a senior software specialist to assist with maintenance and enhancements to the Contract Administration System and other administrative systems. Administrative Services requires one FTE to draft correspondence, proof documents, and provide executive-level assistance to the Technical Writer, the Assistant Sergeant at Arms for Security and Emergency Preparedness, the Assistant Sergeant at Arms and Chief Information Officer, and Special Projects.

The general operations and maintenance expense budget request is \$43,074,000, an increase of \$7,279,000 or 20.3 percent. Major factors contributing to this increase are price adjustments and annual escalations in the IT support contract, \$2,583,000; increased cost of expanded intrusion detection monitoring services and software, \$1,105,000; implementation of a new real-time news service and renegotiation of all other SIS contracts, \$860,000; replacement of existing enterprise servers, \$565,000; replacement of wiring in the Capitol, \$500,000; increased hardware maintenance and licenses for the ACF, \$310,000; support agreements for word processing and anti-virus software, \$202,000; increased professional services for threat assessments and disaster recovery improvements, \$190,000; increased mainframe software maintenance, \$181,000; and additional purchases of data communication equipment, \$172,000.

The mandated allowances and allotments budget request is \$26,063,000, a decrease of \$293,000 or 1.1 percent. Major factors contributing to this budget request are voice and data communications for Washington D.C. and state offices, \$17,937,000; procurement and maintenance of Members' constituent mail systems, \$4,255,000; procurement and maintenance of office equipment for Washington D.C. and state offices, \$3,181,000; and acquisition of the Appropriations Analysis and Reporting System, \$400,000. Reduced purchases of office equipment, primarily photocopiers, for Washington D.C. and state offices results in the lower budget request for fiscal year 2005. Funding for procurement and maintenance of Members' constituent mail systems, \$4,255,000, consists of five-year funds.

The capital investment budget request is \$7,252,000, a decrease of \$1,186,000 or 14.1 percent. Major factors contributing to this budget request are upgrade of the data network, \$2,952,000; initial design and equipment purchases for the replacement of the Capitol Hill telephone system, \$2,800,000; and purchase of data storage servers to provide emergency backup for Member offices at the ACF, \$325,000. Reduced funding needs for the Asset Management Upgrade Project as it moves into the maintenance phase, several CMS-related projects, the Public Key Infrastructure project, the Wireless PDA project, the Enterprise Storage Area Network project, and the Application Server Provider project result in the lower budget request for fiscal year 2005.

The nondiscretionary items budget request is \$4,290,000, a decrease of \$404,000 or 8.6 percent. Major factors contributing to this budget request are contract maintenance for the Financial Management Information System (FMIS), \$2,700,000; enhancements to the Legislative Information System (LIS), \$1,220,000; and requirements definition for replacement of the Senate Payroll System, \$370,000.

## OFFICE SUPPORT SERVICES

(Dollars in thousands)

Office Support Services	TOTALS		Fiscal Year 2005 vs. Fiscal Year 2004	
	Fiscal Year 2004 Budget	Fiscal Year 2005 Request	Amount	Percent Incr/Decr
General Operations & Maintenance:				
Salaries .....	\$1,895	\$1,995	\$100	5.3
Expenses .....	\$37	\$15	(\$22)	-59.5
Total General Operations & Maintenance .....	\$1,932	\$2,010	\$78	4.0
Mandated Allowances & Allotments .....	\$27,298	\$28,251	\$953	3.5
Capital Investment .....	\$0	\$0	\$0	0.0
Nondiscretionary Items .....	\$0	\$0	\$0	0.0
TOTAL .....	\$29,230	\$30,261	\$1,031	3.5
Staffing .....	28	28	0	0.0

The Office Support Services Department consists of the Customer Support, Help and IT Request Processing, State Office Liaison, and Director branches.

The general operations and maintenance salaries budget request is \$1,995,000, an increase of \$100,000 or 5.3 percent. The salary budget increase is due to an expected 3.9 percent COLA and merit funding for fiscal year 2005.

The general operations and maintenance expenses budget request is \$15,000, a decrease of \$22,000 or 59.5 percent, resulting from a reduction in travel costs and office supplies.

The mandated allowances and allotments budget request is \$28,251,000, an increase of \$953,000 or 3.5 percent, resulting from projected increases in commercial and federal office rents. Funding to purchase computer equipment for Members, Committees, Officers, and Leadership, \$10,315,000, consists of three-year funds.

## STAFF OFFICES

(Dollars in thousands)

Staff Offices	TOTALS		Fiscal Year 2005 vs. Fiscal Year 2004	
	Fiscal Year 2004 Budget	Fiscal Year 2005 Request	Amount	Percent Incr/Decr
General Operations & Maintenance:				
Salaries .....	\$4,692	\$5,111	\$419	8.9
Expenses .....	\$1,091	\$1,247	\$156	14.3
Total General Operations & Maintenance .....	\$5,783	\$6,358	\$575	9.9
Mandated Allowances & Allotments .....	\$0	\$0	\$0	0.0
Capital Investment .....	\$0	\$0	\$0	0.0
Nondiscretionary Items .....	\$0	\$0	\$0	0.0
TOTAL .....	\$5,783	\$6,358	\$575	9.9
Staffing .....	68	69	1	1.5

The Staff Offices Division consists of Education and Training, Financial Management, Human Resources, and Special Projects.

The general operations and maintenance salaries budget request is \$5,111,000, an increase of \$419,000 or 8.9 percent. The salary budget increase is due to the addition of one FTE to perform compensation and classification duties, an expected 3.9 percent COLA, and merit funding for fiscal year 2005.

The general operations and maintenance expenses budget request is \$1,247,000, an increase of \$156,000 or 14.3 percent, primarily from increased professional services operating expenses and purchase of equipment and software for training programs.

## EFFECT OF BUDGETARY FREEZE

Senator CAMPBELL. Thank you, Mr. Pickle. I'm going to ask you what I've asked everyone who's testified before this committee this year, and that is, how would you manage if we had a freeze, and have you prioritized your budget?

Mr. PICKLE. I'd really have to study it but I would say offhand the first thing that we would not touch would be security and emergency preparedness. Then we would look and prioritize, along with the committee's assistance, and work on those areas where we could make cuts. But certainly the security and emergency preparedness would be untouchable for me.

## STATUS OF WAREHOUSE

Senator CAMPBELL. Good answer. Now, last year we provided \$6.3 million for design and land purchase for a new warehouse. Your budget request for 2005 includes an additional \$7.2 million for this same project. What's the status of that warehouse project now?

Mr. PICKLE. The actual design of the project is about two-thirds complete. But this year's ricin attack has put us back a little bit. And let me explain that. We all agree that a warehouse is very important. We're using three very obsolete facilities—they're spread out around the metropolitan area—and for many, many reasons we need to replace those three facilities with one. The ricin attack caused us to make some very fundamental changes here on the Hill in regard to mail processing. As you probably realize, we are now examining all mail before it comes on campus. What we are looking to do is, we want a partnership with the police department, and we're looking for one footprint, or one piece of land, where we can have separate facilities—a warehouse, a mail processing center and the police department's off-site inspection center. We're moving toward it, and the reality is that money that's been appropriated is a good start, but I truly believe we're going to need significantly more money to do this the right way.

Senator CAMPBELL. So this \$7.2 million won't be enough to complete the project? Is that correct?

Mr. PICKLE. No, it will not. It would be substantially more than that.

Senator CAMPBELL. Is it something that could be deferred in view of budgetary constraints or is that considered a really high priority?

Mr. PICKLE. I think it's a high priority for several reasons. We have personnel who are now opening this mail off-site in very primitive conditions. We're making them safe, they are safe.

Senator CAMPBELL. What is a primitive condition?

Mr. PICKLE. When I say primitive, we are remodeling a current warehouse facility; it's a very close-in facility. Now, where it's safe, and we have the negative airflow and we have all the precautions that we're taking to make them safe, it's just not a very efficient operation. There are several different processes, which I won't go into here in this open session, but there's several different processes and it is a very, very labor-intensive process.

Senator CAMPBELL. Well, the ricin scare was after we provided the \$6.3 million. Have you had to do design changes that you hadn't expected?

Mr. PICKLE. Yes, we have because the ricin scare forced us to look at the way we handled mail and it's caused us to do a re-engineering of the actual process. But the fundamental design changes whereby walls are here and interior walls are here, that hasn't changed too significantly.

#### STAFFING LEVELS

Senator CAMPBELL. I see. Your budget also includes 15 additional staff over the fiscal year 2004 authorized level. This committee understands that there are about 50 vacancies, excluding patronage positions. Why do you have so many unfulfilled positions and why are you requesting additional ones when you haven't filled the other 50?

Mr. PICKLE. Well, that was my question, too. It was my question last year and I think it was your question last year. And I thought I had a good answer last year and I'm going to try to give you a better one this year. What we have found is, we have an attrition rate of maybe 3 or 4 percent a year. We constantly have people who are leaving for one reason or another. We have also been given additional positions by this committee over the last several years which we are trying very aggressively to fill. So I guess what I'm saying is, as we hire one person we may have one vacancy occur. But the other part of that, and this is an important part, we have many applicants for these positions but we still continue to insist on hiring only the best people we can find. And if we don't find the right person then we won't fill that person and we will readvertise it. But I agree it's imperative that we become fully staffed. We are not there yet and I do not think, based on what I found out, that we are any different than any other organization, private or governmental, whereby you ever reach full staffing levels.

Senator CAMPBELL. So with the 50 vacancies, are our service levels degraded any place in particular?

Mr. PICKLE. I think it's across the board but one of the areas that we're increasing dramatically this year, and it's not reflected in our initial budget request, is we've added 12 positions to the post office for mail handlers, and this is for those personnel who will examine mail.

#### NEW TELEPHONE SYSTEM

Senator CAMPBELL. Your budget includes \$2.8 million for the design of a new Capitol Hill telephone system. Why is that system needed and when would funding be required for the system itself?

Mr. PICKLE. It's my understanding the last major telecommunications upgrade took place in the late 80's. What this \$2.8 million does for us is it gives us about \$800,000 to do the actual consulting work, the research, the developmental work, looking at the architecture we have or will need. The other \$2 million is a number that we believe will be sufficient this year to start buying additional equipment, phone sets. But you are right and I think where you're going, the long-term cost will be much more but we can't—

Senator CAMPBELL. Do you have an estimate about that long-term cost?

Mr. PICKLE. The long-term cost I do not know; we won't know until we complete the consulting work. That's part of this funding.

#### NEW MAIL HANDLING PROTOCOLS

Senator CAMPBELL. For whatever you can say in a public forum here, what's the status of the new mail handling protocols? What's been put in place following the ricin incident?

Mr. PICKLE. Let me talk in general terms if I may. Mail coming to the Senate continues to be irradiated at a postal facility in the Northeast part of this country. It's then delivered here to Washington where it goes to a mail examining center. The mail is examined in a particular process. It then goes to another center where it's actually opened, physically opened, and each individual letter is opened and examined for any type of substance. It's then quarantined until the tests come back negative. It is then delivered to the Senate post office, where the post office then delivers it to the individual committee or Member's office. This process, unfortunately, adds about 24 hours to the current mail delivery process. We're looking at postmark to delivery about 8 to 10 days. Now, having said that, we still have a backlog because, as you remember, on February 3, when we had the ricin attack, we stopped delivery of mail for approximately 10 days here on the Senate side. We're trying to go through all that mail that is backed up and clean it out of the system and get it delivered. So we still have a backlog of just under 2 weeks of mail that hasn't been caught up with.

Senator CAMPBELL. About 2 weeks?

Mr. PICKLE. About 2 weeks' worth.

#### EFFECTS OF IRRADIATION

Senator CAMPBELL. One last little question. I don't know if this happened to all the other Senators or just me but this is my Senate card, and it's all faded and flat. The raised numbers, that go through the irradiation machine, they're perfectly flat so the electronic tape, this magnetic tape on the back still works but the front doesn't. I was told that that's what irradiation does to them. Is that just my card or do they all come out like that?

Mr. PICKLE. No, if the irradiation level is high enough it will, the term that's used, "cook" something and that heat could, in fact, flatten those out.

Senator CAMPBELL. Is there anything on the drawing board that won't do that to cards?

Mr. PICKLE. Well, I'm surprised that happened. We promised about 1 year ago that we would reduce those levels considerably so as to prevent that. But we will look into that, certainly.

Senator CAMPBELL. Okay, I have no further questions. Senator Durbin.

#### JUDICIARY COMMITTEE PROBE

Senator DURBIN. Thank you, Mr. Chairman. Mr. Pickle, again let me thank you and all those who helped you with the investigation

on the computer break-in, computer theft. I know it was an extraordinary commitment on your part and the people who worked with you, with the Capitol Police as well as the Secret Service. I thank you for that.

Mr. PICKLE. Thank you.

Senator DURBIN. I'd like to ask you a few follow-up questions. You're aware of the fact that when the Senate Judiciary Committee finished a number of letters were sent to the Attorney General.

Mr. PICKLE. Yes, sir.

Senator DURBIN. Different letters. Some of us signed both.

Mr. PICKLE. Yes.

Senator DURBIN. I think the message that we were sending to the Attorney General's Office was our hope that this would be investigated in a totally above-board, non-partisan fashion. And your investigation was to determine whether or not there was any criminal wrongdoing and whether this investigation should be pursued. I'd like to ask you a few questions relevant to that. I understand on Wednesday, March 17, you delivered a copy of the report to the Justice Department. First of all, I realize Attorney General Ashcroft has been out as he's recuperating from surgery and we all wish him well in that regard; Deputy Attorney General Jim Comey is in charge of the Department. Did you meet with Mr. Comey with this referral?

Mr. PICKLE. No, we made initial contact with Mr. Comey's office and his designee met with us, a Mr. Chris Ray.

Senator DURBIN. The Assistant Attorney for the Criminal Division?

Mr. PICKLE. Criminal, yes.

Senator DURBIN. Did anyone, Mr. Ray or anyone at the Justice Department, tell you what they intended to do with the report?

Mr. PICKLE. I believe the quote was that we intend to take a very thorough, professional review of this and we will contact the committee.

Senator DURBIN. Did they give you any timeframe within which they would respond to the referral?

Mr. PICKLE. No, not at all.

Senator DURBIN. Did you ask them for a response?

Mr. PICKLE. No, we did not, sir.

Senator DURBIN. Was Mr. William Ascella—I hope I'm pronouncing it correctly—the Department's Assistant Attorney General for Legislative Affairs, at the meeting as well?

Mr. PICKLE. Yes he was.

Senator DURBIN. Did you raise with him the outstanding issue you had with the Department of Justice Legislative Affairs Office which you referred to in your report footnote seven, and I quote, "As to the time of this report is being completed, the Department of Justice still has under consideration investigators' request to interview the employee who Mr. Blank reported having contacts with."

Mr. PICKLE. Yes, we raised that issue.

Senator DURBIN. If so, what did Mr. Ascella—I hope that's correct—reply?

Mr. PICKLE. I along with my counsel, Lynne Halbrooks, who is with me, raised that issue along with several other issues we thought were important but there was no comment to those.

Senator DURBIN. Based on your investigation do you feel that there is any danger if the investigation, complete investigation of this matter is not finished in a timely fashion?

Mr. PICKLE. I'm going to look at it as a criminal investigator would. I have no concerns that any evidence will be destroyed but of course any investigation you get into you want to do it in a very timely manner; memories are fresh, documents cannot be destroyed that may not be in possession, and people can still be located. So I would hope that it would be investigated soon if it's going to be investigated at all.

Senator DURBIN. Thank you very much, I agree with that. And I might also add for the record that some groups continue to buy newspaper advertising that attacks the Senators who had their files broken into instead of going after those who were guilty of the theft.

#### GAO COMPUTER SECURITY REVIEW

Let me ask you also, during your investigation you came to realize that all of the Senate committees' systems were set up in essentially similar ways, with similar vulnerabilities in some places as those exploited in the Senate Judiciary Committee. On February 20, 2004, Senators Hatch and Leahy sent a joint letter to David Walker, Comptroller General, asking the GAO to perform a comprehensive control study to assess the sufficiency of our committee's computer security and to recommend policies and practices for the committee to adopt. Are you working with the GAO on this matter?

Mr. PICKLE. We have had only a conversation over the phone with them. They're starting to make inquiries now and they're starting to come in and begin their review but I don't know at what stage that is.

Senator DURBIN. Do you plan on working with the GAO in this study?

Mr. PICKLE. We're going to be helpful but I want to direct them to the committee and work with staff directors there. And I have to be cautious about this; I want to make sure that whatever we do does not jeopardize the evidence that we still have in custody, the servers, the hard drives and the other backup tapes that we seized. So it may be the GAO may take a step back and wait for this to be complete before they come in.

Senator DURBIN. So it's possible the GAO analysis and recommendations about how to make all the computers safe on Capitol Hill may be waiting Department of Justice action at your investigation.

Mr. PICKLE. It's possible but I think they would have to look and actually meet with the staff directors and meet with the systems administrators. And once they get a feel of the architecture and what currently exists they can probably then make that decision but I wouldn't want them to be premature and just jump in without having a good view of that land in front of them.

Senator DURBIN. Well, I certainly hope Department of Justice deals with this in a timely fashion to preserve evidence and to make certain that we have a good, complete investigation. You took it as far as you could, I understand that, did a fine job with the Secret Service but only Department of Justice can finish this investigation. Doing it in a timely fashion will finally bring us to a conclusion in that regard one way or the other and also set the stage for looking at other computer facilities on the Hill to make certain that they're not vulnerable to the same type of theft.

SENATE COMPUTING TECHNOLOGY

At one of the earlier hearings I expressed concern about the technology—

Mr. PICKLE. Yes.

Senator DURBIN [continuing]. Available to members of the United States Senate. Since I share a home with two Members of the U.S. House of Representatives I often hear about the new bells and whistles that are being added to their computer system.

Mr. PICKLE. Yes.

Senator DURBIN. And I said outloud, and was quoted in the press, that I wanted to find out why the Senate was always behind the House and the House and Senate were always behind the rest of the world when it came to computer technology.

Mr. PICKLE. Yes.

Senator DURBIN. I've learned, once again, to be careful what you wish for because Mr. Greg Hanson of your office came by and absolutely snowed me in a matter of hours, an hour or so, briefing my staff about everything that he's done in a short period of time and plans to do to make sure that the Senate technology is the very best within the limits of our budget. My office receives about 50,000 e-mails every week, 50,000 a week. And we have to find a way to sort through these e-mails by source and subject and generate some replies that are meaningful to the people who contacted us and decide which ones we're not going to reply to, for instance, those from outside my State. I'm wondering, the House, I understand, has a system that's being designed to generate such an automatic reply and sorting. Do you know if similar plans are in place for the Senate?

Mr. PICKLE. I was unaware of this sorting system or software that they have. I have talked to Mr. Hanson since his meeting with you and we are certainly looking at it. I think it can be supplied on an individual basis but we're looking at that now to see if that's not something we should offer everyone.

Senator DURBIN. One of the nightmares that Senator Campbell and I face is to go back to our home States and have someone say, I sent a letter to your office and I never got a reply. Or, I sent an e-mail and I never heard from you.

Mr. PICKLE. Yes.

Senator DURBIN. It's one of the most depressing things that can happen to an elected official. Now we have a mail system that is being delayed for security reasons, obviously necessary security reasons, and an e-mail system that is being overwhelmed.

Mr. PICKLE. Sure.

Senator DURBIN. And so I live and dread that going back to my State I'm going to run into that kind of a situation. So I certainly encourage you and Mr. Hanson to see if there's a timely way to deal with that issue.

Mr. PICKLE. We will.

#### SECURITY FOR CAPITOL VISITOR CENTER

Senator DURBIN. May I ask you one last question and that is, can you tell me what conversations you've been involved in, if any, relative to security at the new Capitol Visitor Center?

Mr. PICKLE. The conversations relative to security have been few and far between as it relates to the CVC. In other words, we're at a stage now where most of the discussions have to do with operational aspects of the center. Initially we did have a number of conversations; I know the police department participates in these discussions actively with the folks involved in coordinating this effort. Obviously security is paramount there; it's one of the key reasons why we have that center. But I believe from what I heard at a meeting last week that those needs are being addressed and we want to make sure they are addressed.

Senator DURBIN. Thank you. Thank you, Mr. Pickle, Mr. Chairman.

Senator CAMPBELL. Senator when you said 50,000 e-mails a week, I haven't been here as long as many of my colleagues but I tell you, when I first got in office just 22 years ago there were no e-mails. There were no cell phones, there were no Blackberries and those days are gone forever. I often think when I see some of my senior colleagues like Senator Stevens who's with us today, the changes he's seen in technology, what there was or wasn't when he got here but I guess I better not go there.

I'll yield to Senator Stevens now for any questions.

Senator STEVENS. Pocahontas had just left if that tells you anything.

Senator CAMPBELL. That's been awhile.

#### LIBRARY OF CONGRESS SECURITY

Senator STEVENS. I really don't have any questions but I came by, Mr. Pickle, because I think Senator Bennett has pursued the concept of a police force for the Library of Congress. I happen to be Chairman of the Joint Committee on the Library of Congress. We still have some real misunderstandings about the concept of integrating the police force, Capitol Police Force, with the police, staff of the Library of Congress. And I've got a bunch of questions that I was going to ask but I think what I'm going to do instead is ask if you and Dr. Billington would meet us, members of the subcommittee, whoever wants to come and see if we can't work this out. Security of the Capitol comes first but there is, really, a history of the police force over there that they've had different duties in the past and I think we have to work some sort of a transition to meet their needs at the same time with the new complex that we've got being built in terms of the new facilities, the visitor facilities, and the connections that will lead to the Library there. I do believe we have to integrate the police force of Capitol Hill. I would like to make sure that the transition is done in a way that doesn't

upset the current needs of the Library while at the same time meeting the transitional needs of the Capitol Police. I think that's going to be worked out in a conference with all concerned if you're willing to do that. I know, Mr. Chairman, you've been involved in that and of course it was initially started by Senator Bennett. We watched it but I do get comments from the librarian and from the Library of Congress personnel and it's just better if we work it out on a consensus basis and get some specifics about the transition and how we achieve the goals both of the Capitol Police and the Library. So I hope you'd be willing to do that sometime after Easter, just sit down and work it out.

Mr. PICKLE. Be happy to, sir. Thank you.

Senator STEVENS. Thank you.

#### ADDITIONAL COMMITTEE QUESTIONS

Senator CAMPBELL. Thank you, Bill. There may be additional questions in writing from other members who are not here. Thank you for your appearance.

Mr. PICKLE. Thank you.

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

#### QUESTIONS SUBMITTED BY SENATOR BEN NIGHORSE CAMPBELL

*Question.* It is our understanding that the Sergeant at Arms offers cellular phone/BlackBerry combination devices from both Cingular and Verizon; and that only the devices provided by Cingular have the capability to receive the emergency alerts from your office and the Capitol Police. Given that you offer the Verizon BlackBerry and that most Senate cellular accounts are on the Verizon network, what is your plan to enable the Verizon BlackBerrys to receive the emergency alerts?

*Answer.* Although all of the major wireless carriers offer their own version of RIM's BlackBerry, the SAA only fully supports the original BlackBerry 950 and 957 devices which use the Cingular nationwide Mobitex "data only" network. This is because these are the only devices that provide the alert capabilities used by the Capitol Police and the Senate Cloakrooms.

We are aggressively exploring a device- and carrier-agnostic solution that offers maximum flexibility and reduces our dependencies as they relate to device manufacturers and wireless network providers. In parallel, we have provided all carriers offering the converged BlackBerry devices our specific console-to-device and device-to-device broadcast messaging requirements that we rely upon for USCP Emergency Alerts and Cloakroom Vote Alerts. We have asked them to develop similar if not more capable solutions to meet our emergency messaging needs and hope that all carriers will soon be able to meet our requirements.

We are currently testing a beta version of software that runs on Cingular's converged cellular phone/BlackBerry, model 7280, and provides the alert capabilities we currently have on the RIM BlackBerry models 950 and 957. We expect the final version of the software to be released in the April-June 2004 timeframe, at which time it will become the first fully supported converged cellular phone/BlackBerry device that receives our alerts and works with the Senate's e-mail system.

We are also expecting to receive a beta version of the device- and carrier-agnostic solution by the end of May 2004. Since we have not seen the solution yet, we cannot say how long it will take to bring it into production if it meets our needs, but we are hopeful that it can be done by the end of the summer 2004.

We also expect that the technology will continue toward the convergence of multiple functions into a single device. Although this is a benefit to many, you should consider the consequences of having all of your communications capabilities on one device that relies on a single communications path for all of your normal and emergency communications.

Finally, to clarify an assertion in the question, we assist Members and their staff in ordering cellular phones or cellular phone and BlackBerry combination devices from whatever carrier they believe best meets their needs. In addition to Cingular and Verizon, we also order devices and service from AT&T and other cellular carriers.

*Question.* In the wake of the recent ricin incident, is the Senate considering scanning and digitizing mail like the House of Representatives is doing?

Answer. As you know, the ricin incident caused us to change our mail inspection, sorting, and delivery processes. Now, prior to delivery to Senate offices, we open, inspect and test, at offsite locations, all mail addressed to the Senate. These significant changes have made us less vulnerable to such threats in the future.

In addition to the changes we've already made, we are investigating the possibility of digitizing mail and the ramifications on Senate operations. The House has a pilot program which has met with some limited success, based on low volumes of mail. As part of our always ongoing effort to leverage technology to improve efficiency and effectiveness at the Senate, we have implemented sophisticated document scanning and archiving capability in our Printing Graphics & Direct Mail (PG&DM) organization. We are currently evaluating the House initiative along with looking at ways to utilize the technology we have to address the problem of digitizing and distributing Senate mail.

Factors to be considered:

- The extremely high volume of Senate mail
- The impact irradiation has on document imaging legibility
- The sensitive nature of some of the Senate mail
- The importance, in some cases, of preserving and delivering paper artifacts
- The delay that scanning and digitizing might introduce into our mail processes—it takes about 3.5 minutes per letter and we average 32,000 first class letters every day
- Delivery modes and media
- The potential effect of transmitting digitized mail files across our network infrastructure
- The additional cost in terms of personnel and infrastructure upgrades to accommodate digitizing mail
- Procedures, processes, and locations for storing paper mail artifacts after digitization
- Privacy and security issues.

As we conduct this analysis, we will continue to explore new ways and new technologies to make Senate mail delivery more efficient, effective and secure.

*Question.* Please give us an idea of the volume of message traffic that passes through our networks and the degree to which our website is visited.

*A Typical Monday*

Web Services Statistics (Webster, Senate.gov, LIS & Senate Newswire)—

- Total unique visits: 99,420
- Total data sent to the public: 26,074,442,795 bytes
- Electronic Mail—
- Inbound: 281,795 messages
- Outbound: 163,609 messages
- TOTAL: 445,404 messages
- Daily Viruses Report—
- Mail Gateway viruses found: 39,795
- Server viruses found: 3,664

*Question.* Please give us an idea of the number of support calls your information systems help desk and your telecommunications services organizations process.

*Computer Support:*

- Computer trouble calls resolved annually—Approx. 18,000
- Orders and installations annually—Approx. 4,000

Helpdesk has met or exceeded service level agreement (SLA) every month since May 2003 (95 percent work accomplished on time and 95 percent of customer satisfaction ratings either “very satisfactory” or “excellent”)

*Telecommunications Support (fiscal year 2003)*

- Capitol Exchange calls answered—1,805,818
- Telecomm helpdesk (programming) telephones programmed—10,213
- Telecomm Coordinators—20,189 task orders accomplished
- Info Exchange—2,520,168 pages processed

*Question.* Why is parking around the Capitol complex at such a premium?

Answer. Nearly 400 parking spaces have been lost since the CVC project began. During that same period of time, Members, Offices, and Committees have issued or requested 445 unreserved parking permits, and the USCP has petitioned for another 400 unreserved permits to accommodate new recruits. Currently, over 2,000 unreserved permits exist for 1,042 unreserved parking spaces.

Historically, Members, Offices, and Committees have been allowed to request unreserved parking permits as needed. Even when the CVC is completed, there will be less space for parking; perhaps now is a good time to limit the number of unreserved parking permits that each Member, Office, and Committee can issue as has been done with the AOC and the USCP.

The USCP has exhausted its allocation and is looking for additional parking. A recent contract with the Fairchild Building will yield at least 100 spaces to the USCP, and parking lots adjacent to the Fairchild Building have been noted by the AOC.

The USCP and the Parking Office are collaborating to step up enforcement. The AOC can help recover approximately 150 slots by seeking work sites off of Senate parking lots. The Parking Office is aggressively seeking ways to squeeze more spaces from existing lots and streets, including "short stacking" lots when demand for parking is high. Increased use of Metro Subsidy will help alleviate parking pressures as well.

There has been discussion of building a garage on the Senate campus. A garage would certainly alleviate many problems and pressures associated with parking.

*Question.* What is being done to alleviate the lengthy lines to enter Senate buildings?

*Answer.* Several options are under evaluation by the U.S. Capitol Police. Those options include:

- Designating certain entrances as "Staff Only" entrances between the hours of 7:00 a.m. to 10:00 a.m.
- Directing visitors to locations that do not impede staff entrances.
- Providing additional officers at the Hart Building C Street entrance to assist and conduct hand searches of staff bags.
- Exploring additional X-ray machines at locations that can support them.

We plan to meet with the Committee on Rules and Administration to discuss these options prior to any implementation.



## CAPITOL POLICE BOARD

### STATEMENT OF W. WILSON LIVINGOOD, CHAIRMAN, CAPITOL POLICE BOARD

#### ACCOMPANIED BY:

HON. WILLIAM H. PICKLE, SENATE SERGEANT AT ARMS AND BOARD MEMBER

HON. ALAN M. HANTMAN, ARCHITECT OF THE CAPITOL  
TERRANCE W. GAINER, CHIEF, U.S. CAPITOL POLICE

#### OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. We now move to panel two, the House Sergeant at Arms, Bill Livingood, accompanied by board members Bill Pickle and Architect of the Capitol Alan Hantman. And Chief of Police Terrance Gainer. And as with the first panel if you'd like to abbreviate your comments that will be fine since we've already read your written statement. And I understand Mr. Alan Hantman is also here, a member of the Police Force, too. Go ahead and start, Mr. Livingood.

#### LOC POLICE MERGER MEETING

Senator STEVENS. Mr. Chairman, could I just interrupt and ask if I may ask questions of these gentlemen? You heard my question to Mr. Pickle, are you willing to have such a meeting, Chief Gainer?

Chief GAINER. Yes, Senator.

Senator STEVENS. Does that meet with your approval, Mr. Livingood?

Mr. LIVINGOOD. Yes sir.

Senator STEVENS. Thank you very much.

#### STATEMENT OF WILSON LIVINGOOD

Mr. LIVINGOOD. Mr. Chairman and Senator Durbin, I'm honored to appear before you today to discuss the United States Capitol Police fiscal year 2005 budget request. The Capitol Board members, Mr. Pickle and Mr. Hantman, are here with me and Chief Gainer is accompanying us today.

With your permission I am just going to provide you with a short summary of my budget request remarks and provide the balance in my testimony for the record.

Senator CAMPBELL. That's fine.

Mr. LIVINGOOD. World events and the continuing threat to our security here at home have driven an increased Capitol complex security. It is a very difficult job to maintain a legislative complex open to the public while at the same time ensuring the safety of the Congress, staff and visitors against increased dangers. The news media provides daily testimony of the terrors and political agendas of extremist groups. In today's environment the Capitol

Police walk a very fine line and have a challenging mission—maintaining the tradition of open Government that we revere and demand while providing the maximum degree of safety and security. To accomplish this mission the Chief and the Department have developed an excellent strategic plan, one designed to meet not only the current needs but the future needs of the Congress.

The budget before you today is a funding requirement based on this strategic plan. We ask your support and approval in carrying out this strategic plan which strengthens our vigilance, resilience by augmenting abilities in assessing threats, preventing unlawful acts, responding to incidents and supporting the general operations of the Capitol Police.

PREPARED STATEMENT

In closing, I would like to thank the Committee for the ongoing support of the men and women of the Capitol Police and their continued and diligent efforts to develop a better security plan and operations, response forces and law enforcement capabilities. I'd also like to extend a personal word of thanks to the men and women of the Capitol Police and the entire Board joins me in this, in that every day they provide the highest possible degree of professionalism, commitment and service to the United States Congress. And I am proud to represent them today as is the rest of the Board before you. Thank you.

[The statement follows:]

PREPARED STATEMENT OF WILSON LIVINGOOD

Mr. Chairman and Members of the Subcommittee, I am honored to appear before you today to discuss the United States Capitol Police fiscal year 2005 budget request. Capitol Police Board members, William Pickle, Senate Sergeant at Arms, Alan Hantman, Architect of the Capitol, and Terrance Gainer, Chief of Police accompany me today.

Mr. Chairman, I would first like to thank the Committee for their ongoing support of the men and women of the Capitol Police and their continued and diligent efforts to develop better security operations, response forces, and law enforcement capabilities.

World events and security threats here at home have driven increased Capitol complex security. It is a difficult job to maintain a legislative complex open to the public, while at the same time ensuring the safety of the Congress, staff, and visitors against increased dangers. The news media provides daily testimony of the terrors and political agendas of extremist groups. In today's environment, the Capitol Police walk a fine line—maintaining the tradition of open government that we revere and demand, while providing the maximum degree of safety and security. At times in the past year, the national threat level has been elevated in response to the potential for domestic terrorist activity. We have mirrored this response with our own Capitol-specific threat levels. Indeed, the Capitol—much like the White House—is both a working building and a monument, and therefore currently remains at an elevated threat level. It is clear from our history that the Capitol is a tempting target for terrorists and those who seek to disrupt the legislative process or strike a symbolic blow against the United States. We also know that terrorists choose targets based on certain criteria, such as symbolism, mass casualties, and high likelihood of success. It is our responsibility to take every prudent precaution that we can to remove the terrorists' likelihood of success with regard to the Capitol, the Senate and House office buildings, and for those who work and visit within the Capitol complex.

The Chief and his staff have been very diligent this past year in appraising the effectiveness of police operations. They have developed an excellent strategic plan that is designed to meet the current and future needs of Congress. The budget before you today is the funding requirement based on this Strategic Plan. We ask your support and approval in carrying out this plan, which strengthens our vigilance and resilience by augmenting abilities in assessing threats, providing effective security,

preventing unlawful acts, responding to incidents, and supporting the general operations of the Capitol Police. We cannot undo an incident like a suicide or truck bombing as seen abroad, and should act responsibly to prevent these incidents. Related to the issue of sufficient force strength and sufficient police facilities, recent Capitol Police growth and requested staffing levels have and will strain facility requirements; we ask for your continued support in solving these issues.

In prior appropriations, this Committee funded, and the Capitol Police are putting into action, a Hazardous Materials Response Team. Most recently, this forethought and action paid off. I would like to publicly commend the Chief and his dedicated staff for a stellar job in handling the ricin incident. The Capitol Police trained, prepared, and were ready for this type of incident. Being prepared requires gathering intelligence, training, and adapting operations commensurate with needs. For example, the discovery of ricin in Senate mail has prompted a complete review of all mail protocols for both the Senate and the House. We are constantly reviewing and enhancing existing emergency plans, protocols and procedures. Regarding preparations, there is a renewed focus on training. In the past year, Congressional staffs have been introduced to the protocols relating to evacuation and shelter in place procedures, as well continued practice with the escape hoods.

The Capitol Police are to be applauded for their efforts since we last met. Preparing for incidents and preempting threats has been a crucial focus under the Chief's leadership, and so the Department is constantly assessing its abilities and strengthening its skills. Recent Capitol Police accomplishments include: an in depth analysis of staffing, the development of a new strategic plan, core infrastructure systems replacement, an increase in employee training, better morale, and continued implementation of hazardous materials response capabilities. The Department's infrastructure is being shored up with an inside-out-approach that is challenging the whole of the organization to perform at a higher level.

This transformation effort, which includes additional operational and administrative staffing resources and new security and information systems, is a thoughtful multi-year undertaking extending into the 2005 fiscal year and relies on the budget request before you today. This budget ties the planning and transformational efforts of the Department to the requested means necessary to support this effort. Every line item in this budget is purpose-built to support one of the four major goals of the Department and the supporting strategic objectives. This is a tightly engineered budget, formulated with the best efforts of many highly trained men and women dedicated to the mission of the Department to protect Congress, its Members, staff, visitors and, in whole, the Legislative process from harm or interruption.

Mr. Chairman, on behalf of the Capitol Police Board, I would like to thank you for this opportunity to appear before you today, and for your consideration of this budget request. Every day, the men and women of the U.S. Capitol Police face a huge challenge: to provide the maximum degree of safety and security while allowing the Capitol, Senate and House Office Buildings to remain open and accessible to the general public. And every day they succeed. I am honored to be associated with the men and women of the U.S. Capitol Police.

Chief Gainer will address more specific operations and plans for the coming fiscal year.

Senator CAMPBELL. Thank you, Mr. Livingood. Chief Gainer.

#### STATEMENT OF CHIEF TERRANCE W. GAINER

Chief GAINER. Thank you Senator, and I too will submit my testimony for the record and summarize it.

I'd like to put a little context to our budget request and reiterate what the chairman just mentioned, that the fight against terrorism led by the United States and its coalition partners continues. We know through speeches, tapes and other terrorist propaganda the leadership of Al Queda has stated their intent to strike another blow on America. This rhetoric and their actions has given some insight into potential targets. The United States Capitol and all it stands for is clearly one of those targets.

It is human nature to be optimistic but recent events have reinforced what intelligence has discovered over the years, that terrorist organizations have the means and methods to strike whenever and wherever. Intelligence and security experts both inside

and outside government have stated that the United States Capitol remains a primary target. It is not really a question of if but a question of when we could expect a strike. What is known is that vehicle bombs, suicide bombers and improvised explosive devices are the weapons of choice and easy to execute.

We have not limited our preventive measures to these traditional threats. As you know, 9/11 introduced a new method and means of carrying out an attack, since then we have increased our intelligence capability and the Department has personnel detailed to other Federal agencies to further facilitate that capability. We have people at Homeland Security, FBI, State Department, CIA, as well as some local departments. We have undertaken a number of projects to continue emergency outreach and notification. While many of you know of the emergency annunciators you may not know that we have over 3,600 of these units deployed through the entire Capitol system. In addition, we have developed a project to deploy a complex-wide public address system. This project will provide the critical means to send out emergency notifications to all public spaces, evacuation and assembly areas, parking garages and other areas. We expect this project to be completed in December of this year; we're on target to reach that objective.

We are, however, vulnerable around this Capitol. As the committee is aware, there have been a number of studies done over the years; they have all commented on our openness to the largest vulnerability, in particular there have been five studies by various security experts that have recommended the installation of a fence around the Capitol square. Even a recent staffing analysis conducted by the General Accounting Office in February 2004, included the installation of a fence, as a recommended option. This latest recommendation goes a step further and recommends a fence around all the office buildings, and I quote from that report. "An aesthetically pleasing perimeter security fence could be constructed around the Capitol Building grounds. This would markedly increase security within and around the Capitol Building, Members, staff and visitors." The recommendation of a fence has been discussed for many years and was originally proposed in a 1985 document called the "Whip's Plan". While the decision on the fence will not be decided here, the impact from the lack of it is felt every day and is shown in the numbers of required personnel in our budget. We are constantly required to increase the use of manpower and technology to keep this legislative branch safe and secure while ensuring continuous operations during these evolving threats, as well as maintaining an open and free Capitol.

It is the men and women of this Department who selflessly provide the first line of defense to protect this institution. Most Federal agencies have layers of defense to prevent attacks. The success of a terrorist attack on one of our buildings, once initiated, will be deterred by that officer standing at the entrance of the building. While the use of technology aids in detection and deterrence, it was a police officer that prevented Russell Weston from continuing through the Capitol. And it was police officers who first responded to both the anthrax and ricin.

Accordingly, our budget request of \$291.6 million represents a reasonable, necessary and balanced plan to directly assess the

threats of today and proposes the use of resources to ensure the protection of the Congress, its Members, staff and visitors in the process. The implementation of our strategic plan, which this budget supports, is a prudent plan to help ensure the safety of our Capitol. The budget request represents a 33 percent increase over the fiscal year 2004 net appropriation. It's a lot. However, when the \$12.7 million from the fiscal year 2003 supplemental, which as directed by the committees was used to support fiscal year 2004 operational needs is taken into consideration, the requested increase is \$59.1 million or 25 percent and is still significant.

This increase provides \$12.7 million for 6 months' funding for 213 sworn and 155 civilian additional positions. In the personnel area \$5.5 million is requested for a sworn pay scale adjustment; \$3.3 million for a 6-month annualization of the 75 civilian positions provided in fiscal year 2004 and \$12.2 million for the cost of living adjustments, rate increases and health benefits.

Other significant increases include \$3.1 million for the Inauguration; \$8.1 million for the replacement of escape hoods; \$3 million for a new accounting system; \$2.7 million for security at the new legislative branch alternate computer facility and \$1.8 million for wireless data interoperability infrastructure. But I need to point out this is not just a wish list of our managers. We have a zero-base budget process. Originally, the general expense requests totaled over \$100 million, which were reduced by some 40 percent to the \$59.9 million included in this budget.

As with any organization we realize there is always room for improvement. We will continue to strive to strengthen and augment our prevention and response capabilities, to review the current environment, to improve the coordination with our congressional community, to emphasize training of all our employees and to have substantially filled all authorized civilian positions by the end of this fiscal year, and to make progress with our business systems' modernizations.

And finally, although facilities are the responsibilities of the Architect of the Capitol they certainly are critical to our operations. In February 2004 the Architect of the Capitol leased approximately 100,000 square feet of space at 499 South Capitol Street SE, the Fairchild Building, as an interim space solution. This facility will go a long way to alleviate our space constraints at our headquarters building when we move in there.

As the Chief of the Capitol Police I take great pride in the many years of service that this Department has provided to the Congress. Building on that legacy, we at the Capitol Police look forward to continuing to safeguard the Congress, its staff and visitors. And we look forward to working with the Congress and this committee to see what we can do with our budget.

#### PREPARED STATEMENT

And finally, Senator, I might say on behalf of the men and women, as we wind toward the conclusion of your particular career, thank you for your support of the men and women of the Capitol Police. Your kindness to our officers and the people who support them is well recognized. Your help in getting our Harleys is lauded by all those riders and now the horses that recently visited our

Capitol and will be out galloping come this May, we definitely owe a debt of gratitude to you. Thank you.

[The statement follows:]

PREPARED STATEMENT OF TERRANCE W. GAINER

Mr. Chairman and Members of the Subcommittee, I am honored to appear before you today to discuss the United States Capitol Police fiscal year 2005 budget request.

I would like to thank the Committee for their continued support of the Capitol Police and our efforts to provide world-class security and law enforcement services to the Congress. As the foremost symbol of American representative democracy, the Congress, its Members, employees, visitors, as well as public buildings and operations are a highly visible target for individuals and organizations intent on causing harm to the United States and disrupting the legislative operations of our government. We are the first line of defense and we take our job very seriously.

Expansion, as well as consistently fine tuning how we currently operate, is imperative to ensuring that we continue to provide the safest and most secure environment to enable Congress to fulfill its Constitutional responsibilities, and to protect those who work and visit the Capitol complex. We face a daunting task, and a high workload.

During fiscal year 2003, the Uniformed Services Bureau greeted and screened over 7.4 million staff and visitors, the K-9 unit conducted more than 40,000 explosive detection sweeps, the offsite delivery center conducted 19,081 vehicle and cargo inspections, the Construction Security Division conducted 85,870 vehicle inspections in calendar year 2003, we made 553 misdemeanor and felony arrests and 982 traffic arrests, 87 weapons and contraband items were confiscated, and the Hazardous Devices section conducted over 2,000 bomb searches and responded to over 430 suspicious package calls. Our specialized units also responded to the recent Ricin incident. The Department used our Hazardous Incident Response Division teams and our recently specially trained officers for the initial response. This incident quickly grew to include numerous federal and military agencies involved in the resolution. The Department's incident management team seamlessly joined our federal partners to successfully manage this biological threat. Our capabilities in this area have greatly improved since the 2001 Anthrax attack.

The fight against terrorism led by the United States and its coalition partners continues. Recent events in Europe, Russia, Afghanistan, Iraq, Israel and specifically the Madrid bombings illustrate that the global war on terrorism has not diminished. As the leader of this endeavor, the United States is the number one target of al-Qa'ida, its surrogates, and other Islamic radicals. In speeches, tapes and other terrorist propaganda, the leadership of al-Qa'ida has stated their intent to strike another blow on our homeland. This rhetoric and their actions, have given some insight into potential targets. The United States Capitol and all it stands for, is clearly one of those targets.

It is human nature to be optimistic, but recent events have reinforced what intelligence information has told us for years, that terrorist organizations have the means and the methods to strike whenever and wherever. Intelligence and Security experts both inside and outside government have stated the U.S. Capitol remains a primary target. It is really not a question of if, but when the United States Capitol Police will again be called to respond to another terrorist attack. What is known is that vehicle bombs, homicide bombers, and improvised explosive devices are the weapons of choice and easy to execute. The Department continues to take unprecedented steps to counter these threats and is considered a leader in many areas among federal and private institutions.

For example, we recently developed and distributed a comprehensive procedure for officers responding to a homicide bomber. One of the first in the nation to address this threat, we have developed with support from this Committee, a design for a comprehensive Truck Interdiction Program. This project will use the latest, leading edge technology to detect and interdict a threat before it reaches our doorstep. We have deployed the latest in explosive detection equipment at all our buildings and have increased the number of our K-9 explosive teams.

But we have not limited our preventive measures to just traditional threats. As you well know, 9/11 introduced a new method and means of carrying out an attack. We have increased our Intelligence capability and the Department has personnel detailed to other federal agencies to further enhance that capability. The Capitol Police has personnel working as liaisons at major operations centers and have partnerships with the Department of Homeland Security, FBI, and others. Because of all

these enhancements, the Capitol Police is able to respond to potential threats in a real-time manner.

But we have not solely focused our notification efforts internally. We have taken a number of steps to provide information to the Congressional Community. The recent Ricin incident illustrated the benefit of having a fully functioning Capitol Police Command Center. The newly upgraded Center provided operational workspace for the Capitol Police Incident Command, as well as response elements from the Executive Branch, the Senate, the House, the Architect of the Capitol, the Sergeant at Arms Offices, the Office of the Attending Physician and many others. Those that remember our capabilities after 9/11 and the Anthrax attack saw a drastic change in our capabilities, which were fully used during this incident.

We have undertaken a number of projects to continue emergency outreach and notification. While many of you now know of the emergency annunciators, you may not know that there are over 3,600 of these units deployed and the entire system is maintained and operated by the United States Capitol Police. In addition, we developed a project to deploy a complex wide Public Address System. This project will provide the critical means to send out emergency notifications to all public spaces, evacuation assembly areas, parking garages and other areas. We expect that this project will be completed by December 2004. We are on target to meet this objective.

As the Committee is aware, there have been a number of studies done over the years. They all have all commented that our openness is the largest vulnerability. In particular, there have been five studies by various security experts that have recommended the installation of a fence around Capitol Square. Even a recent staffing analysis, conducted by the General Accounting Office in February 2004 included the recommendation of the installation of a fence. This latest recommendation goes a step further and recommends a fence around the office buildings as well. And I quote "An aesthetically pleasing perimeter security fence could be constructed around the Capitol Building grounds. This would markedly increase security within and around the Capitol Building Members, staff, and visitors."

The recommendation of the fence has been discussed for many years and was originally proposed in a 1985 document called the Whip's Plan. While the decision of the fence will not be decided here, the impact from the lack of it is felt everyday and is shown in the numbers of required personnel and our budget. We are constantly required to increase the use of manpower and technology to keep the Legislative Branch, safe, secure, and while ensuring continuous operations during these evolving threats, as well as maintaining an open and free Capitol.

It is the men and women of this Police Department who selflessly provide the first line of defense to protect this institution. Most federal agencies have layers of defense to prevent attacks. The success of a terrorist attack at one of our buildings, once initiated, will be determined by that officer standing at the entrance of the building. While the use of technology aids in detection and deterrence, it was a police officer that prevented Russell Weston from continuing through the Capitol; and it was police officers that first responded to both the Anthrax and Ricin attacks.

With any organization, we can and need to make improvements, and we actively engage in self-assessments and critical reviews at the conclusion of each project and incident to determine what went right and what can be improved and to incorporate those lessons learned into the fabric of our operations. This mechanism allows us to gauge our success in a positive manner. For example, we are implementing a process of self-testing where random, unannounced contraband will be introduced to test our detection and response capabilities. This self-assessment program, and the proper use of results, will strengthen our portals and provide a safer environment for all who work and visit the Capitol complex.

We work very closely with the Sergeants at Arms and with leadership of both the House and the Senate to ensure that the security of the Congress is appropriately managed. The ability of the U.S. Congress to meet its constitutional responsibilities is intertwined with the ability of the Capitol Police to meet its mission. The Capitol Police is ready and willing to meet the challenge this changing environment poses to the structure of our operations, and we recognize continuous improvement and flexibility are key to maintaining our professional edge. The USCP is a stronger and better-organized agency than it was the last time we met. We have completed a new five-year strategic plan, a performance plan, an annual report and have completed an in-house staffing analysis to provide a road map for improvements and practical strategies for achievement of our mission and goals. The staffing analysis provides a basis for discussion of our manpower needs and continues to be reviewed by the General Accounting Office (GAO). Accordingly, we used the staffing analysis as the basis of our fiscal year 2005 personnel request. However, the GAO review and our ability to stand up to their scrutiny will provide this Committee, and our other over-

sight committees, with information with which to make decisions. I welcome the review and input we are receiving related to this effort.

We welcome the input of our stakeholders and appreciate the input of the GAO. We worked closely with the GAO in developing our new strategic plan. The mission, vision, values, and goals established in the strategic plan serves as a management tool to guide the USCP as we carry out our mission each day and continue preparing for the future. We have linked both our staffing request and all of our general expense items to the strategic plan. In addition, performance appraisals for 30 of our top managers are directly tied to the strategic plan that has become a working document in the Department as Lieutenants and above and civilian equivalents recently underwent training to ensure an understanding of the function and effect of the strategic plan.

Our budget request of \$291.6 million represents a reasonable, necessary and balanced plan to directly address the threats of today and proposes the use of resources to ensure the protection of Congress, its Members, staff, visitors, and the legislative process into the future. The implementation of the USCP strategic plan, which this budget supports, is a prudent plan to help ensure the safety of the Capitol community and the uninterrupted continuation of Congressional operations.

The budget request of \$291.6 million represents a 33 percent increase over the fiscal year 2004 net appropriation. However, when the \$12.7 million from the fiscal year 2003 supplemental, which as directed by the Committees was used to support fiscal year 2004 operational needs, is taken into consideration the requested increase is \$59.1 million or 25 percent. This increase provides \$12.7 million for six months' funding for 213 sworn and 155 civilian additional positions. In the personnel area, \$5.5 million is requested for a sworn pay scale adjustment, \$3.3 million for the six-month annualization of the 75 civilian positions provided in fiscal year 2004, and \$12.2 million for the COLA adjustments, and within grade, and health benefit increases. Other significant increases include \$3.1 million for the Inauguration, \$8.1 million for the replacement of escape hoods, \$3 million for a new accounting system, \$2.7 million for security at the new Legislative Branch alternate computer facility, and \$1.8 for wireless data interoperability infrastructure.

Mr. Chairman, I want you to know that we are aware of the funding constraints that this Committee may face. In that light, we have developed a detailed prioritization of the entire budget request. We will, of course, work with the Committee to meet any funding challenges the Committee faces and to assure that the most critical resources we require are provided to ensure the protection of the Congress and the legislative processes. I should point out that our budget request is not a "wish list" of our managers. We internally reviewed general expense requests that totaled over \$100.4 million and reduced that amount by \$40.5 million to the \$59.9 million included in the fiscal year 2005 budget request.

As with any organization, we realize there is always room for improvement. We will continue to strive to strengthen and augment both our prevention and response capabilities. We continue to review the current environment, our policies and practices, and the resources and tools available to the USCP to ensure that the level of Congressional protection is the best it can be. We continue to improve the coordination within our Congressional community and with other law enforcement entities. We are continuing to emphasize training of all of our employees. In fiscal year 2003, USCP employees participated in over 136,000 hours of training.

Training continues to be integral to the U.S. Capitol Police. This past January marked the beginning of our new Diversity Training Program. All Department employees will receive 8 hours of training designed by specialists in Diversity issues. The feedback on this training has been overwhelmingly positive.

On that note, I would like to report on the Department's effort to recruit under-represented groups. In fiscal year 2004, the Office of Human Resources initiated a targeted recruiting campaign that focuses on recruiting activities in under-represented groups, while maintaining our posture in the female and African-American arenas. These activities include job fairs, educational institutions, professional organizations, and publications that will result in an increase in our targeted candidate pools. OHR has received input from several congressional offices/groups in this endeavor.

I would like to point out that per Department of Justice statistics, in June 2002, the USCP had the second highest percentage of black police officers of all federal law enforcement. We recently promoted approximately 40 supervisors to the rank of sergeant and lieutenant. This group of supervisors reflects a very diverse group of individuals who will lead the Department into the future.

We continue to make progress on our administrative and support side. We got off to a slow start on hiring the additional civilian staff that has been recently provided. To get this back on track, a new Human Resources director was hired in Au-

gust 2003. Since that time, we have made a concerted effort to assess existing staff competencies and reposition them accordingly as well as hire experienced and seasoned individuals into key leadership positions. We have also procured significant contract support to “jump-start” work in functional areas identified by GAO as requiring improvement such as policy development, workforce planning, performance management, and time and attendance systems. In order to ensure that we keep our improvement efforts on track, we have linked key HR activities to the agency’s strategic plan and developed corresponding performance measures.

We are committed to having substantially filled all authorized civilian positions by September 30, 2004. We are developing an internal Investment Review Board (IRB) process to review and prioritize major resource requirements. In our Information Technology area, we continue to make progress with our business systems modernization. We are in the process of hiring an Information Security Officer and have contracted for an IT Security Assessment to ensure the appropriate security of our systems.

Although facilities are the responsibility of the Architect of the Capitol (AOC), they are critical to our operations. In February 2004, the AOC leased approximately 100,000 square feet of space at 499 South Capitol Street S.E. as an interim space solution. This facility will go a long way to alleviate space constraints at our Headquarters building. Most of our administrative functions and the Capitol and House Divisions will be housed in the new facility. I would like to thank the Architect for his continued support, and go on record that I fully support the funding he has included in his budget for the acquisition of a new off-site delivery facility and for the maintenance of our existing facilities. Again, we will work with the Committee and the AOC on what our most urgent priorities are, and what can realistically be funded within the limited resources available to the Committee.

Whether it is effective communications, effective incident response, effective staffing strengths, or simply effective operations, we value being the best. The men and women of the Capitol Police are talented, motivated, and engaged professionals who take great heart in protecting this Congress.

As Chief of the Capitol Police I take great pride in the many years of service this Department has provided to the Congress. Building on that legacy, we at the USCP look forward to continuing to safeguard the Congress, staff, and visitors to the Capitol complex during these challenging times. And we look forward to working with the Congress and particularly this Committee.

I thank you for your time and am ready to address any questions you may have.

#### SECURITY FENCE

Senator CAMPBELL. Thank you, Chief. I’m just leaving here, I’m not finishing a career. I’m going to climb a few mountains somewhere else. I’ve enjoyed working you, the Capitol Police and Bill with your Department, too. I look forward to coming back someday though and hope there’s somebody that’s going to really take a particular personal interest in the Capitol Police as it has been mine. Maybe you have to have been a policeman or a sheriff’s deputy to have that kind of an interest. I don’t know, but it was right when I first got here I wanted to make that one of my priorities and finally I was in a position where I could help a little bit.

Let me ask you a few questions, here. First of all, you mentioned this fence. I tell you, I think most Americans would just rebel at the thought of their Capitol being fenced. There’s got to be, in this high-tech way we operate now, methods of doing things without a big ugly fence around this place. I know that in some cases there are types of bushes and plants and things that can be planted that are just almost impregnable. I mean, you almost can’t get through them. My wife has rose bushes around our house and if we don’t trim them back every year you can’t even get through the front door of our house, for obvious reasons; you just cut yourself to ribbons with those thorns. So I hope whoever’s making the decisions on that thinks of some more aesthetically pleasing way of surrounding this place rather than a wall or a fence. I think that real-

ly flies in the face of what Americans want in their Capitol. You know the openness that we've always expected of our Capitol sends such a wonderful message to the world, we have to find that balance, between security and not looking like we're in a siege or something. And I know that there are brighter minds than mine working on that or will be working on that but I hope they think about that.

#### BUDGET FREEZE

We've been asking all the agencies and you heard me ask the one that was on the table before you about what happens if we cannot provide a lot of the money that they're asking for and your significant increase includes 358 additional staff. If we cannot reach that and we have to freeze your budget at last year's level, do you have your budget prioritized to the absolute must-haves and the things that could slide for a year and things of that nature?

Chief GAINER. Senator, we sure do but to freeze at the number last year would dramatically require the reduction in force of sworn personnel.

#### OVERTIME HOURS

Senator CAMPBELL. What are the shifts that the officers are working now? During the big anthrax scare and some other times they were working literally every day and 12-hour days and longer. What's the normal shifts they're putting in now?

Chief GAINER. As a rule they're on an 8-hour schedule. But I also should say a large portion of the Department probably works another 8-hour day, one of their days off. So almost everyone is working some amount of overtime and fortunately they volunteer for it, as a rule.

Senator CAMPBELL. You manage to staff enough just with volunteers, too? Have you had to force any officers to work the days off?

Chief GAINER. On occasion, Senator, there are probably some unhappy families.

#### STAFFING JUSTIFICATION

Senator CAMPBELL. You're requesting a total of 2,361 staff for fiscal year 2005, consistent with your staffing analysis put together last year. At the request of Congress the General Accounting Office has contracted for an analysis of the Capitol Police staffing plans. That contractor in its February report indicated that there was insufficient justification, such as a shortage of workload data, for roughly 300 new positions, of which 186 would be in the Uniformed Service Bureau. What is your reaction to that analysis?

Chief GAINER. Well, we worked very closely with the GAO and their contractor, SAIC, who did that report for them. And I think overall it's a mixed reaction. They used a red, yellow, green light system. There were quite a few of the positions where they felt that we provided sufficient justification and information for them to make a decision, and then there were relatively few red lights, to use their parlance, where they felt there was not the justification or sufficient support. In the area of their yellow lights there were quite a few; we supplied them additional information, we're re-

sponding to their report in writing and we're working with the Board to further clarify what justification is needed.

#### HIRING OF FISCAL YEAR 2004 NEW CIVILIAN EMPLOYEES

Senator CAMPBELL. We provided 75 additional civilian employees last year. What's the status of those employees that we did provide for? They've all been hired?

Chief GAINER. They have not all been hired. But what we did do, about 6 months ago, was promote a new Director of Human Resources and she has retooled Human Resources substantially. Human Resources, along with our finance folks, have identified the bottlenecks to that hiring process and we believe we are on track to have all the hirings done for 2004 and also from carryover from 2003 by the end of the fiscal year.

#### FAIRCHILD BUILDING LEASE

Senator CAMPBELL. A lease was recently signed by the Architect of the Capitol for several floors of the Fairchild Building for the Capitol Police. Does that accommodate your space needs?

Chief GAINER. Not totally. Right now we occupy probably just under 200,000 square feet and that is largely insufficient. The master plan called for some 500,000 square feet. What the Fairchild Building provides us is about 101,000 square feet and it will go a long way to easing the pressure in our headquarters building, the Senate and House office buildings as well as the Capitol. It may very well free up some space in the Capitol Visitor Center. But I think the bottom line, Senator, I should point out, we see that Fairchild 100,000 square feet as very, very temporary and not a long-term solution to the needs of the Department.

#### FIRING RANGE

Senator CAMPBELL. I see. And you requested funding through the Architect for a firing range. You do the training now over there way down in the bowels of the Rayburn Building somewhere.

Chief GAINER. We do.

Senator CAMPBELL. I understand. Well, if we are unable to provide those funds is that where they'll continue training, where they are now?

Chief GAINER. Well, that will be part of it but that again is not enough. The Congress was very good, especially then to the Department of the Treasury and now Homeland Security, in securing a large facility at Cheltenham, Maryland, where a large firing facility was designed and built. Unfortunately, when that was designed and conceived only some 20 agencies were going to use it; with the recomposition of Homeland Security 70 plus agencies are now going to use it. So we're all kind of scrambling to see what piece of that we can get. We have met with the Board and Senate staff, Homeland Security personnel to see if we can work out a solution where we would have some rights of priority at that facility. If that works out then the absolute need for a range on-base would not be necessary.

## LOC POLICE MERGER

Senator CAMPBELL. I see. I believe, like Senator Stevens, that we're at an impasse between the Library of Congress objectives and the Capitol Police too, and I'm sorry you haven't been able to get that all together and in sync. But I just wanted to identify myself, associate myself with his comments that I look forward to trying to work this difference of opinion out about how we merge one department with the other one. So I just wanted to tell you that.

Chief GAINER. Thank you.

## MOUNTED HORSE UNIT

Senator CAMPBELL. You mentioned the mounted unit. Are they are on the grounds now?

Chief GAINER. Actually, they paid a visit to us just last week and I have to tell you they were mobbed by people wanting to get pictures with them. They're still in their training.

Senator CAMPBELL. I'd like to say "I told you so."

Chief GAINER. Yes sir. They graduate April 16 and we hope maybe that your schedule will permit you to be part of that. We have eight officers and two sergeants in that school; we've lost a couple through riding mishaps and they decided not to continue riding. We have the equipment, we're in the midst of buying the horses.

Senator CAMPBELL. Did somebody tell them they're supposed to get back on when they fall off?

Chief GAINER. Actually, they did right away but the next day they decided not to get back on.

Senator CAMPBELL. Oh, they shouldn't have been there in the first place if they decided not to get back on. And they're stabled with the Park Service horses down on the Mall?

Chief GAINER. That's what we're working on.

Senator CAMPBELL. That's not where they are now, however?

Chief GAINER. Right now, Senator, they're still at the Rock Creek training stable.

Senator CAMPBELL. I see.

Chief GAINER. We're working out the agreement to determine at which stable they will be.

Senator CAMPBELL. So they're just training them and they brought them down?

Chief GAINER. Right. We do have three vehicles and three trailers. But one of the concerns is with the World War II monument opening up and whether the Park Police will retain that stable on the Mall is being discussed.

Senator CAMPBELL. Is the Park Service Mounted Unit doing some of the training of these officers?

Chief GAINER. They're conducting the training, it's all under their direction and their authority, their expertise.

## TRAINING HOURS

Senator CAMPBELL. This is a broader training question—your in-service training is about 80 hours a year, is that correct?

Chief GAINER. It is. And in fact, we really probably exceed that now with all the specialized training. Last year we collectively trained for about 200,000 hours.

Senator CAMPBELL. How much training do those mounted patrolmen go through?

Chief GAINER. That's a 10-week program.

Senator CAMPBELL. Ten weeks. Okay, thanks. Senator Durbin.

#### ESCAPE HOOD REPLACEMENT

Senator DURBIN. Chief Gainer, can you or somebody on the Board explain escape hood replacement costs of \$8 million.

Chief GAINER. Yes. When the hoods were purchased they appeared to have a 4-year shelf life. We're hoping that's still the case. But what we've seen with the escape hoods is that they're very difficult to put on; and it is impossible to communicate with them on. So, we and others, have been working with the authorities to see if there's a better hood to be made available. The hope is that there would be; the National Certification Group is looking at different hoods. We hope that if a new hood becomes available it will be easier for adults and children to wear. If that's the case, we've made the preliminary decision rather than replace the current hoods, which have a 4-year life, or 3 years left now, rather than doing that piecemeal and give someone an older, less viable escape hood we would convert all to new escape hoods. If there's not a new one discovered then we probably only need to replace a quarter of those and we would not need the full \$8.1 million.

Senator DURBIN. What was the original cost of the escape hoods?

Chief GAINER. The total cost? Excuse me. We purchased 45,000.

Chief GAINER. We purchased 45,000 for about \$4.7 million. But the price of them has gone up.

Senator DURBIN. Obviously.

Chief GAINER. Yes sir. We're anticipating getting higher quality hoods.

Senator DURBIN. What's to tell us that 1 year after we purchase these we've decided we shouldn't have purchased them and \$4.7 million may have been wasted? What have we learned?

Chief GAINER. Well, that was the best product at the time. And it was essential, I think, given the facts that everybody was dealing with that we purchase something. Actually, even if there was a better hood, in theory you could use these for the next 4 years if one trains on them. Most of the staffs of both the House and the Senate, have been excellent on training with the existing hoods. Some others have been a little bit more reticent to come to the training.

Senator DURBIN. I resemble that remark.

Chief GAINER. But it is difficult to put on and impossible to communicate with it on.

Senator DURBIN. That may be a blessing with some elected officials. Let me—well, it's a concern. I don't know how I explain this at home, that we bought 45,000 for \$4 million plus and 1 year later, even though they have 3 years of life left in them we've decided to junk them and to spend two times as much to replace them. If technology is moving that fast to justify it I suppose that's the argument but it appears that a decision was made and it's being countermanded within 1 year and I'll bet you that when the

first \$4 million was justified it was for a 4-year hood. So that's what we're going to be faced with so it seems like a pretty dramatic reversal in a short period.

Chief GAINER. But it's really still under analysis, Senator, so there's no final decision at all.

#### FENCE

Senator DURBIN. Let me say a word about this fence. I agree with Senator Campbell completely. I've been around here long enough and I think he has too to have seen some dramatic and depressing changes in terms of life on Capitol Hill that reflect the reality of threat. And I can recall the bombing in the Senate corridor when I was just a brand new Member of the House of Representatives; I heard it in my apartment just a block or two away. And we started changing things the next morning and they've never really stopped; 9/11, of course, was the major catalyst of change here. I for one hope that we don't move toward a security fence as I envision it. To call something an aesthetically pleasing security fence, it's a little hard for me to understand where they're coming from with this. And is it not true that we're investing substantial sums of money on Capitol Hill—maybe this goes to the Architect—for the construction of these bollards and other things, acknowledging that traffic would be within this complex? Is this going to be another escape hood, where we'll say, well, now we're going to build the multi-million dollar fence, we probably shouldn't have built the bollards because there won't be that much traffic within the perimeter of the fence. I don't know who can answer that, but is anybody considering that aspect?

Chief GAINER. Well just, from my perspective, Senator, they're not incompatible. I guess all I'm suggesting, both here and in the House, and I did this in consultation with the Board, was to at least renew the discussion about this. I think it became most clear to me as we see the different bombings that are happening around the world. We have done a lot toward standoff on trucks and we've done a substantial amount for standoff on vehicles but unfortunately we see the suicide bombers, whether it's in England, Ireland, Israel, Palestine, Jordan, there are people bringing those packages and it is our concern that those small-type of explosives, which will only injure scores rather than the 9/11 type, is still a real danger. Frankly, as I listen to the 9/11 Committee, in their analysis, I just thought it was appropriate that we talk about this again because heaven forbid if something happens here on the Hill. Who knows what would have happened if 1 year before 9/11 someone would have come in and said maybe we ought to seal all the doors on airplanes. I know it seems bizarre, it doesn't look good, but I think we need to lay it out and decide whether we want to accept the risk or not.

Senator DURBIN. I think it's entirely appropriate that you raised the issue. But I'm struggling with the concept that says we will have a perimeter fence to limit access to the Capitol Hill area, and that means that we'll have fewer Capitol Hill police, for example, who have to worry about access points; there will be fewer access points with such a perimeter fence and yet we can still justify the bollards for traffic that's going to pass through this secure area? I

think those two things are inconsistent. Either a perimeter fence limits access and the bollards then become redundant or unnecessary or it doesn't limit access and you ask why you have it. So I need to work with you on that to understand this a little better.

Chief GAINER. I know we're just a long way from even touching on this, but if you can envision how the White House is, where there are bollards along Pennsylvania Avenue and the bordering streets and then the fence. The fence is really designed less for vehicles and more for people. Unlike the White House, the vision for this is where we would have sufficient openings and officers, so the access for people would be freeflowing. Then we would know anybody inside the perimeter of the Capitol would be completely bomb-free, weapons-free and then they'd have complete access to the entire Capitol.

Senator DURBIN. I guess my misunderstanding was I thought initially they'd said that the fence would be outside of the office building area.

Chief GAINER. That was one of the suggestions. Now again, it was at least one of the suggestions, you're correct.

Senator DURBIN. Before we get into all the details which would be a long discussion, I would just weigh in with Senator Campbell. I just hope that we don't reach that point where we're fencing off the Capitol area. I want to try to find some way to achieve security. Short of that, if it becomes a necessity then frankly we have to accept it.

#### SWORN PERSONNEL REQUESTED

May I ask you this. The 1,800 sworn personnel, 1,805, if I'm not mistaken that has been a goal for several years, that the Capitol Police would reach that level of sworn personnel.

Chief GAINER. Approximately, yes.

Senator DURBIN. Yes. And so the last several hundred that you're asking for this year, 200 or whatever it happens to be, is in pursuit of that goal that we set a number of years ago. Is that correct?

Chief GAINER. Correct.

#### RECRUITING OFFICERS

Senator DURBIN. There was a time not too long ago when I asked either you or your predecessor how many applications need to be taken before you find someone who can be qualified to serve as a Capitol policeman? What is the current ratio, do you know?

Chief GAINER. It's about 1 out of 10 and sometimes it goes 1 out of 18. We do have some great candidates who are applying and maybe the job market helps us in that regard, but it's about 1 in 10.

Senator DURBIN. And what are the major reasons why applicants are not accepted?

Chief GAINER. It is more a matter of being best qualified, it's really not that people are unqualified, it is in fact they are less qualified. We do the written test, the psychological and the background.

Senator DURBIN. Drug test?

Chief GAINER. Yes sir. And a polygraph.

## ADDITIONAL COMMITTEE QUESTIONS

Senator DURBIN. I see. I have some questions for the record but thank you very much, Chief.

Chief GAINER. Thank you, Senator.

Senator CAMPBELL. I have no further questions. There may be some written ones by other committee members. But I just want to say in parting it's been terrific working with both of you. Thank you.

Chief GAINER. Thank you, Mr. Chairman.

Mr. PICKLE. Thank you, Mr. Chairman.

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

## QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

*Question.* In 2001, the Capitol Police developed a plan to remedy administrative deficiencies identified by the GAO. In January GAO completed its semi-annual review of the status of these issues. GAO found that "the overall pace of progress on USCP's strategic initiatives continues to be limited." Areas such as developing procurement policies and procedures, implementing a performance management system, and improving workforce planning were among the deficiencies noticed. Can you describe briefly how you will meet the milestones the Department itself set forth in 2001 to improve USCP administrative functions? How many new personnel are needed to implement these milestones? What is the status of hiring a new Chief Administrative Officer—a position that has been vacant for about three-quarters of a year?

*Answer.* Mr. Anthony Stamilio was selected for the CAO position and reported for work on May 4, 2004.

Significant progress has been made in administrative operations since the creation of the CAO in 2001. As reported by GAO in their semi-annual reviews of our administrative operations the following achievements have been made:

- Completed a strategic plan for fiscal years 2004 through 2008 for the Department, including departmental goals, objectives, and associated performance measures.
- We have stabilized and are making significant improvements in financial management, including the development and implementation of policies and procedures to control and guide the appropriate use of funds. We have requested the consolidation of our Salaries and General Expense appropriations and have requested funding for a new accounting system to continue the progress we have initiated.
- We have implemented a zero based budget approach for all Department operations to ensure budget requests are appropriately developed and justified each year.
- We have developed an IT systems architecture as a road map for the deployment of technology within the Department and have replaced and are in the process of replacing a significant number of antiquated systems throughout the Department as well as leveraging opportunities for systems augmentation and development for new operational and administrative capabilities.
- Hired contract and additional staff, including a new Director and senior staff in the Human Resources area to tackle the backlog of filling positions and policy development.

Areas that require additional work:

- The GAO has identified the employment of critical administrative staffing with the right mix of skills and competencies as the number one impediment to the USCP achieving its administrative goals.
- Other areas for improvement include further development and implementation of policies and procedures, completion of an IT acquisition strategy, implementation of a competency based performance management system, as well as developing a robust workforce planning capability.

We acknowledge that excessive operational demands and significant staffing shortages continue to consume critical administrative resources and impeded or slow progress toward reaching strategic goals and initiatives.

We also understand the decisions reached as part of the planning process needed to drive the focus of daily operations.

*Question.* The recent SAIC report identified several areas in USCP that had poor management practices, while in other areas it found “best practices” in managing work and resources. Why does this management imbalance exist in USCP and what is top management doing to increase the management capabilities of those areas deemed deficient?

*Answer.* The focus of the SAIC analysis was not to conduct a review of management practices and management of work but rather the methodology utilized in the USCP developed Staffing Analysis. Based on the review of the USCP methodology, SAIC determined that there were pockets of best practices in the organization. For example the Office of Information Systems (OIS) and Security Services Bureau were cited as a “best practices” because they utilized processes to depict workload and mapped workload to FTE requirements based on benchmarking, historical data, and/or subject matter expertise. While these areas were determined to be best practices, other areas were not able to document workload due to lack of data or lack of experience to create workload data (i.e., work had not previously been accomplished and workload data was not available). However, SAIC did indicate, “most offices under the Chief Administrative Officer are not positioned to operate as fully functioning support organizations.” SAIC went on to state, “most deficiencies have been recognized and steps are being taken to address them.” The USCP has initiated the process to contract with outside consultants to review selected operations, within fiscal constraints. Areas included in the current review processes include training services, internal affairs, budget, accounting, and selected areas of protective services.

*Question.* USCP asked for a considerable number of additional positions in the Comprehensive Staffing Analysis, yet SAIC could not validate the assumptions and criteria used by USCP for most of these positions. What is USCP doing to increase the assurance that the fiscal year 2005 positions can be justified and validated?

*Answer.* SAIC’s task was to review the methodology used to develop the USCP staffing needs. SAIC reviewed each position and provided a stoplight (red, yellow, green) indication as to whether appropriate supporting information was available to support the new positions. They did not perform workload analyses or comment on the need for the positions, but rather the level of supporting information they reviewed.

While the USCP does concur with many parts of the SAIC evaluation, there are also several areas where the USCP does not agree with SAIC’s findings. The inability of SAIC to fully validate the justifications of several positions, where the USCP thought it had strong justifications, is where most disagreements exist. The following outlines where some of the validation issues occurred:

- In several cases Bureaus/Offices were asked by SAIC to produce workload data in order to validate justifications. Such workload data was sometimes not available, or not as thorough as one would like it, primarily due to the fact that there has not been sufficient staff necessary to collect workload information, or because current systems are not able to capture the necessary data. In many offices the current staffing levels are only sufficient to perform the minimum requirements of the office, not allowing for the additional time necessary to collect workload data, manually if it is not available automatically.
- SAIC asked for outside staffing studies to confirm what Bureaus/Offices were telling them in terms of the need for additional staff. While the USCP acknowledges that such studies are very useful tools, and were used when available in putting together the Comprehensive Staffing Analysis, the Department has not had studies done on all areas of the Department, in large part due to costs associated with having such studies performed.
- In some instances Bureaus/Offices thought the information provided to SAIC logically showed the need for additional staff, while SAIC would not validate, or would only partially validate the request.
- SAIC was unable to validate a majority of personnel requests for administrative staff, stating that this was due to the lack of sufficient analysis of current and projected workloads. The Department is aware that there has been a great need for more administrative staff to alleviate higher-level staff from having to undertake administrative duties. To validate the staffing requests, SAIC stated that an in-depth workload analysis would need to be performed, thereby enabling accurate manpower requests. Once again, as stated above such studies are very costly.
- In the last GAO report reviewing progress being made in the areas under the USCP’s Chief Administrative Officer, several references were made about the great need that the USCP had in the management/administrative areas for ad-

ditional staff. The SAIC report on the other hand, could not fully validate many of the justifications presented for additional staff in those same areas, and which the Department believes are obvious staffing needs.

In addition to the additional information provided to both SAIC and GAO, the USCP has initiated the process of contracting with outside consultants to review selected operations, within fiscal constraints. Areas included in the current review process include training services, internal affairs, budget, accounting and selected areas of protective services.

*Question.* You have requested \$5.7 million for a “sworn pay scale adjustment.” What is this and what are the implications if we are unable to fund this initiative?

*Answer.* The sworn pay scale adjustment rectifies inequities between grade and step levels in the sworn pay scale as a result of prior year adjustments to selected portions of the pay scale without appropriate consideration of the impact these adjustments had on the pay scale as a whole.

At the direction of the Appropriations Committees, a study was completed that recommended a correction of the current inequities. The study determined that it would cost \$11.4 million in fiscal year 2005 to implement the proposed pay schedule on October 1, 2004. The \$5.7 million included in the fiscal year 2005 request would provide for an April 1, 2004 implementation. An additional \$5.9 million (includes estimated 3.5 percent January 2006 COLA) would be required in fiscal year 2006 for the annualization of the adjustments.

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#### QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

*Question.* What are the long term capital costs required for the Capitol Police?

*Answer.* Excluding facilities related items, most of the USCP capital costs relate to the replacement of systems or equipment such as vehicles, X-ray, magnetometers and cameras. The cyclical replacement costs of these capital items are included on an ongoing basis in our annual requests.

In the area of information systems modernization, the USCP currently operates a set of administrative systems including personnel, time and attendance, scheduling and inventory control. These mainframe systems are a heterogeneous collection of legacy mainframe software applications and commercial off-the-shelf software applications. The legacy systems are costly to operate and difficult to maintain. The infrastructure has been managed and developed on an as-needed basis, often tied to specific applications.

USCP has developed an Enterprise Architecture and IT Strategic Plan consistent with the modernization effort started in fiscal year 2001. These efforts target web-enabled, integrated applications running on one or more enterprise servers to include back-up servers soon to be located at the Alternate Computer Center (ACF).

The modernization effort project is large and enterprise-wide in scope. As such, there are multiple phases with multiple subprojects that are coupled together. Users have both functional and non-functional requirements that cross the enterprise IT Architecture, requiring close coordination and project management of multiple teams.

The Office of Information Systems (OIS) created a Business Systems Modernization Office (BSMO). The BSMO mission is to provide technical, functional, managerial, and planning IT support to the USCP in the development of an Enterprise Architecture (EA), development of a Transition Plan as well as oversight of the ongoing implementation efforts.

Phase 1 of the modernization effort provided for the implementation of Administrative systems. Time and Attendance, Personnel, Scheduling, Training and Fleet Management, as well as a Case Management System for Internal Affairs have been completed. All Law Enforcement Systems have been brought up to the same relational data base level.

Phase 2 will encompass the implementation of an Asset Management System integrated to the Financial Management System to include budget. A Data Warehouse and Operational Data Store has been designed and implementation is to take place in early fiscal year 2005.

Phase 3 will occur in fiscal year 2006 and provide for an Executive Information System (EIS) to assist in the recovery and use of data and information as necessary.

One significant item that is on the horizon is the replacement of the radio systems. A new digital radio system, which will be used by the USCP and other Legislative Branch entities, is roughly, and preliminarily, estimated at \$30 million. A contract is being negotiated with the Navy Aviation Systems Command to assess and make recommendations for the radio communications system upgrades. This study will include firmer estimated costs for their proposed recommendations. Over

the past several years, we have been working closely with the Architect of the Capitol in the development of a facilities master plan for the USCP. The potential cost of new facilities and the cost of facility renovation are best addressed by the Architect of the Capitol.

*Question.* Chief Gainer, could you please explain why you need \$8.1 million for replacement of escape hoods?

*Answer.* When the current escape hoods were purchased they were the best on the market. However, the current masks are difficult to put on and it is impossible to communicate when they are donned. In October 2003, the National Institute for Occupational Safety and Health (NIOSH) published national standards for escape hoods, and all further testing and approval will be accomplished against those standards. At this time, several companies have submitted escape hoods to NIOSH for testing under the new standards and product approvals are expected to occur during the second half of 2004. Approved escape hoods are expected to be available for purchase in 2005. It is anticipated that the escape hoods that meet the new standards will be easier for adults and children to wear and will solve the communications issue. If as anticipated new masks are on the market in 2005 that meet the NIOSH standards, a preliminary decision was made to replace all the escape hoods rather than doing it in a piecemeal fashion and give someone an older, less viable hood. The cost of replacing all 45,000 escape hoods is estimated to be \$8.1 million.

*Question.* What training requirements are not being met at the FLETC facility at Cheltenham?

*Answer.* The USCP is currently conducting follow-on basic and in-service training at the FLETC facility at Cheltenham, Maryland. We are also negotiating a MOA with the FLETC to utilize the firearms range for re-certifications, and will utilize the driving range when it is complete this fall. Some of our long distance rifle training needs, which are best conducted in an outside environment, will not be met at the Cheltenham facility. Also, basic recruit training, which is conducted by the FLETC in Georgia, was never intended to move to Cheltenham and will not be relocated to the Cheltenham facility. We continue to work with FLETC regarding issues on availability of the facilities as well as funding requirements, and we expect to have a Memorandum of Agreement finalized soon. We have also been working with the Appropriations Committees regarding the resolution of the issues.

*Question.* What is the cost for building a separate firing range for the Capitol Police?

*Answer.* The Architect of the Capitol's budget request contains \$12 million for the design and construction of a 36-point 50-yard underground firing range. As conceived, the range would be co-located and built with the Off-site Delivery Facility. If the scheduling requirements, addressed in the above question, for all USCP firearms training and re-certification can be accommodated by the FLETC, the USCP will not require the facility requested by the AOC. However, if the facility availability issues are not worked out, the construction of a new firing range is critical to the operations of the USCP.

*Question.* It was my understanding that the Capitol Police have free use of the firing range at Cheltenham. Why do you need a separate firing range?

*Answer.* Our primary issue regarding the use of FLETC firing range at Cheltenham is one of access and accommodating our needs for firearms training and re-certification. As indicated above, the original partnership with the Federal Law Enforcement Training Center (FLETC) on the new training facility in Cheltenham, Maryland included 26 agencies. With the creation of Department of Homeland Security and subsequent merger with Treasury/FLETC, the facility now serves 70 plus agencies but the size of the range has not grown proportionally. If our training needs cannot be met by the FLETC, the construction of a new firing range is critical to our operations.

FLETC has indicated that it is expecting a reimbursement for firing range use by all federal agencies and we have included funds for this purpose in our fiscal year 2005 budget request.

*Question.* What are the costs associated with the Capitol Police having access to the Cheltenham facility? Are these costs being covered by the Capitol Police or by the Department of Homeland Security?

*Answer.* Although we are still working with the FLETC on access and reimbursement issues, based on reimbursement cost rates FLETC provided in the Fall of 2003, we estimated it will cost the USCP \$1,032,000 in fiscal year 2005 to cover all firearms training. This amount is included in our fiscal year 2005 budget request. However, we now understand that FLETC may be lowering their rates. A Memorandum of Agreement (MOA) between the USCP and FLETC is being negotiated and it should be completed soon. This MOA will spell out who will pay for

what cost and when cost will begin being paid by the USCP. In addition to the firing range reimbursements, these costs will include the operational and maintenance costs of Building 31, the primary training facility that we occupy, and any other resources utilized by the USCP at the Cheltenham facility. The FLETC has estimated the cost to be \$281,400 for fiscal year 2004. FLETC will also expect reimbursement for the driving range when it opens and a daily per person user fee, currently set at \$5, for the use of their other facilities at Cheltenham. We do anticipate reimbursing the FLETC for the operational and maintenance, driving range and other facility usage fees.

*Question.* What is the status of filling the vacancy of the Chief Administrative Officer?

*Answer.* Mr. Anthony Stamilio was selected for the CAO position and reported for work on May 4, 2004.

*Question.* What are your priorities for improving administrative operations of the Capitol Police?

*Answer.* Our first priority is to fill all the vacant civilian positions including the 75 new positions that were provided in fiscal year 2004. We have hired outside consultants to jumpstart our hiring and human resources operations. We are committed to having substantially all these positions filled by the end of the fiscal year. As part of our strategic planning effort we have developed performance plans and measures to continue the improvement of our administrative operations. We continue to move forward with our information technology systems modernization related to law enforcement databases and administrative systems as well as modernizing human resources and continuing with improvements with financial management operations.

*Question.* We recently received SAIC's evaluation of your Comprehensive Staffing Analysis. It seems that the Capitol Police could benefit from the development of a comprehensive manpower plan that would determine the number and kinds of positions, both existing and new, needed to meet the requirements identified in the threat and vulnerability assessments as well as the strategic plan. Are there any efforts underway to undertake the preparation of such a plan? What would be required to produce a manpower plan that would clearly relate manpower requirements to a congressionally approved strategic plan that clearly ties to threat and vulnerabilities?

*Answer.* One of the priorities of the new CAO is to take a strategic view of human capital management. Based on GAO recommendations, we are currently exploring the benefits and processes of strategic human capital planning, synchronized with the USCP Strategic Plan. The threat environment, evolving tactics and technology will drive requirements for future manpower adjustments. Our tentative plan is to assess functional slices of the organization in light of the above "drivers" to determine the manner in which the organization will operate in the future. The manpower requirements, to include numbers and skill sets will evolve from this analysis. Initial assessments should begin in fiscal year 2005.

*Question.* Do you feel that a perimeter security fence is a good idea? Do you think it should include both the Capitol and the office buildings?

*Answer.* All of our major security surveys (Secret Service, DTRA, SAIC) since 1983 have raised the issue of a perimeter fence to enhance Capitol Complex security. Strictly from a security standpoint, we agree that a fence is a good idea. Based on the current environment and events that are happening around the world, we believe that the perimeter security fence issue should be revisited and that here should be a discussion on its merits and whether we want to accept the risks as they exist today. This discussion should include a perimeter security fence around the Capitol and the office buildings. We realize that other factors, including perceived openness and cost, need to be a part of this discussion. The resolution of this issue is directly related to the manpower requirements of the USCP.

*Question.* Are you working on a plan to ease staff entry into the Senate buildings? I have noticed on many occasions that the lines are out the doors and on the sidewalks at many of the Hart and Dirksen Building entrances.

*Answer.* We have recently made several changes to reduce the line at entrances to the Senate buildings. We are designating several entrances as "staff only" until 10:00 a.m. and outside officers are directing visitors to lower volume entrances. We will continue to monitor the situation and make adjustments are needed.

#### SUBCOMMITTEE RECESS

Senator CAMPBELL. If there is nothing further, the subcommittee will next meet at 11 a.m., Thursday, April 8 to hear from the Secretary of the Senate and the Architect of the Capitol.

[Whereupon, at 3 p.m., Wednesday, March 31, the subcommittee was recessed, to reconvene at 11 a.m., Thursday, April 8.]



**LEGISLATIVE BRANCH APPROPRIATIONS FOR  
FISCAL YEAR 2005**

THURSDAY, APRIL 8, 2004

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

The subcommittee met at 11:03 a.m., in room SD-138, Dirksen Senate Office Building, Hon. Ben Nighthorse Campbell (chairman) presiding.

Present: Senators Campbell and Durbin.

U.S. SENATE

OFFICE OF THE SECRETARY

**STATEMENT OF HON. EMILY J. REYNOLDS, SECRETARY OF THE SENATE**

**ACCOMPANIED BY:**

**MARY SUIT JONES, ASSISTANT SECRETARY**

**TIM WINEMAN, FINANCIAL CLERK**

**DIANE SKVARLA, CURATOR**

OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. The subcommittee will come to order. We meet this morning for our last scheduled hearing for the fiscal year 2005 budget cycle for the legislative branch. We will take testimony from the Secretary of the Senate, Emily Reynolds, and the Architect of the Capitol, Alan Hantman.

Good morning, Emily. How are you this morning?

Ms. REYNOLDS. I am fine, sir. Thank you.

Senator CAMPBELL. The budget request for the Office of the Secretary is \$21.286 million, an increase of \$755,000, or about a 4 percent increase over the current year budget.

In the last year, your office had accomplished very much, including further implementation of a financial management information system, keeping the Senate operating during the February ricin incident and, of course, working with the owner of the Curtis chair that I was so interested in, and I thank you for that, which is now back in the Senate. We certainly appreciate that.

Following your testimony, we will hear from the Architect of the Capitol, Alan Hantman. The AOC's budget request totals almost \$858 million, which is an increase of \$170 million, or 41 percent over the fiscal year 2004 appropriation. Roughly, half of the budget

is for operations and maintenance of the buildings and grounds administrative support, safety programs, and restaurants.

The increase of 18 percent over fiscal year 2004 for this portion of the budget is due to increased utility costs, payroll, and safety programs. The other half of the budget, major capital projects, is up 143 percent over the current year, and would support 71 projects, including the Copyright Deposit Facility for the Library of Congress, storage modules for the Library at Fort Meade, and Capitol Police projects.

The number of projects and dollar values associated with them will be very difficult to accommodate, not only in the view of the budgetary constraints but also owing to the concerns that you have a lot on your plate already, not the least of which is the completion of the Capitol Visitor Center. We will be looking forward to that testimony, too.

Senator Durbin will be along, but while we are waiting for him, you go ahead and proceed, Ms. Reynolds.

Ms. REYNOLDS. Thank you, sir. My full statement, which obviously you all have, I would like to have submitted for the record.

Senator CAMPBELL. It will be included in the record. Is your button on, on that microphone?

#### OPENING STATEMENT OF EMILY REYNOLDS

Ms. REYNOLDS. Thank you very much. My full statement, of course, as you just said, we will include in the record. I thank you for that. I would like to give just a brief overview this morning and hit some of the high points of our past year.

I have with me this morning our very able team, Mary Suit Jones, our Assistant Secretary, Tim Wineman, our financial clerk, and a number of our department heads, all of whom I am honored to work with each and every day.

As you said, our budget request for the year is \$21,286,000. That is \$1.7 million in operating funds and just over \$19 million in our salary costs. Our operational budget is static from last year but now knowing, obviously, the strengths of this office, what it takes us to operate, and also to take on some new initiatives, we believe that—that request is a sound one and will enable us to continue to function well in all three of our divisions, legislative, financial, and administrative.

Our personnel costs, as you pointed out, we are requesting a very slight increase, that for the COLA and for merit, so that we can continue to attract and retain the talent that the United States Senate both needs and deserves in our operations.

I want to thank the committee, Mr. Chairman, for your past support of two major projects, one of which you mentioned; our financial management information system, and our legislative information system, both of which, in the course of this last year, we continue to make enormous progress.

#### FINANCIAL MANAGEMENT INFORMATION SYSTEM

On FMIS, as you know, that was developed from a 5-year strategic plan for the disbursing office. It now covers some 140 offices here in our Senate community and our goal is to move to a paperless voucher system.

We reached an important step at the end of March, with a test of creating laser checks, which was successful. That is one of our production goals for this year. Moving into fiscal year 2005, our plans call for us to create a small pilot of the technology for paperless payment processing. So again, we are making considerable progress in that regard.

#### LEGISLATIVE INFORMATION SYSTEM

On the legislative information system, to implement the extensible mark-up language, or XML, is our data standard by which we author and exchange documents, again, enormous progress. That really has been a very collaborative effort, with both our project office, Sergeant-at-Arms staff, and our Senate legislative counsel, who have been our guinea pigs, if you will, as part of that project team.

I am happy to report that they are now using the LEXA application and, by all accounts, it is going quite well. In fact, one member of the Senate legislative counsel team reported that this is a story with a happy ending. The ending, of course, is not yet completely in sight, as we will continue to develop and enhance that project.

All and all, our LIS system means an improved exchange program, quicker access to legislative information, and documents that we can use much more easily reuse and re-purpose.

I also want to thank the committee. We had some non-recurring costs that you all were supportive of us on. We had some technology upgrades that we needed very badly, in closed-captioning, in our gift shop, in our stationery room, and we have made progress on all of those in no small part thanks to this committee's help. So I thank you, again.

#### SENATE PRESERVATION FUND AND CURATORIAL ADVISORY BOARD

Most especially, something that I know is near and dear to you, and Senator Stevens' leadership was very helpful to us on this as well, and that is the creation of the Senate preservation fund, and a curatorial advisory board for us here in the United States Senate.

I want to give you a quick update on that, in that, for the curatorial advisory board, we are in the process of gathering nominees from the members of the Commission on Art. Specifically, the legislation reads that those board nominees be experts, scholars in their field. And they will help us in terms of providing counsel on our Senate collection, looking at possible acquisitions for us, developing preservation policies.

My hope is that we can have that board in place within the next month, and gather them for their first meeting this summer. So, that is an exciting opportunity.

Second of all, again, the Senate Preservation Fund, the seed money that you all provided this committee, that \$500,000, will give us the ability to service that curatorial advisory board in terms of administrative costs and also to make some potentially time-sensitive acquisitions going forward.

In addition, I think that board and the Preservation Fund, the more people know of what we are looking to bring back to the United States Senate or the kinds of acquisitions we are looking for, the more that word spreads in that curatorial field, the better

our ability will be to attract some additional treasures back to the Capitol and the Senate wing, in particular.

#### CURTIS CHAIR

I want to again thank you, as you mentioned a moment ago, for bringing to our attention last year the existence of the chair that belonged to former Vice President Charles Curtis, and the detective search that we all enjoyed in terms of locating that chair, and bringing it back home, if you will.

The chair is now, of course, on loan to us from an anonymous donor. With Vice President Curtis, it was housed in the Russell Senate Office Building. It now, as you know, has been placed in the ceremonial office for the Vice President, in the Capitol. As we move forward with plans for the exhibit content of the Capitol Visitor Center, our hope is that it will be displayed in the Visitor Center in the years to come, as well.

#### PORTRAIT OF MARGARET CHASE SMITH

In other curator activity, the portrait of Margaret Chase Smith will arrive this year. This fall, we will see the addition of Senator Vandenberg and Senator Wagner to the Senate reception room. So, that will be an exciting event that all of us will look forward to, here in our Senate family.

With our 26 departments, there are so many highlights in addition to all the curators' work. I just want to take a moment, just for a couple of additional highlights.

#### SENATE LIBRARY

Our tremendous Senate library. While a lot of information centers are showing actual decline of usage, our Senate library last year continued its tradition of posting increases in use to up to 14 percent last year. Senate.gov, a tremendous tool, not only just for those of us here in the Senate community but for the general public, we are now averaging 115,000 visits to Senate.gov a day. So, it is a tremendous public education tool.

#### SENATE HISTORICAL OFFICE

Our historical office last year was deeply involved in the first-ever conference of university-based research centers that are dedicated to the study of Congress. I am delighted to report that out of that conference, an Association of Centers for the Study of Congress was created. And with that, our historical office, we will help host that group for their first formal meeting. They will be meeting here with us in the Capitol next month. So again, something to look forward to. And again, our historical office played a pivotal role in that, something I am very proud to report.

Our historical office also is a valuable part of the content team for the Capitol Visitor Center, as we look to opening that facility within the next couple of years.

#### COOP AND COG PLANNING

I also want to mention that our continuity of operations planning and our continuity of Government planning, which I know our Ser-

geant-at-Arms, at his hearing last week, spent a great deal of time with you all on, is also an area that our office works very collaboratively with the Sergeant-at-Arms on. Clearly, as you mentioned a moment ago in the introduction, that planning pays off. Most recently, with our ricin scare February 2.

Although our buildings were closed, our disbursing office still met payroll, just as they did during the anthrax incident of 2001. For offices that might have been relocated for a period of time, we exercised our COOP plan for the stationery store, so the supplies were available to offices as they set up in other locations. We had a statutory deadline in public records, and we were able to set up shop in our emergency operations center to meet that statutory filing deadline.

We continue to exercise frequently with the Sergeant-at-Arms in all aspects of COOP and COG, so that, most importantly, our team can meet our legislative responsibilities and any other responsibilities incumbent upon us.

At the top of my remarks a moment ago, I mentioned the very able people within the Secretary's office, and I want to commend them, if you will indulge me for a moment. It is remarkable to me that total combined within our office, the individuals who staff the Secretary's office represent a combined service of over 2,500 years of service to the United States Senate.

They really do represent the best of the vision of Senators Mansfield and Dirksen for now some 40 years ago. And that is attracting people to the Secretary's office to serve as true professionals, to maintain and strengthen the United States Senate as an institution, as a whole, and they are a remarkable group of individuals.

You see how that strength and their expertise is so important to us when you look at the kind of legislative year we had last year. It was the busiest legislative year since 1995. Having that depth and breadth of experience, especially as we went through two, of course, overnight marathon sessions in November, and followed by a rare weekend session right on the heels of that, that longevity in service, that expertise serves the Senate very well every day.

#### SUCCESSION PLANNING AND CROSS-TRAINING

With that longevity of service also comes the need for succession planning and cross-training among our specialties. That initiative continues as well. We have a perfect example I just want to cite amongst our own personnel, in terms of succession planning, is that we have been able, in a very pivotal role within the legislative clerk's office, we were able to bring someone on 10 months in advance of a pending retirement, so that those individuals have ample time to train, share knowledge, work side by side on a daily basis; and when that retirement occurs, will allow for a seamless transition in our legislative shop.

You will also notice in our cross-training efforts, our staff that works at the Senate rostrum, among the legislative clerk's staff, while their faces do not necessarily change, they will change seats on you from time to time. That is because all of them were cross-trained amongst their specialties; again, to give us all that depth and breadth of experience, enabling the Senate to meet its constitutional responsibilities.

It has been my real privilege, for now just about 16 months, to serve as the Senate's 31st Secretary, to be part of the tradition and history of this incredible institution. That is why on balance, I believe, after careful examination, the budget request we bring you today, both in terms of our operating budget and our personnel costs, will enable us to continue to provide the very best possible legislative, financial, and administrative services to this body.

PREPARED STATEMENT

I thank you and I look forward to your questions.  
 Senator CAMPBELL. Thank you, Emily.  
 Ms. REYNOLDS. Thank you, sir.  
 [The statement follows:]

PREPARED STATEMENT OF EMILY J. REYNOLDS

Mr. Chairman, Senator Durbin and Members of the Subcommittee, thank you for your invitation to present testimony in support of the budget request of the Office of the Secretary of the Senate for fiscal year 2005.

Detailed information about the work of the 26 departments of the Office of the Secretary is provided in the annual reports which follow. I am pleased to provide this statement to highlight the achievements of the Office and the outstanding work of our dedicated employees.

My statement includes: Presenting the fiscal year 2005 Budget Request; Implementing Mandated Systems: Financial Management Information System (FMIS) and Legislative Information System (LIS); Capitol Visitor Center; Continuity of Operations Planning; and Maintaining and Improving Current and Historic Legislative, Financial and Administrative Services.

PRESENTING THE FISCAL YEAR 2005 BUDGET REQUEST

I am requesting a total fiscal year 2005 budget of \$21,286,000.

The fiscal year 2005 budget request is comprised of \$19,586,000 in salary costs and \$1,700,000 for the operating budget of the Office of the Secretary. The salary budget represents an increase over the fiscal year 2004 budget request as a result of (1) the costs associated with the annual Cost of Living Adjustment in the amount of \$717,000; and (2) an additional \$570,000 for merit increases and other staffing.

The net effect of my total budget request for fiscal year 2005 is an increase of \$722,000.

Our request in the operating budget, which is the same as fiscal year 2004, is a sound one, enabling us to meet our operating needs and provide the necessary services to the United States Senate through our legislative, financial and administrative offices.

In reference to the salary budget, first and foremost, this request will enable us to continue to attract and retain talented and dedicated individuals to serve the needs of the United States Senate.

OFFICE OF THE SECRETARY APPORTIONMENT SCHEDULE

ITEM	AMOUNT AVAIL- ABLE FISCAL YEAR 2004 PUB- LIC LAW 108-83	BUDGET ESTI- MATE FISCAL YEAR 2005	DIFFERENCE
<b>DEPARTMENTAL OPERATING BUDGET:</b>			
EXECUTIVE OFFICE .....	\$525,000	\$525,000	.....
ADMINISTRATIVE SERVICES .....	1,100,000	1,135,000	\$35,000
LEGISLATIVE SERVICES .....	75,000	40,000	(35,000)
<b>TOTAL OPERATING BUDGET .....</b>	<b>1,700,000</b>	<b>1,700,000</b>	<b>.....</b>
<b>SPECIAL PROJECTS .....</b>	<b>565,000</b>	<b>.....</b>	<b>(565,000)</b>
<b>TOTALS .....</b>	<b>2,265,000</b>	<b>1,700,000</b>	<b>(565,000)</b>

## IMPLEMENTING MANDATED SYSTEMS

Two systems critical to our operation are mandated by law, and I would like to spend a few moments on each to highlight recent progress, and to thank the committee for your ongoing support of both.

*Financial Management Information System (FMIS)*

The Financial Management Information System, or FMIS, is used by approximately 100 Senators' offices, 20 Committees and 20 Leadership and support offices. As a result of a five year strategic plan developed by the Disbursing Office, the Appropriations Committee subsequently approved a \$5 million appropriation of a multi-year program to upgrade and expand FMIS for the Senate.

With these funds, the Disbursing Office continues to modernize processes and applications to meet the continued demand by our Senate offices for efficiency, accountability and ease of use. Our goal is to move to a paperless voucher system, improve the Web-FMIS system, and make payroll and accounting system improvements. In addition, we are working cooperatively with the Sergeant at Arms to prepare auditable financial statements for the Senate.

In 2003, specific progress made on the FMIS project included:

- Implementing three releases of Web FMIS, the accounting system used by offices, which included making the online ESR function available to all offices and piloting online review and sanctioning capability to the Rules Committee Audit staff; making changes to the reporting functionality; making changes to the underlying technology; and providing additional office/committee functionality such as credit documents and the ability to create budgets for a new fiscal year.
- Implementing two releases of the Senate Automated Vendor Inquiry (SAVI), the system used by Senate staff to see payment information and to prepare expense summary reports (online ESR's). Those releases were designed both to streamline access to data necessitated by the full Senate implementation of online ESR and to enhance security.
- Implementing software enabling the Rules Committee Audit staff to conduct the first and second post payment audits. This was done in conjunction with the delegation of sanctioning authority to the Financial Clerk for vouchers of \$35 or less. These statistically valid samples were returned with zero errors, and the threshold was consequently increased by the Rules Committee to \$100 or less, effective January 1, 2004.
- Piloting payments to external vendors via direct deposit.
- Revising requirements for imaging of supporting documentation and electronic signatures.

For fiscal year 2004, the following FMIS activities are underway:

- Full scale implementation of Rules Committee on-line review of Web FMIS-produced vouchers is now completed.
- Implementation of two WEB FMIS releases that will simplify the system architecture, upgrade the technology used, provide simpler disaster recovery and provide the platform for the imaging of supporting documentation and electronic signatures.
- Conduct a pilot for the use of laser checks.
- Implementation of a new release of the SAVI system that enables e-mail notification of payments to vendors and staff.
- Implementation of a new release of the online ESR component of SAVI that will incorporate suggestions made by users.
- Investigate the use of electronic signatures, imaging of supporting documentation, and receipt of electronic invoices.

During fiscal year 2005, the following FMIS activities are anticipated:

- Implementation of a Web FMIS release to provide additional reports useful to office with improvements in the software used to create reports.
- Conduct a pilot of the technology for paperless payment processing.

A more detailed report on FMIS is included in the departmental report of the Disbursing Office which follows.

*Legislative Information System (LIS)*

Our second mandated system, which this Committee has also generously supported, is the Legislative Information System, or LIS, which provides Senators and staff with text of Senate and House legislative documents from their desktop computers. In addition, LIS provides real-time access to legislative amendments and the current status of new legislation within 24 hours. LIS originates from the 1997 Legislative Branch Appropriations Act, which also established a requirement for the broadest possible exchange of information among legislative branch agencies. This exchange process is now the focus of the LIS Augmentation Project, or LISAP.

The overall objective of the LISAP is to implement the extensible markup language, or XML, as the data standard to author and exchange legislative documents among the Senate, House of Representatives, the Government Printing Office and other legislative agencies. Two years ago, the Appropriations Committee appropriated \$7 million to the Secretary for the LISAP, to carry out the Senate portion of the December 2000 directive given to both the Secretary and the Clerk of the House by the Senate Rules Committee and the House Administration Committee respectively. Thus far, we have spent approximately \$4 million of our appropriation, and I am pleased to report that considerable progress has been made and the project is on budget and running smoothly.

The project is currently focused on Senate-wide implementation and transition to a standard system for the authoring and exchange of legislative documents, including an XML authoring system for the Office of Senate Legislative Counsel (SLC) and the Enrolling Clerk for bills, resolutions and amendments. A database of documents in XML format and an improved exchange program will mean quicker and better access to legislative information and will provide documents that are more easily shared, reused and repurposed.

The LISAP project team is developing the Senate's legislative editing XML application (LEXA) which was installed in the Office of the Senate Legislative Counsel (SLC) in January 2004. The attorneys and staff assistants received training and immediately began drafting some bills, resolutions, and amendments in XML with the first XML draft introduced on January 22, 2004.

The SLC's document management system was completed in December 2003, and will be implemented this year. Several of the XML document conversion projects have been completed, including the conversion of bills, resolutions and amendments from the 106th, 107th and 108th (first session) Congresses. The conversion of the compilations of current law to XML will be completed in the next few months. The SLC and House Legislative Counsel use the compilations in drafting bills and amendments.

The SLC is working closely with the project team on continued development and enhancement of LEXA. The Enrolling Clerk and the Government Printing Office are next in line to begin using LEXA. When LEXA is fully functional for these two operations in producing XML documents, the project team will then turn its attention to other Senate offices and other types of legislative documents.

A more detailed report on LIS follows the departmental reports.

#### CAPITOL VISITOR CENTER

While the Architect of the Capitol directly oversees this massive and impressive project, I would like to briefly mention the ongoing involvement of the Secretary's office in this endeavor. My colleague, the Clerk of the House, and I continue to facilitate weekly meetings with senior staff of the joint leadership of Congress to address and hopefully quickly resolve issues that might impact the status of the project or the operations of Congress in general.

In addition, I also facilitate weekly meetings with the Architect's office for the senior staff of the Senate Sergeant at Arms, Capitol Police, Rules Committee and Appropriations Committee, to address the expansion space plans for the Senate and any issues with regard to the CVC's construction that may directly impact Senate operations.

Although the construction creates numerous temporary inconveniences to Senators, staff and visitors, completion of the Capitol Visitor Center will bring substantial improvements in enhanced security and visitor amenities, and its educational benefits for our visitors will be tremendous.

#### CONTINUITY OF OPERATIONS AND EMERGENCY PREPAREDNESS PLANNING

The Office of the Secretary maintains a Continuity of Operations (COOP) program to ensure that the Senate can fulfill its Constitutional obligations under any circumstances. Plans are in place to support Senate Floor operations both on and off Capitol Hill, and to permit each department within the Office of the Secretary to perform its essential functions during and after an emergency.

COOP planning in the Office of the Secretary began in late 2000. Since that time, this office has successfully implemented COOP plans during the anthrax and ricin incidents, and have conducted roughly one dozen drills and exercises to test and refine our plans. In conjunction with the Sergeant at Arms, Capitol Police, and the Offices of the Attending Physician and the Architect of the Capitol, the Office of the Secretary has established and exercised Emergency Operations Centers, Briefing Centers and Alternate Senate Chambers, both on and off Capitol Hill.

In addition, the Office has identified equipment, supplies and other items critical to the conduct of essential functions, and has assembled “fly-away kits” for the Senate Chamber and for each department within the Office of the Secretary. Multiple copies of each fly-away kit have been produced. Some are stored in our offices, and back-up kits are stored nearby but off Capitol property, as well as at other sites outside the District of Columbia. This approach enables the Office of the Secretary to resume essential operations within 12 to 24 hours, even if there is no ability to retrieve anything from offices in the Capitol.

Today, the Office of the Secretary is prepared to do the following in the event of emergency: support Senate Floor operations in an Alternate Senate Chamber within twelve hours on Capitol property, and within 24 to 72 hours off property, depending upon location; support an emergency legislative session at a Briefing Center, if required; support Briefing Center Operations at any of three designated locations within one hour; and activate an Emergency Operations Center on campus or at Postal Square within one hour.

During the past year, the Office of the Secretary continued to update, refine and exercise emergency preparedness plans and operations. Specific activities included the following:

- Activated an Emergency Operations Center, Leadership Coordination Center and selected departmental COOP plans during the ricin incident response;
- Participated in the Capitol Police Incident Command during the ricin incident response;
- Provided supplies to temporary offices in the Capitol and Postal Square during the ricin incident response;
- Conducted an offsite Alternate Chamber exercise and a Briefing Center exercise;
- Identified and acquired all equipment and supplies required to support Senate operations at an offsite Alternate Chamber, and stored all materials at the Alternate Chamber location;
- Reviewed, revised and published the Office of the Secretary’s Master COOP plan, and all departmental COOP plans.

The central mission of the Office of the Secretary is to provide the legislative, financial and administrative support required for the conduct of Senate business. The Office’s emergency preparedness programs are designed to ensure that the Senate can carry out its Constitutional functions under any circumstances. These programs are critical to the mission of the Office, and have become a permanent, integral part of operations. With the continued assistance of the Leadership, the Sergeant at Arms, and the Appropriations Committee, the Office of the Secretary is confident that we will be successful in facing any future emergency.

#### MAINTAINING AND IMPROVING CURRENT AND HISTORIC LEGISLATIVE, FINANCIAL AND ADMINISTRATIVE SERVICES

##### LEGISLATIVE OFFICES

The Legislative Department of the Office of the Secretary of the Senate provides the support essential to Senators in carrying out their daily chamber activities as well as the constitutional responsibilities of the Senate. The department consists of eight offices—the Bill Clerk, Captioning Services, Daily Digest, Enrolling Clerk, Executive Clerk, Journal Clerk, Legislative Clerk, and the Official Reporters of Debates—who are supervised by the Secretary through the Legislative Clerk. The Parliamentarian’s office is also part of the Legislative Department of the Secretary of the Senate.

Each of the nine offices within the Legislative Department is supervised by experienced veterans of the Secretary’s office. The average length of service of legislative supervisors in the Office of the Secretary of the Senate is twenty years. There is not one supervisor with less than thirteen years of service. The experience of these senior professional staff is a great asset for the Senate. As in previous years and in order to ensure continued well-rounded expertise, the legislative team has cross-trained extensively among their specialities.

##### 1. BILL CLERK

The Office of the Bill Clerk collects and records data on the legislative activity of the Senate, which becomes the historical record of official Senate business. The Bill Clerk’s Office keeps this information in its handwritten files and ledgers and also enters it into the Senate’s automated retrieval system, available to all House and Senate offices via the Legislative Information System (LIS). The Bill Clerk records actions of the Senate with regard to bills, reports, amendments, cosponsors,

public law numbers, and recorded votes. The Bill Clerk is responsible for preparing for print all measures introduced, received, submitted, and reported in the Senate. The Bill Clerk also assigns numbers to all Senate bills and resolutions. All the information received in this office comes directly from the Senate floor in written form within moments of the action involved, so the Bill Clerk's Office is generally regarded as the most timely and most accurate source of legislative information.

#### *Legislative Activity*

The Bill Clerk's Office processed slightly fewer pieces of legislative materials and significantly more roll call votes during the first session of the 108th Congress versus the first session of the 107th Congress. Below is a comparative summary of the first sessions of the 107th and the 108th Congresses:

	107th Congress, 1st Session	108th Congress, 1st Session
Senate Bills .....	1,883	2,003
Senate Joint Resolutions .....	30	26
Senate Concurrent Resolutions .....	93	86
Senate Resolutions .....	198	283
Amendments Submitted .....	2,697	2,231
House Bills .....	264	282
House Joint Resolutions .....	17	20
House Concurrent Resolutions .....	91	78
Measures Reported .....	247	352
Written Reports .....	132	220
<b>Total Legislation .....</b>	<b>5,652</b>	<b>5,571</b>
Roll Call Votes .....	380	459

#### *Assistance from the Government Printing Office (GPO)*

The Government Printing Office has responded in a timely manner to the Secretary's request through the Bill Clerk's office for the printing of bills and reports, including the printing of priority matters for the Senate chamber. Specifically, the Secretary requested, through the Bill Clerk, that GPO reprint (star printed) 21 pieces of legislation during the course of the Congress, and that GPO expedite the printing of 31 measures for the Senate.

#### *Projects*

*Amendment Tracking System.*—In the fall of 2001, the Rules Committee approached our office with the task of scanning submitted amendments onto the Amendment Tracking System on LIS. The Rules Committee identified a need for Senate staff to have all amendments submitted in the Senate made available online shortly after being filed, especially during cloture. Rules Committee also requested that the Secretary through the Bill Clerk assess the feasibility of lifting the page limitation for scanning amendments onto the ATS Indexer. In response, the Bill Clerk contacted the Technology Development division of the Sergeant-At-Arms office to outline the technical requirements needed to implement such a request, and a draft outline was completed. Once the final version is delivered, the Secretary through the Bill Clerk, in consultation with the Legislative Clerk, will ascertain the legislative requirements needed in order for the staff to implement this request. The system must be designed and implemented without sacrificing critical services to the functioning of the Senate Chamber, specifically the amendment process.

*Electronic Ledger System.*—Shortly after the September 2001 attacks and the subsequent anthrax attacks in the Capitol complex, the Bill Clerk identified the need to have an electronic version of the official Senate ledgers to ensure the integrity of the information recorded in the ledgers. The electronic version should be portable for use during possible emergency scenarios. The Technology Development division of the Sergeant-At-Arms is working to develop two separate functions of this electronic ledger system. One is an electronic data entry system which will mimic the layout of the current Senate ledgers printed by the Government Printing Office; the other is a search function. Both of these programs will be housed on a separate server to maintain the integrity of the ledger data. The electronic ledger system is currently under development.

## 2. OFFICE OF CAPTIONING SERVICES

Since 1991, the Office of Captioning Services has provided real-time captioning of Senate floor proceedings for the deaf and hard-of-hearing along with unofficial electronic transcripts of those proceedings to Senate offices via the Senate Intranet.

*General Overview*

Accuracy remains the watchword of this office. Overall caption quality is monitored through translation data reports, monitoring the captions in real-time and reviewing the caption files on the Senate Intranet.

*Technology Update*

A year-long review of all available real-time captioning technology for the office in fiscal year 2002 led to the acquisition of new real-time captioning technology. By the end of fiscal year 2003, windows-based software and paperless writing devices had been installed and all closed captioners had been trained and were on the air with the new technology.

Voice recognition technology continues to improve and the Office of Captioning Services is on the cutting edge of testing and evaluating these products as they evolve. The pilot project to real-time caption Judiciary Committee hearings in fiscal year 2004 continues and a summary of the results will be provided at the completion of the project.

*Primary 2004 Objectives*

To assist in both the execution of the Judiciary Committee's real-time captioning pilot project and the preparation of a final report at the conclusion of the project for the Rules Committee, the Judiciary Committee and the Secretary of the Senate.

To develop indefinite backup capability for assistance during sessions that may go around-the-clock.

## 3. DAILY DIGEST

The Senate Daily Digest serves seven principal functions:

- To render a brief, concise and easy-to-read accounting of all official actions taken by the Senate in the Congressional Record section known as the Daily Digest;
- To compile an accounting of all meetings of Senate committees, subcommittees, joint committees and committees of conference;
- To enter all Senate and Joint committee scheduling data into the Senate's web-based scheduling application system. Committee scheduling information is also prepared for publication in the Daily Digest in three formats: Day-Ahead Schedule; Congressional Program for the Week Ahead; and the extended schedule which actually appears in the Extensions of Remarks section of the Congressional Record;
- To enter into the Senate's Legislative Information System all official actions taken by Senate committees on legislation, nominations, and treaties;
- To publish in the Daily Digest a listing of all legislation which has become public law;
- To publish on the first legislative day of each month in the Daily Digest a "Resume of Congressional Activity" which includes all Congressional statistical information, including days and time in session; measures introduced, reported and passed; and rollcall votes. (See Attachment—Resume of Congressional Activity); and
- To assist the House Daily Digest Editor in the preparation at the end of each session of Congress a history of public bills enacted into law and a final resume of congressional statistical activity.

*Committee Activity*

Senate committees held a total of 906 meetings during the first session of the 108th Congress, as contrasted with 961 meetings during the first session of the 107th Congress.

*Chamber Activity*

The Senate was in session a total of 167 days, for a total of 1,454 hours and 5 minutes. There were 3 quorum calls and 459 record votes. (A 20-Year Comparison of Senate Legislative Activity follows).

*Computer Activities*

The Digest office continues to work closely with Senate computer staff to refine the LIS/DMS system. Under the direction of the Editor, the computer center staff

was able to create two new reports for the Daily Digest. Report 82 is a compilation of Treaties Approved in Digest format, and Report 83 is a compilation of Written Executive Reports of Committees in Digest format. The Digest is also pleased to report that all refinements made to the Senate Committee Scheduling application have been successfully implemented, including the capability of entering multiple documents. The committee scheduling application was developed back in 1999 as a server-based web-enabled application that is browser accessible to all Senate offices on Capitol Hill. It was designed to replace the committee scheduling functions and reports that were supported by the mainframe-based Senate Legis System.

*Assistance from the Government Printing Office*

The Daily Digest continues to send the complete publication at the end of each day to the Government Printing Office (GPO) electronically. The Editor, Assistant Editor, and Committee Scheduling Coordinator function coordinate in preparing Digest copy on computers, storing and sharing information, permitting prompt editing, and transferring the final to floppy disc. The Digest continues the practice of sending a disc along with a duplicate hard copy to GPO, even though GPO receives the Digest copy by electronic transfer long before hand delivery is completed adding to the timeliness of publishing the Congressional Record. The Digest office is comfortable with this procedure, both to allow the Digest Editor to physically view what is being transmitted to GPO, and to allow GPO staff to have a comparable final product to cross reference.

The Daily Digest continues the practice of discussing with GPO problems encountered with the printing of the Digest, and are pleased to report that with the onset of electronic transfer of the Digest copy, occurrences of editing corrections or transcript errors are infrequent.

#### 4. ENROLLING CLERK

The Enrolling Clerk prepares, proofreads, corrects, and prints all Senate passed legislation prior to its transmittal to the House of Representatives, the National Archives, the Secretary of State, the United States Claims Court, and the White House.

During 2003, 62 enrolled bills (transmitted to the President) and 8 concurrent resolutions (transmitted to Archives) were prepared, printed, proofread, corrected, and printed on parchment.

A total of 593 additional pieces of legislation in one form or another, were passed or agreed to by the Senate, all processed from this office.

#### 5. EXECUTIVE CLERK

The Executive Clerk prepares an accurate record of actions taken by the Senate during executive sessions (proceedings on nominations and treaties) which is published as the Executive Journal at the end of each session of Congress. The Executive Clerk also prepares daily the Executive Calendar as well as all nomination and treaty resolutions for transmittal to the President. Additionally, the Executive Clerk's office processes all executive communications, Presidential messages and petitions and memorials.

*Nominations*

During the first session of the 108th Congress, there were 1,201 nomination messages sent to the Senate by the President, transmitting 28,423 nominations to positions requiring Senate confirmation and 13 messages withdrawing nominations previously sent to the Senate during the first session of the 108th Congress. Of the total nominations transmitted, 600 were for civilian positions other than lists in the Foreign Service, Coast Guard, NOAA, and Public Health Service. In addition, there were 2,578 nominees in the "civilian list" categories named above. Military nominations received this session totaled 25,245 (9,068—Air Force; 6,012—Army; 7,752—Navy; and 2,413—Marine Corps). The Senate confirmed 21,580 nominations this session. Pursuant to the provisions of paragraph six of Senate Rule XXXI, 18 nominations were returned to the President during the first session of the 108th Congress.

*Treaties*

There were 14 treaties transmitted to the Senate by the President during the first session of the 108th Congress for its advice and consent to ratification, which were ordered printed as treaty documents for the use of the Senate (Treaty Doc. 108-1 through 108-14). The Senate gave its advice and consent to 11 treaties with various conditions, declarations, understandings and provisos to the resolutions of advice and consent to ratification.

*Executive Reports and Roll Call Votes*

There were 8 executive reports relating to treaties ordered printed for the use of the Senate during the first session of the 108th Congress (Executive Report 108-1 through 108-8). The Senate conducted 78 roll call votes in executive session, all on or in relation to nominations and a treaty.

*Executive Communications*

For the first session of the 108th Congress, 5,352 executive communications, 337 petitions and memorials and 58 Presidential messages were received and processed.

*Legislative Information System (LIS) Update*

Our staff consulted with the Senate Computer Center (SCC) during the year concerning the ongoing improvements to the LIS pertaining to the processing of nominations, treaties, executive communications, presidential messages and petitions and memorials. Working with the Government Printing Office (GPO) and SCC staff, a process was developed last year for the printing of the Executive Journal by creating a PDF file. This year the Secretary's Information Systems staff provided the Executive Clerk's office with a new HP Digital Sender that has proven to be an even faster and more efficient process for sending the PDF file of the Executive Journal to GPO for printing.

In the future, the Senate Computer Center will develop the Executive Calendar in a more "user friendly" program that will be beneficial to our office and the SAA computer support staff. In the meantime, the text field for placing unanimous consent agreements on the Executive Calendar was redesigned to provide the Executive Clerk more control in editing the Calendar in 2004.

## 6. JOURNAL CLERK

The Journal Clerk takes notes of the daily legislative proceedings of the Senate in the "Minute Book" and prepares a history of bills and resolutions for the printed Senate Journal as required by Article I, Section V of the Constitution. The Senate Journal is published each calendar year.

In 2003, the Journal Clerk completed the production of the 903-page 2002 Journal of the proceedings of the Senate, the annual project as required by the Constitution. The Journal staff take 90 minute turns at the rostrum in the Senate Chamber, noting by hand for inclusion in the Minute Book (i) all orders (entered into by the Senate through unanimous consent agreements), (ii) legislative messages received from the President of the United States, (iii) messages from the House of Representatives, (iv) legislative actions as taken by the Senate (including motions made by Senators, points of order raised, and roll call votes taken), (v) amendments submitted and proposed for consideration, (vi) bills and joint resolutions introduced, and (vii) concurrent and Senate resolutions as submitted. These notes of the proceedings are then compiled in electronic form for eventual publication of the Journal at the end of each calendar year.

Over the past two years, the Sergeant at Arms' Technology Development Service Department, under the guidance of the Journal Clerk, has developed the LIS Senate Journal Authoring System. This system provides a much needed, supportable system for authoring and publication of the Senate Journal, in place of the decade-old software currently used for production. The system was installed for user evaluation in March 2004, and will be released for use by the end of April. The system's functionality was successfully exercised during the compilation of the 1,146 page 2003 Journal, which was sent to the Government Printing Office for printing at the end of March.

## 7. LEGISLATIVE CLERK

The Legislative Department provides support essential to Senators in carrying out their daily chamber activities as well as the constitutional responsibilities of the Senate. The Legislative Clerk sits at the Secretary's desk in the Senate Chamber and reads aloud bills, amendments, the Senate Journal, Presidential messages, and other such materials when so directed by the Presiding Officer of the Senate. The Legislative Clerk calls the roll of members to establish the presence of a quorum and to record and tally all yea and nay votes. This office prepares the Senate Calendar of Business, published each day that the Senate is in session, and prepares additional publications relating to Senate class membership and committee and subcommittee assignments. The Legislative Clerk maintains the official copy of all measures pending before the Senate and must incorporate into those measures any amendments that are agreed to. This office retains custody of official messages received from the House of Representatives and conference reports awaiting action by

the Senate. This office is responsible for verifying the accuracy of information entered into the LIS system by the various offices of the Secretary.

Additionally, the Legislative Clerk acts as supervisor for the Legislative Department providing a single line of communication to the Assistant Secretary and Secretary, and is responsible for overall coordination, supervision, scheduling, and cross-training of the department's eight offices.

Underscoring the importance of planning for the continuity of Senate business, under both normal and possibly extenuating circumstances, cross-training is strongly emphasized among the Secretary's legislative staff. Currently, 50 percent of the legislative staff have been cross-trained between their specialities.

#### *Summary of Activity*

The first session of the 108th Congress completed its legislative business and adjourned sine die on December 9, 2003. During 2003, the Senate was in session 167 days, over 1,454 hours and conducted 459 roll call votes. There were 352 measures reported from committees, 590 total measures passed, and 153 items remained on the Calendar at the time of adjournment. In addition, 2,231 amendments were processed.

#### *Legislative Information System (LIS) Enhancement*

In an effort to monitor and improve the Legislative Information System (LIS), the Legislative Clerk acts as the liaison between legislative clerks and technical operations staff of the Sergeant at Arms. The Legislative Clerk also reviews, prioritizes, and forwards change requests from the clerks to the technical operations staff. Over the past year, 36 change requests submitted by the clerks to improve the system have been implemented.

### 8. OFFICIAL REPORTERS OF DEBATES

The Official Reporters of Debates prepare and edit for publication in the Congressional Record a substantially verbatim report of the proceedings of the Senate, and serve as liaison for all Senate personnel on matters relating to the content of the Record. The transcript of proceedings, submitted statements and legislation are transmitted in hard copy and electronically throughout the day to the Government Printing Office (GPO).

The office works diligently to assure that the electronic submissions to GPO are timely and efficient. The Official Reporters encourage offices to make submissions to the Record by electronic means, which results in both a tremendous cost saving to the Senate and minimizes keyboard errors.

### 9. PARLIAMENTARIAN

In 2003, the Parliamentarian's Office continued to perform its extensive legislative duties. These include advising the Chair, Senators and their staff, committee staff, House members and their staffs, administration officials, the media and members of the general public, on all matters requiring an interpretation of the Standing Rules of the Senate, the precedents of the Senate, unanimous consent agreements, as well as provisions of public law affecting the proceedings of the Senate. The Parliamentarians work in close cooperation with the Senate leadership and their floor staffs in coordinating all of the business on the Senate floor. The Parliamentarians work closely with the staff of the Vice President of the United States and the Vice President himself whenever he performs his duties as President of the Senate. The Parliamentarians monitor all proceedings on the floor of the Senate, advise the Presiding Officer on the competing rights of the Senators on the floor, and advise all Senators as to what is appropriate in debate.

The Parliamentarians also keep track of the amendments offered to the legislation pending on the Senate floor, and monitor them for points of order. The Parliamentarians reviewed more than 1,000 amendments during 2003 to determine if they met various procedural requirements. The Parliamentarians also reviewed thousands of pages of conference reports to determine what provisions could appropriately be included therein.

The Office of the Parliamentarian is responsible for the referral to the appropriate committees of all legislation introduced in the Senate, all legislation received from the House, and communications received from the executive branch, state and local governments, as well as private citizens. In order to perform this responsibility, the Parliamentarians do extensive legal and legislative research. During 2003, the Parliamentarian and his assistants referred 2,467 measures and 5,747 communications to the appropriate Senate committees. The office worked extensively with Senators and their staffs to advise them of the jurisdictional consequences of particular drafts of legislation, and evaluated the jurisdictional effect of proposed modifications in

drafting. The office continues to address the difficult jurisdictional questions posed by the creation of the massive new Department of Homeland Security, which now has responsibility for hundreds of issues previously in the jurisdiction of other Senate committees. The Parliamentarians have made dozens of decisions about the committee referrals of nominations for new positions created in this department, nominations for positions which existed before this department was created but whose responsibilities have changed, and hundreds of legislative proposals concerning the department's responsibilities.

Additionally, in the last three years, rules relating to legislation on appropriations bills, and the scope of conference reports on all bills were reinstated. This has opened up hundreds of Senate amendments to renewed scrutiny by the Parliamentarians, and has meant that the Parliamentarians now have the responsibility of potentially reviewing every provision of every conference report considered by both Houses of Congress.

The Parliamentarians have taken the lead in the Senate to analyze the need for emergency procedural authorities of Congress generally, and the Senate in particular.

YEARLY COMPARISON OF SENATE LEGISLATIVE ACTIVITY

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Senate Convened .....	1/25	1/3	1/21	1/6	1/25	1/3	1/23	1/3	1/3	1/5
Senate Adjourned .....	10/12	12/20	10/18	12/22	10/21	11/21	10/28	1/3/92	10/9	11/26
Days in Session .....	131	170	143	170	137	136	138	158	129	153
Hours in Session .....	940'25"	1,252'31"	1,278'15"	1,214'52"	1,126'48"	1,003'19"	1,250'14"	1,200'44"	1,091'09"	1,269'41"
Average Hours per Day .....	7.2	7.4	8.9	7.1	8.2	7.4	9.1	7.6	8.5	8.3
Total Measures Passed .....	726	583	747	616	814	605	716	626	651	473
Roll Call Votes .....	181	381	359	420	379	312	326	280	270	395
Quorum Calls .....	19	20	16	36	26	11	3	3	5	2
Public Laws .....	408	240	424	240	473	240	244	243	347	210
Treaties Ratified .....	20	6	12	3	15	9	15	15	32	20
Nominations Confirmed .....	41,726	55,918	39,893	46,404	42,317	45,585	42,493	45,369	30,619	38,676
Average Voting Attendance .....	91.95	94.64	95.72	94.03	91.58	98.0	97.47	97.16	95.4	97.6
Sessions Convened Before 12 Noon .....	106	119	117	131	120	95	116	126	112	128
Sessions Convened at 12 Noon .....	18	38	25	12	12	14	4	9	6	9
Sessions Convened after 12 Noon .....	7	13	1	25	5	27	17	23	10	15
Sessions Continued after 6 p.m. ....	81	104	92	97	37	88	100	102	91	100
Sessions Continued after 12 Midnight .....	11	7	15	6	7	9	13	6	4	9
Saturday Sessions .....	1	3	2	3	.....	1	2	2	.....	2
Sunday Sessions .....	.....	1	.....	1	.....	.....	2	.....	.....	.....

YEARLY COMPARISON OF SENATE LEGISLATIVE ACTIVITY—Continued

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Senate Convened .....	1/25	1/4	1/3	1/3	1/27	1/6	1/24	1/3	1/23	1/7
Senate Adjourned .....	12/01	1/3/96	10/4	11/13	10/21	11/19	12/15	12/20	11/20	12/9
Days in Session .....	138	211	132	153	143	162	141	173	149	167
Hours in Session .....	1,243'33"	1,839'10"	1,036'45"	1,093'07"	1,095'05"	1,183'57"	1,017'51"	1,236'15"	1,042'23"	1,454'05"
Average Hours per Day .....	9.0	8.7	7.8	7.1	7.7	7.3	7.2	7.1	7.0	8.7
Total Measures Passed .....	465	346	476	386	506	549	696	425	523	590
Roll Call Votes .....	329	613	306	298	314	374	298	380	253	459
Quorum Calls .....	6	3	2	6	4	7	6	3	2	3
Public Laws .....	255	88	245	153	241	170	410	136	241	198
Treaties Ratified .....	8	10	28	15	53	13	39	3	17	11
Nominations Confirmed .....	37,446	40,535	33,176	25,576	20,302	22,468	22,512	25,091	23,633	21,580
Average Voting Attendance .....	97.02	98.07	98.22	98.68	97.47	98.02	96.99	98.29	96.36	96.07

Sessions Convened Before 12 Noon .....	120	184	113	115	109	118	107	140	119	133
Sessions Convened at 12 Noon .....	2	15	12	31	17	25	10	12	4	9
Sessions Convened after 12 Noon .....	17	12	7	7	2	19	24	21	23	23
Sessions Continued after 6 p.m. ....	100	158	88	96	93	113	94	108	103	134
Sessions Continued after 12 Midnight .....	7	3	1	2	3	8				
Saturday Sessions .....	3	5	1	1	1	3	1	3	1	
Sunday Sessions .....		3		1			1			1

Prepared by the Senate Daily Digest—Office of the Secretary.

## FINANCIAL OPERATIONS: DISBURSING OFFICE

## DISBURSING OFFICE ORGANIZATION

The mission of the Senate Disbursing Office is to provide efficient and effective central financial and human resource data management, information and advice to the distributed, individually managed offices, and to Members and employees of the United States Senate. To accomplish this mission, the Senate Disbursing Office manages the collection of information from the distributed accounting locations in the Senate to formulate and consolidate the agency level budget, disburse the payroll, pay the Senate's bills, prepare auditable financial statements, and provide appropriate counseling and advice. The Senate Disbursing Office collects information from Members and employees that is necessary to maintain and administer the retirement, health insurance, life insurance, and other central human resource programs in order to provide responsive, personal attention to Members and employees on a confidential basis. The Senate Disbursing Office also manages the distribution of central financial and human resource information to the individual Member Offices, Committees, and Administrative and Leadership offices in the Senate while maintaining the appropriate control of information for the protection of individual Members and Senate employees.

To support the mission of the Senate Disbursing Office, the organization is structured in a manner that is intended to enhance its ability to provide quality work, maintain a high level of customer service, promote good internal controls, efficiency and teamwork, and provide for the appropriate levels of supervision and management. The long-term financial needs of the Senate are best served by an organization staffed with highly trained professionals who possess a high degree of institutional knowledge, sound judgement, and interpersonal skills that reflect the unique nature of the United States Senate.

## DEPUTY FOR BENEFITS AND FINANCIAL SERVICES

The responsibility of this position is to serve as the Senate's expert on Federal retirement and benefits, payroll, and front office processes. Coordination of the interaction among the Financial Services, Employee Benefits, and Payroll sections is also a major responsibility of the position. Planning and project management of new computer systems and programs is a further responsibility. Ensuring that job processes are efficient and up to date, modifying computer support systems, implementing regulatory and legislated changes, and designing and producing up to date forms for use in all three sections are additional areas of responsibility.

*2003 Accomplishments and activities*

Normal computer systems do not account for employees over 99 years of age, and consequently, the DO life insurance computer data elements have been expanded to accommodate 100 years of age. New age bands and deduction rates were instituted by regulation and our computer systems were modified to accommodate the new requirements.

OPM mandated that a new calculation routine for the Civil Service Retirement-Offset deduction and new reporting requirements took effect in January, 2003. Much of the work was performed in late 2002 and the retirement record changes, the new deductions, and the new reports ran perfectly for the first payroll of 2003. Two new computer screens were built to track the new Offset CSRS deductions at 7.5 percent.

As part of an ongoing effort to prevent payroll errors, an edit was added so that an account line with a future stop date cannot be deleted. However, this was removed the next month as it was determined that the high volume of alterations required due to offices changing pay increases, terminations, and transfers, necessitated the ability to delete future lines.

Computer system menus for update and inquiry were altered early in the year to accommodate all of the new screens and the many changes required for implementation later in the year.

To fill a critical need of the Continuity of Operations Plan, a document imaging project is underway to place employees' Official Personnel Folders in an easily accessible electronic format. This new system is complete, and procedures are currently being finalized for implementation this summer.

In mid-2003, a reexamination was done of both the Political Fund Designee and S. Res. 110 (GS-15 Financial Disclosure) tracking and reporting processes. The Office of Public Records and Select Committee on Ethics use these reports extensively. By refining and extensively updating processes initiated in 1975, reports now pro-

vide what each office needs on a much more timely basis. Both Public Records and Ethics approved of the final product.

Flexible Spending Accounts were announced in December, and a contract was awarded in March 2003. Work began immediately to add the two new FSAs (healthcare and dependent care) by the July 1 effective date. Automated processes to load the data received by the Senate from the FSA administrating agency, to deduct and report the monies on a tax exempt basis, and transmit monies and reports to the administrating agency, were completed on time.

New TSP Catch Up contributions for employees over 50 passed in late 2002 and regulatory requirements were received in February 2003. Project planning began immediately. This project required tax deferred deductions be withheld separate from the TSP program, reported differently and reported separately. A completely new screen was required. The project was completed and worked flawlessly on the required date of August 1.

The Payroll Information Notice (pay stub) was completely redesigned in mid year to provide much more room to accommodate the many new deductions employees might have with the new programs established in 2003. The various changes provided almost 40 percent more room. New deductions include Long Term Healthcare, Student Loan Repayment Program, Flexible Spending Accounts, and TSP Catch Up contributions. New PINs went out with the May 5 pay date. In October, a project was initiated to replace the current payroll system's OLAG programming with a completely new and updated version using BMS programming. This will eventually ensure continued operations on the newest mainframe operating systems, and to enable future payroll enhancements involving the web, employee self-service and on-line review of payroll reports by Senate offices. Work is scheduled to be completed by July 1, 2004.

#### FRONT COUNTER—ADMINISTRATIVE AND FINANCIAL SERVICES

The Front Counter is the main service area of all general Senate business and financial activity. The Front Counter maintains the Senate's internal accountability of funds used in daily operations. Reconciliation of such funds is executed on a daily basis. The Front Counter provides training to newly authorized payroll contacts along with continuing guidance to all contacts in the execution of business operations. It is the receiving point for most incoming expense vouchers, payroll actions, and employee benefits related forms, and is the initial verification point to ensure that paperwork received in the Disbursing Office conforms to all applicable Senate rules, regulations, and statutes. The Front Counter is the first line of service provided to Senate Members, Officers, and employees. All new Senate employees (permanent and temporary) who will work in the Capitol Hill Senate offices are administered the required oath of office and personnel affidavit and provided verbal and written detailed information regarding their pay and benefits. Authorization is certified to new and state employees for issuance of their Senate I.D. card. Advances are issued to Senate staff authorized for an advance for official Senate travel. Cash and check advances are entered and reconciled in the Funds Advance Tracking System (FATS). Repayment of travel advances is executed after processing of certified expenses is complete. Travelers' checks are available on a non-profit basis to assist the traveler. Numerous inquiries are handled daily, ranging from pay, benefits, taxes, voucher processing, reporting, laws, and Senate regulations, and must always be answered accurately and fully to provide the highest degree of customer service. Cash and checks received from Senate entities as part of their daily business are handled through the Front Counter and become part of the Senate's accountability of federally appropriated funds and are then processed through the Senate's general ledger system.

#### *2003 Accomplishments and activities*

The Front Counter processed approximately 2,200 cash advances, totaling approximately \$1.4 million and initialized check/direct deposit advances, totaling approximately \$730,000.

Received and processed more than 30,000 checks, totaling over \$3,600,000.

Administered Oath and Personnel Affidavits to more than 3,400 new Senate staff and advised them of their benefits.

Maintained brochures for 11 federal health carriers and distributed approximately 5,000 brochures to staff during the annual FEHB Open Season and to new employees.

Provided 33 training sessions to new office managers.

The major emphasis during this year was the training for the 11 new Senate offices into the operations of the Disbursing Office. Training was provided to new of-

office managers and guidance provided in their business transactions with the Disbursing Office.

The only reconciliations of the Senate accountability were confirmed by a General Accounting Office audit performed in June 2003 at the request of the Secretary of the Senate. Front Office operations continued to provide the Senate community with prompt, courteous, and informative advice regarding Disbursing operations.

#### PAYROLL SECTION

The Payroll Section maintains the Human Resources Management System and is responsible for the following: processing, verifying, and warehousing all payroll information submitted to the Disbursing Office by Senators for their personal staff, by Chairmen for their committee staff, and by other elected officials for their staff; issuing salary payments to the above employees; maintaining the Automated Clearing House (ACH) FEDLINE facilities for the normal transmittal of payroll deposits to the Federal Reserve; distributing the appropriate payroll expenditure and allowance reports to the individual offices; issuing the proper withholding and agency contributions reports to the Accounting Department; and transmitting the proper Thrift Savings Plan (TSP) information to the National Finance Center (NFC), while maintaining earnings records for distribution to the Social Security Administration, and maintaining employees' taxable earnings records for W2 statements, prepared by this section. The Payroll Section is also responsible for the payroll expenditure data portion of the Report of the Secretary of the Senate.

#### *2003 Accomplishments and Activities*

Funding for Calendar Year 2003 began as a Continuing Resolution. This restriction of spending delayed the January 1, 2003 Cost of Living increase. In January, the passage of the Legislative Branch Appropriations Bill gave the U.S. Senate a 3.1 percent Cost of Living increase retroactive to January 1, 2003. The passage of the Omnibus Appropriations Bill in March 2003 provided the Senate with a final Cost of Living increase of 4.27 percent retroactive January 1, 2003. While the multitude of cost of living transactions taxed the resources of the Payroll Section for a five month period, all pay adjustments were done in an accurate and timely manner.

In late 2002 and early 2003, Payroll was heavily involved in the testing of the new CSRS-Offset deductions and reports. Attention to detail from the Payroll Section helped debug programs and streamline the new processes.

During this same time period the Payroll Section maintained its schedule of processing TSP Open Season forms. Senate employees for the most part were taking full advantage of the increase in the cap for TSP deductions, making the most of 13 percent/\$12,000 maximums. The TSP Catch-Up program was implemented in the fall of 2003. This program allowed employees who are 50 or older to deposit additional funds into their personal TSP. Payroll staff were involved in all of the testing performed with the new screen, new deductions, and reports.

During the summer of 2003 the National Finance Center implemented its Entrust Financial Management System allowing the agencies to have online update and correction abilities. Employees of our Payroll Section were trained by the Department of Agriculture to use the on-line payments and corrections system.

The Student Loan Program (SLP) continued into 2003. The new year brought new challenges to the Payroll Section. The time consuming methods of third party loan processing created needless delays of notification for loan payoffs. The Payroll Section had to develop procedures for returning overpayment of loans to the loan program allocation refund, return the respective over- withholding of Federal, State, FICA, and Medicare taxes to the employees involved. Regulations were enforced to alleviate these problems. Payments for loans to be paid off during the Agreement Year of a SLP are now spread out over the full year, eliminating these overpayments.

The Payroll Section also assisted in developing methods for processing Long Term Care and in July 2003 implemented the FSA deductions system. These additional benefit plans were passed to provide additional coverage to our normal FEHB deduction processing system. Each of the above new deductions required research into the tax implications of each deduction. Once the plan was implemented further research was required for the proper modification of W-2s for calendar year 2003. Payroll staff were involved in testing and verification during the implementation of these systems. The Payroll Supervisor was part of the project management team during the planning portions and during final installation.

Payroll filing systems and checking processes were updated to improve quality control. These changes help minimize errors in an environment where payroll changes are much more common than in most other government and private institu-

tions. In addition, with considerable staff changes in 2003, new training procedures for the Payroll Section were implemented and have resulted in more knowledgeable staff and reductions in errors.

#### EMPLOYEE BENEFITS SECTION

The primary responsibilities of the Employee Benefits Section (EBS) are administration of health insurance, life insurance and all retirement programs for Members and employees of the Senate. This includes counseling, processing of paperwork, research, dissemination of information and interpretation of benefits laws and regulations. In addition, the sectional work includes research and verification of all prior federal service and prior Senate service for new and returning appointees. EBS provides this information for payroll input and once Official Personnel Folders and Transcripts of Service are received, verifies the accuracy of the information provided and reconciles as necessary. Transcripts of Service, including all official retirement and benefits documentation, are provided to other federal agencies when Senate Members and staff are hired elsewhere in the government. EBS processes employment verifications for loans, the Bar Exam, the FBI, OPM, and the Department of Defense, among others. Unemployment claim forms are completed, and employees are counseled on their eligibility. Department of Labor billings for unemployment compensation paid to Senate employees are reviewed in EBS and submitted by voucher to the Accounting Section for payment. Designations of Beneficiary for FEGLI, CSRS, FERS, and unpaid compensation are filed and checked by EBS.

#### *2003 Accomplishments and activities*

The year began with EBS finalizing retirement estimates and processing the many retirement cases associated with outgoing Senators and their staffs, as well as those staff on committees who were affected by the changes. Approximately 170 retirement cases were processed throughout 2003, including 10 death cases.

During 2003 the new Federal Flexible Spending Account (FSA) Program was introduced and implemented government-wide. EBS worked diligently to become educated in all aspects of the program. This required constant interaction with OPM and the FSA plan administrator, SHPS, to establish, understand and implement procedures for the plan. Employee Benefits staff worked as part of the Project Team to apply modifications and establish parameters for the implementation of the program. Effective introduction to and participation in the FSA program required extensive notification to employees, which included several mail-outs, electronic notifications and use of streaming video on Webster. Two Open Seasons were conducted, along with an educational seminar on the FSA program and recurring FSA seminar broadcasts on Senate Cable TV. EBS also developed and disbursed educational materials for employees.

During our anthrax displacement, EBS discovered that the most essential information that could not be accessed off-site was employee personnel folders. Based on these lessons, EBS has worked with the Deputy for Benefits and Financial Services as part of the Project Team to outline the needs and parameters required for development and implementation of a document imaging system for use in electronically reproducing employee personnel folders. Through extensive meetings, testing and feedback, the imaging system has been developed and is ready for implementation. This system will allow computer-based access to employee personnel folders as well as the ability to access them from an off-site facility.

Based on the continued military operations and the call to active duty of military reservists, the volume of Senate employees being placed in a Leave Without Pay (LWOP) status and subsequently returned to pay status was elevated throughout 2003. Counseling and administration of their retirement and benefits was handled by EBS.

Effective in 2003, OPM announced a modification to the way retirement deductions were to be reported for employees subject to Social Security and CSRS. Compliance with this change required coordination with the Senate Computer Center for programming changes and screen development, followed by debugging and subsequent implementation of the new withholding and reporting format.

Based on new legislation, the Thrift Savings Plan (TSP) implemented a new provision enabling employees age 50+ to contribute additional "Catch-up" contributions to their TSP accounts. This enhancement required a great deal of interaction with the Senate Computer Center to apply modifications and establish parameters for the implementation of the program. EBS worked to become a resource on the aspects of Catch-up contributions and educational materials and notices were created and supplied to eligible participants.

Mid-year, the TSP implemented their long-awaited new record keeping system, which created many questions and requests for assistance from Senate employees

as well as from offices on behalf of their constituents. Additionally, there were two TSP Open Seasons in 2003 during which employees could change their rate of contribution. The number of employee changes was higher during the end of year Open Season, as the allowable rates of contribution increased.

The annual FEHB Open Season was held and approximately 500 employees changed plans. These changes were processed and reported to carriers in record time. This year, the DO offered an exciting new tool for Senate employees as the Checkbook on-line Guide to Health Plans was made available to research and compare FEHB plans. This tool will remain available to staff throughout the year, and may become an annual purchase. Feedback received on the Guide was very positive, and as awareness increases, more users are anticipated. Once again, the DO hosted a FEHB Open Season Health Fair, which was attended by about 600 employees. As an additional service, it was open to all other federal employees on the Hill, including House, Capitol Police, Architect of the Capitol and Senate Restaurant employees. In addition to having health plan representatives available to provide information and answer questions, representatives from FSA Feds and Long Term Care Insurance were in attendance as well.

EBS continues to upgrade the information available on the DO Webster site and has added more downloadable forms, routinely making use of the newer video technologies and links. In addition, EBS has been developing many computer-based forms and calculators for use in providing benefits information and estimates.

Two detailed Power Point retirement seminars on CSRS and FERS were developed and conducted for interested Senate staff. The seminars were well attended and well received. Additionally EBS staff regularly provided a panel participant for the monthly New Staff Orientation seminars and quarterly Senate Services Fairs held by the Office of Education and Training.

Interagency meetings were attended with time being spent on the implementation of the FSA Program, the CLER program, and the continuing TSP program changes and enhancements.

There was a great deal of employee turnover in early 2003. New Members appointed numerous employees from the House and Executive Branch, and many other employees left with outgoing Members, several of whom were appointed to positions in the Executive Branch. This caused a dramatic increase in appointments to be researched and processed, retirement records to be closed out, termination packages of benefits information to be compiled and mailed out, and health insurance enrollments to be processed. Transcripts of service for employees going to other federal agencies, and other tasks associated with employees changing jobs were at a high level this year. These required prior employment research and verification, new FEHB, FEGLI, FSA, CSRS, FERS and TSP enrollments, and the associated requests for backup verification.

Mortgage rates kept employment verifications coming in at a rapid pace, averaging over 100 per month. Unemployment verifications were especially high early in the year and remained constant throughout the year. Telephone inquiries, though not specifically tracked, continued at record levels.

#### DISBURSING OFFICE FINANCIAL MANAGEMENT

Headed by the Deputy for Financial Management, the mission of Disbursing Office Financial Management (DOFM) is to coordinate all central financial policies, procedures, and activities to process and pay expense vouchers within reasonable time frames, to produce an auditable consolidated financial statement for the Senate and to provide professional customer service, training and confidential financial guidance to all Senate accounting locations. In addition, the Financial Management group is responsible for the compilation of the annual operating budget of the United States Senate for presentation to the Committee on Appropriations as well as for the formulation, presentation and execution of the budget for the Senate. On a semiannual basis, this group is also responsible for the compilation, validation and completion of the Report of the Secretary of the Senate. DOFM is segmented into three functional departments: Accounting, Accounts Payable, and Budget. The Deputy coordinates the activities of the three functional departments, establishes central financial policies and procedures, acts as the primary liaison to the Human Resources Administrator, and carries out the directives of the Financial Clerk and the Secretary of the Senate.

#### ACCOUNTING DEPARTMENT

During fiscal year 2003, the Accounting Department approved nearly 80,000 expense reimbursement vouchers, processed 1,300 deposits for items ranging from receipts received by the Senate operations, such as the Senate's Revolving Funds, to

canceled subscription refunds from Member Offices. The number of vouchers that the Accounting Department approves decreased over fiscal year 2002 numbers due to the Senate Committee on Rules and Administration authorizing the Accounts Payable Department to sanction vouchers of \$35 or less. General ledger maintenance also prompted the entry of thousands of adjustment entries that include all appropriation and allowance funding limitation transactions, all accounting cycle closing entries, and all non-voucher reimbursement transactions such as payroll adjustments, stop payment requests, travel advances and repayments, and limited payability reimbursements.

This year the Accounting Department assisted in the validation of various system upgrades and modifications, including the testing required to implement the new approval path for the Rules Committee's on-line sanctioning. During January 2003, the Accounting Department with assistance from our contractor, BearingPoint, completed the 2002 year-end process to close and reset revenue, expense and budgetary general ledger accounts to zero. At the beginning of 2003 and during the month of June 2003, we successfully tested and implemented in Federal FAMIS the first two document purge processes. Further, the financial file rollover was performed to update FAMIS' tables and create the new index codes needed to accommodate data for fiscal year 2004.

The U.S. Department of the Treasury changed their end of month reporting deadlines for agencies twice during fiscal year 2003; from the 7th to the 5th business day and then from the 5th to the 3rd business day of the following month. The second change on the Treasury reporting deadline was a challenge for DOFM since the Senate's end of the month payroll is paid on the 5th of the following month. In order to comply with this requirement, the Accounting Department, assisted by BearingPoint, tested and implemented a change in how and when payroll is reported with the non-payroll expenses. The changes to comply with Treasury's accelerated reporting requirement were implemented in July.

The Department of the Treasury's monthly financial reporting requirements include a Statement of Accountability that details all increases and decreases to the accountability of the Secretary of the Senate, such as checks issued during the month and deposits received, as well as a detailed listing of cash on hand. Also on a monthly basis, the Statement of Transactions According to Appropriations, Fund and Receipt Accounts that summarizes all activity at the appropriation level of all monies disbursed by the Secretary of the Senate through the Financial Clerk of the Senate is reported to the Department of the Treasury. All activity by appropriation account is reconciled with the Department of the Treasury on a monthly and annual basis. The annual reconciliation of the Treasury Combined Statement is also used in the reporting to the Office of Management and Budget (OMB) as part of the submission of the annual operating budget of the Senate.

This year, the Accounting Department transmitted all Federal tax payments for Federal, Social Security, and Medicare taxes withheld from payroll expenditures, as well as the Senate's matching contribution for Social Security and Medicare, to the Federal Reserve Bank. The Department also performed quarterly reporting to the Internal Revenue Service (IRS) and annual reporting and reconciliation to the IRS and the Social Security Administration. Payments for employee withholdings for state income taxes were reported and paid on a quarterly basis to each state with applicable state income taxes withheld. Monthly reconciliations were performed with the National Finance Center regarding the employee withholdings and agency matching contributions for the Thrift Savings Plan. Every month, all employee withholdings and agency contributions for life and health insurance, and federal retirement programs were transmitted to the Office of Personnel Management. Any adjustment to employee contributions for any of the health, life, and retirement plans from previous accounting periods were also processed. In April and October, the Accounting Department prepared the necessary reports and information to be included in the Report of the Secretary of the Senate. All organizations and appropriation accounts reported were validated 100 percent to the financial system.

In addition to Treasury's external reporting deadlines there are some internal reporting requirements such as the monthly ledger statements for all Member offices and all other offices with payroll and non-payroll expenditures. These ledger statements detail all of the financial activity for the appropriate accounting period with regard to official expenditures in detail and summary form. It is the responsibility of the Accounting Department to review and verify the accuracy of the statements before Senate-wide distribution.

The Accounting Department, in conjunction with the Deputy for Financial Management, is working closely with the Sergeant at Arms' (SAA) Finance Department in completing all the corrective actions that resulted from the Pro-forma financial statements auditability assessment completed in April 2002. Based on the results

of this exercise, 23 corrective actions were suggested including an action plan and proposed schedule to have them corrected within several years. Some of the actions were rather simple to implement while others will take additional time. Of the 23 corrective actions noted, 6 have been completed, 13 are in process, and 4 are still open. As part of this project, the Accounting Group drafted the Senate-wide capitalization policy which has been reviewed and agreed to by the SAA's Finance Department. The Accounting Group also drafted and finalized the travel advance and vendor file procedures documents. The Deputy for Financial Management is working closely with the SAA's Finance Department in the replacement and implementation of the new asset management system, Asset Center.

On a consulting basis, the Deputy for Financial Management has been assisting the Senate Gift Shop with the implementation of their new accounting system. In addition, the Accounting Group has been working with the General Accounting Office (GAO) to provide them with expense vouchers and certificate of deposits documentation requested for the audits of all the Secretary of the Senate and Sergeant at Arms revolving funds.

#### ACCOUNTS PAYABLE DEPARTMENT

During the Fall of 2003, the Accounts Payable Department was restructured and a third section was created to adequately attend to the needs of the Senate community. Currently, the A/P Department is made up of the following three sections: the Audit group, the Disbursement group and the newly created Vendor/SAVI group.

##### *Accounts Payable Vendor/SAVI Section*

The Vendor/SAVI (Senate Automated Vendor Inquiry) group was newly created in the fall of 2003. This section is responsible for the prompt completion of service requests from within the Senate community for access to the Disbursing Office's new Web-based payment inquiry system called SAVI, the timely processing of expense voucher payments via paper check or ACH wire transfer and for training Senate staff on the proper usage of the SAVI Web based system. The section also assists the IT Department with daily monitoring of system performance and the testing of new SAVI system upgrades. Another major responsibility of this group is the daily maintenance of the Senate's central payee file, which currently has over 11,000 vendors. Daily requests for new or updated vendor addresses are promptly handled and processed within 24 hours of being requested. The section is in the process of collecting ACH wire information on external vendors with the intention of reimbursing most vendors electronically instead of by paper check. Further, this section is working with the IT Department in the selection and testing of a new e-mail notification project to inform all external vendors via e-mail that an electronic reimbursement has occurred.

As part of its objectives, this section started to scan the hard copy supporting documentation (vendor-supplied remittance instructions) for the entire payee file (starting with the most recent ones) on the DO network which will enable quick access to necessary information. Because of the size of the vendor file (over 11,000 vendors) and the usual daily work which must be completed, this scanning project is expected to take approximately a year to complete. Ultimately, scanning of vendor-supplied supporting documentation will become a routine part of file maintenance.

##### *Accounts Payable Disbursements Department*

During 2003, two new staff members were hired and one staff member was transferred to the newly created Vendor/SAVI Department. The new department now handles all aspects of the FAMIS vendor file which was previously tasked to A/P Disbursements. In fact, 133,000 expense claims were received and processed by the department. Over 40,000 expense checks were written and approximately 25,000 direct deposit reimbursements were made.

The Disbursements Department is also responsible for researching returned checks as vendors request additional information relating to payment allocation. Fortunately, few checks are returned. This is a result of the use of a centralized vendor file and accurate certification of payments.

The Accounts Payable Disbursements Department distributes the monthly ledgers to the 160 accounting locations throughout the Senate. Once produced, they are delivered to Disbursing. They are then sorted and delivered or picked up according to a list of special instructions. The main objective of this process is to have each office receive their ledger statements by the 10th of the month.

A/P Disbursements also prepares the quarterly state tax returns. The amounts are provided by the Accounting Department, and payment coupons are prepared for the 43 state jurisdictions. The coupons are obtained from each jurisdiction either in hard copy or on-line via the Internet. Vouchers are prepared electronically via an

uploaded spreadsheet, which is used to generate check payments to the taxing authorities. Once the checks are written, letters of transmittal are prepared and mailed to the appropriate State jurisdictions and the District of Columbia.

The Department also prepares the forms required by the Department of the Treasury for stop payments. Stop payments are requested by employees who have not received salary or expense reimbursements, and vendors claiming non-receipt of expense checks. During this year, the A/P Disbursement Supervisor and the Accounts Payable Manager implemented the Department of the Treasury—Financial Management Service (FMS) on-line stop pay and check retrieval process known as PACER. The PACER system allows us to electronically submit stop-payment requests and provides on-line access to digital images of negotiated checks for viewing and printing. Once a check is viewed, it is printed and may be scanned. Scanned images are then forwarded to the appropriate accounting locations via e-mail. This process has been well received by Senate offices as well as vendors. This saves time and significantly reduces reliance on the postal system. The entire Accounts Payable Disbursements staff has Treasury secure ID cards and are being trained in the use of PACER. Given its time and money savings, as well as its overwhelmingly positive reception, large growth in the use of PACER is expected.

Two major events have helped in centralizing the filing and storage of Accounts Payable and Accounting documents. First was new shelving which replaced file cabinets for all in-house filing. The documents are placed in side-tab folders which display their contents in an easy-to-read format. The major benefit to the new shelving is space savings. The result is that what previously required over 20 feet of wall space, now requires a little less than 15 feet, a space savings of 25 percent. Second, the new shelving also allows us to keep a year's worth of vouchers in-house before sending them to our warehouse facility. Previously, only six months' worth of vouchers could be kept on hand.

The warehousing of documents has improved and is still evolving. Vouchers were housed at two facilities, but now all have been transferred to a larger location, although there is need for expansion. Meetings with the Sergeant At Arms, consultants, and prospective vendors continue in an effort to provide state-of-the-art warehousing for the entire Senate. Such plans include current space requirements, future anticipated space requirements, and the need for "staging" areas, telephone, copier, and fax access, climate control, and security.

#### *Accounts Payable Audit Department*

The third section under the Accounts Payable Department is the Audit Department. The Accounts Payable Audit Section is responsible for auditing vouchers and answering questions regarding voucher preparation and the permissibility of the expense, providing advice and recommendations on the discretionary use of funds by the various accounting locations, identifying duplicate payments submitted by offices, monitoring payments related to contracts, training new Office Managers and Chief Clerks about Senate financial practices, training Office Managers in the use of the Senate's Financial Management Information System, and assisting in the production of the Report of the Secretary of the Senate. During this year, the responsibility for the printing of the semiannual Report of the Secretary of the Senate was transferred from the retiring Assistant Financial Clerk to the Accounts Payable Manager. This Section also monitors the Fund Advance Tracking System (FATS) to ensure that advances are charged correctly, vouchers repaying such advances are entered, and balances are adjusted for reuse of the advance funds. An "aging" process is also performed to ensure that advances are repaid in the time specified by the advance travel regulations.

The Accounts Payable Audit Section, currently a group of 11, has the responsibility for the daily processing of expense claims submitted by the 140 accounting locations of the Senate. During the first months of the year, the Accounts Payable Audit Group had some staff turnover and new auditors were hired. The new audit staff is undergoing comprehensive training and the section processed approximately 133,000 expense vouchers during fiscal year 2003. The voucher processing ranged in scope from providing interpretation of Senate rules, regulations and statute, applying the same to expense claims, monitoring of contracts and direct involvement with the Senate's central vendor file. On average and as long as the voucher does not have any issues or questions and the Audit Section is fully staffed, vouchers are received, audited, sanctioned by Rules and paid by DO within the required directive of 10 business days.

During December 2002, the Chairman of the Committee on Rules and Administration, delegated the sanctioning authority of vouchers of \$35 or less to the Financial Clerk of the Senate. As a consequence, the workload within this group increased by 15 percent. These vouchers are sanctioned by the Certifying Accounts Payable Spe-

cialists and are being received, audited, and paid within 5 business days of receipt. The sanctioning authority was subsequently increased in 2003 from items totaling \$35 and less to items valued at \$100 and below. The increase in sanctioning authority came as a direct result of our passing two post-payment audits performed by the Rules Committee. This additional change increased the number of vouchers sanctioned by Audit to 57 percent of all submitted vouchers.

Additionally, advance documents and non-Contingent Fund items such as Legal Counsel and Legislative Counsel vouchers are now posted in Audit. The sanctioning responsibilities allowed for one staff promotion to Certifying Accounts Payable Specialist.

The reduced flow of vouchers to the Rules Committee allowed us to proceed with their inclusion in the on-line sanctioning process. Initially, four Senators' offices and the Committees comprised the pilot group. Currently, all vouchers sanctioned by the Rules Committee through the Web-submit process are sanctioned on-line.

The Accounts Payable Audit Group provided training sessions in the use of new systems, the process for generation of expense claims, the permissibility of an expense, and participated with seminars sponsored by the Secretary of the Senate, the Sergeant at Arms, and the Library of Congress. The Section was able to train 21 new Office Managers and Chief Clerks and conducted 5 informational sessions for Senate staff through seminars sponsored by the Congressional Research Service (CRS).

The Accounts Payable group also assisted the IT department in the testing and implementation of the new travel advance reporting. The new travel advance reporting became effective in September 2002 and with this new process, travel advances are accounted for as obligations. The Accounts Payable Audit Group has been fully trained in the new travel advance system and in the use of the four new WEB inquiries. The group also participated in the SAVI (Senate Automated Vendor Information) system training to assist Senate staff with any questions related to their reimbursements paid either by ACH (Automated Clearing House) or by check. The creation of a Vendor/SAVI department allowed for a senior staff promotion out of Audit, and two new staff were hired to help fill the void caused by this promotion and one staff termination.

A cancellation process was established for advances. This was necessary to ensure repayment of advances systematically for canceled or postponed travel in accordance with Senate Travel Regulations.

#### BUDGET DEPARTMENT

The third component of the Disbursing Office Financial Management Group is the Budget Department. The primary responsibility of the Budget Department is to compile the annual operating budget of the United States Senate for presentation to the Committee on Appropriations. The Budget Department is responsible for the preparation, issuance and distribution of the budget justification worksheets (BJW). In fiscal year 2003 the budget justification worksheets were mailed to the Senate accounting locations at the end of February. This deadline was much later than usual due to the late passage of the Legislative Branch Appropriations bill. This department is also responsible for the formulation, presentation and execution of the budget for the Senate and provides a wide range of analytical, technical and advisory functions related to the budget process. The Budget Department acts as the Budget Officer for the Office of the Secretary, assisting in the preparation of testimony for the hearings before the Committee on Appropriations and the Committee on Rules and Administration. The group is also responsible for reporting the budget baseline estimates that were developed for fiscal year 2004 to the Office of Management and Budget, via the MAX database.

#### DISBURSING OFFICE INFORMATION TECHNOLOGY

#### FINANCIAL MANAGEMENT INFORMATION SYSTEM

The Disbursing Office Information Technology (IT) Department, currently operating with a staff of four, provides both functional and technical assistance for all Senate Financial Management activities. Activities revolve around support of the Senate's Financial Information System (FMIS) which is used by approximately 140 Senate accounting locations (i.e., 100 Senators' offices, 20 Committees, 20 Leadership and Support offices, and the Disbursing Office). Responsibilities include:

- Supporting current systems;
- Testing infrastructure changes;
- Managing and testing new system development;
- Planning;

- Managing the FMIS project, including contract management;
- Administering the Disbursing Office's Local Area Network (LAN); and
- Coordinating the Disbursing Office's Disaster Recovery activities and Continuation of Operations Plan (COOP).

The activities associated with each of these responsibilities are described in more detail in the sections that follow. Work during 2003 was supported by the Sergeant at Arms (SAA) Technology Services staff, the Secretary's Information Technology staff, and contracts with BearingPoint.

The SAA Technology Services staff is responsible for providing the technical infrastructure, including hardware (mainframe and servers), operating system software (mainframe and servers), database software, and telecommunications; technical assistance for these components, including migration management, and database administration; and regular batch processing. BearingPoint is responsible, under the contract with the SAA, for operational support, and under contract with the Secretary, for application development. The DO is the "business owner" of FMIS and is responsible for making the functional decisions about FMIS. The three organizations work co-operatively.

Highlights of the year include:

- Conducting 44 classes, seminars, and demonstrations on Web FMIS;
- Implementation of three releases of Web FMIS and preparation for two releases during 2004. One of these releases made the online ESR function available to all offices and provided online review and sanctioning capability to the Rules Committee Audit staff;
- Implementation of two releases of SAVI;
- Implementation of a post payment audit for the Rules Committee Audit staff whereby they can do a statistically valid sample of vouchers of \$35 and under for which sanctioning was delegated to the Financial Clerk;
- Pilot of direct deposit payments to external vendors;
- Entering into a new multi-year contract with the FMIS support vendor, BearingPoint;
- and Hiring a new Systems Administrator.

FMIS is not a single computer system. It is composed of many subsystems that provide Senate-specific functionality. These subsystems are outlined in the table that begins on the following page.

SENATE FINANCIAL MANAGEMENT INFORMATION SYSTEM

Subsystem	Functionality	Source	Primary Users	Implementation
FAMIS (Mainframe)	Financial general ledger Vendor file Administrative functions Security functions	Off the shelf federal system purchased from BearingPoint.	Disbursing Office	October 1998
ADPICS (Mainframe)	Preparation of requisition, purchase order, voucher from purchase order, and direct voucher documents. Electronic document review functions Administrative functions	Off the shelf federal system purchased from BearingPoint.	Sergeant at Arms Disbursing Office Secretary of the Senate	October 1998
Checkwriter (Client-server)	Prints checks and check registers as well as ACH (Automated Clearing House) direct deposit payments.	Off the shelf state government system purchased from and adapted to Senate's requirements by BearingPoint.	Disbursing Office	October 1998
Web FMS (Client-server and intranet)	Preparation of vouchers, travel advances, vouchers from advance documents, credit documents and simple commitment and obligation documents. Entry of detailed budget Reporting functions (described below) Electronic document submission and review functions Administrative functions	Custom software developed under Senate contract by BearingPoint.	All Senators offices All Committee offices All Leadership and Support offices Secretary of the Senate Sergeant at Arms Disbursing Office	October 1999
FATS (PC-based)	Tracks travel advances and petty cash advances (available to Committees only). Tracks election cycle information	Developed by SAA Technology Services.	Disbursing Office	Spring 1983
Post Payment Voucher Audit (PC-based)	Selects a random sample of vouchers for which sanctioning was delegated to the Financial Clerk for the Rules Committee to use in conducting a post payment audit.	Excel spreadsheet developed by BearingPoint.	Rules Committee Disbursing Office	Spring 2003
SAVI (Intranet)	As currently implemented, provides self-service access (via the Senate's intranet) to payment information for employees receiving reimbursements via direct deposit. Administrative functions	Off the shelf system purchased from BearingPoint.	Senate employees	Pilot—Spring 2002 Senate-wide—July 2002
Online ESR (Intranet)	A component of SAVI through which Senate employees can create on-line Travel Expense Summary Reports and submit them electronically to their Office Manager/Chief Clerk for processing. Produces the Report of the Secretary of the Senate	Custom software developed under contract by BearingPoint. Custom software developed under contract by BearingPoint.	Senate employees Disbursing Office	April 2003 Spring 1999
Secretary's Report (Mainframe extracts, crystal reports, and client-server "tool box").				

<p>Ledger Statements (Mainframe database extracts, and crystal reports). Web FMIS Reports (mainframe database extracts, crystal reports, client server, and Intranet).</p>	<p>Produces monthly reports from FAMIS that are sent to all Senate "accounting locations". Produces a large number of reports from Web FMIS, FAMIS and ADPLCS data at summary and detailed levels. Data is updated as an overnight process and can be updated through an on-line process by accounting locations.</p>	<p>Developed by SAA Technology Services. Custom software developed under contract by BearingPoint.</p>	<p>Disbursing Office ..... Senate Accounting Locations ..... Senate Accounting Locations .....</p>	<p>Winter 1999 October 1999</p>
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*Supporting Current Systems*

The IT section supports FMIS users in all 140 accounting locations, the Disbursing Office Accounts Payable, Accounting, Accounts Payable Disbursements, Vendor/SAVI, and Front Office Sections, and the Rules Committee Audit staff. The activities associated with this responsibility include:

- User Support—provide functional and technical support to all Senate FMIS users; staff the FMIS “help desk”; answer hundreds of phone calls a year; and meet with Chiefs of Staff, Office Managers, Chief Clerks, and Directors of various Senate offices as requested;
- Technical Problem Resolution—ensure that technical problems are resolved;
- Monitor System Performance—check system availability and statistics to identify system problems and coordinate performance tuning activities for parallel load and database access optimization;
- Security—maintain user rights for all ADPICs, FAMIS, SAVI, and Web FMIS users. In 2003, we added, deleted and changed user rights for 94 ADPICs, FAMIS and 57 Web FMIS offices and other users as requested by Senators and Chairmen.
- System Administration—design, test and make entries to tables that are intrinsic to the system. In 2003, this included making changes to reflect Senate organizational changes for the 108th Congress, establishing new offices, changing the Senate-wide privately owned vehicle reimbursement rates, establishing and testing new accounting transaction codes, and creating new approval paths for vouchers of \$100 or less;
- Support of Accounting Activities—provide assistance in the cyclic accounting system activities. During 2003, the following activities were performed—Upload of files into FAMIS (e.g., budgets, monthly certification charges, state office rental vouchers), Year End Rollover (in March for Committee Funding Resolution 66B, and in August for fiscal year 2004), Year End Close, Document Purge, and Ad hoc queries; and
- Training—provide functional training to all Senate FMIS users. During 2003, the IT Department conducted 44 classes, seminars, and demonstrations on Web FMIS. The class schedule is issued every other month and the classes offered were:
  - 1. Introduction to Web FMIS—conducted 12 times. This hands-on class covers the basics of preparing, printing, and submitting vouchers and travel vouchers, and managing your inbox. Also covered are adding items to an office’s lookup tables (e.g., vendor and expense category), using search to find records, and what information goes in the Unique Invoice Number and Account Number fields.
  - 2. Web FMIS Travel Class—conducted 15 times. The hands-on class covers all aspects of travel vouchers from both the Office Manager’s and the traveler’s perspective. It enables the Office Manager or Chief Clerk to prepare travel advance requests, create travel vouchers, create travel vouchers from online ESRs using the Web FMIS import function, train travelers to create on-line travel expense summary reports (online ESRs), train travelers to track direct deposit payments via SAVI; and perform the Web FMIS setup tasks (e.g., establishing a traveler’s profile, and establishing office mileage rates). This class was created in 2003 with the Senate-wide implementation of online ESR.
  - 3. Web FMIS Budget and Reports Seminar—conducted 12 times. This demostyle seminar covers how to enter and change an office’s budget, and how different budgets show on an office’s Summary of Financial Status Report. Several budgets, from simple to complex are discussed, based on the interests of the attendees. Also discussed are the on-line reporting functions including refreshing report data and exporting report data into another application (e.g., Excel). In addition, we look in detail at the Analysis by Vendor, Analysis by Expense Category, and Analysis by Office Control Number Reports, at the Changed Document Report, and other reports based on the interests of the attendees.
  - 4. Web FMIS Reconciliation Class—conducted 7 times. This hands-on class covers how to reconcile an office’s Web FMIS balance with the DO’s balance on a monthly basis. Also provided individual training sessions for 14 persons who were unable to attend the scheduled class sessions.
  - 5. Web FMIS Special Topics—conducted once. Occasionally a “special topics” seminar covering different subjects is held. In May the seminar topic was how to use commitments and obligations. This seminar is offered at the points in the year when offices are most likely trying to estimate expenses through the end of the fiscal year.

- 6. User Demos—In advance of each Web FMIS release, a demonstration is conducted at a Joint Office Manager/Chief Clerks meeting of the new functionality included in the release. The demo is repeated for those unable to attend the meeting. For Web FMIS release 7.4, the material was presented twice.

#### *Testing Infrastructure Changes*

The SAA provides the infrastructure on which FMIS operates, including the mainframe, the database, security hardware and software, the telecommunications network, and a hardware and software installation crew and help-desk provider. During 2003, the following components of this infrastructure were changed:

- Mainframe hardware and software—Upgrade of the mainframe operating system (OS390/2.10, including CICS and WebSphere upgrades) required that the Disbursing Office extensively test all FMIS subsystems both in a testing environment and in the production environment. Additional testing, although less extensive, was performed when the SAA activated the new Storage Area Network facility (SAN), an essential component of the Alternate Computing Facility;
- TDF and DHF Partitioning—The Transaction Detail File and Document Header File, which are subsidiary files to the General Ledger, were split into logical divisions in order to improve system performance, especially for inquiries. The IT staff and Accounting section staff created documents and tested all FMIS functions with the partitioned files before the production files were partitioned.
- Printing online via “Reveal”—The DO’s use of the “Reveal” software, which prints reports to a file for online viewing instead of a printer, was expanded to include the weekly Appropriations Summary Reports. This allowed the elimination of a dedicated printer in SH-144.

#### *Managing and Testing New System Development*

During 2003, we supervised development, performed extensive integration system testing and implemented changes to the following FMIS subsystems: Web FMIS; Senate Vendor Information (SAVI) and Online ESR; Post Payment Voucher Audit; and Checkwriter.

#### *Web FMIS*

Three releases of Web FMIS were done in 2003. Work was begun on two additional releases which will be implemented in 2004. These implemented in 2003 are:

- Web FMIS r7.4.8.*—This release in April 2003 made the import ESR function available to all offices. This function allows Office Managers to create travel vouchers from online ESRs that travelers create in SAVI. This saves a significant amount of time for Office Managers. Previously, this had been used by a pilot of 10 offices. Additionally, this release included online review and sanctioning capability for the Rules Committee Audit staff. The Rules Committee staff elected to implement a pilot of 23 offices (all Committees and Senators whose last name begins with A) in order to become familiar with the software and develop appropriate procedures. (As of January 1, 2004, the Rules Committee staff implemented online review and sanctioning of all Web FMIS vouchers via Web FMIS. This was implemented in conjunction with an increase in the threshold for delegation of sanctioning authority. In December 2002, the Rules Committee Chairman delegated sanctioning authority to the Financial Clerk for vouchers of \$35 and less. Effective January 1, 2004, the Rules Committee Chairman increased the threshold to \$100.)
- Web FMIS r7.4.9.*—The July 2003 release focused on reports. The most important change was reporting the total trip expense when a travel advance was used. Additionally, several useful formatting changes were made, including adding subtotals for payroll and non-payroll to all of the “summary” reports.
- Web FMIS r7.5.4.*—The August 2003 release implemented new underlying technology, including an upgrade to WebSphere 4.0, a new version of mainframe CICS, and a new Cold Fusion server. It included a few functional changes, the most important of which was the ability to create budgets for the new fiscal year prior to October 1 and without regard to whether funding has been authorized. In addition, we created the files necessary for fiscal year 2004. Making it possible for offices to work with their budgets in August was a request from Web FMIS users. The necessary system changes were implemented in this release and the “new year roll” was done earlier than in past years. In the future, the new year roll will also be in August.

In addition, we began work on two projects scheduled for completion in 2004, development of Web FMIS “thin client” and Web FMIS Imaging and Signature Design, Electronic Invoicing and Remittance Enhancement. During 2003, a significant

amount of staff time was spent to prepare for these releases. Activities included requirements analysis, planning and consultation with users.

—*Web FMIS “thin client”*.—There have been many functional releases of Web FMIS, since it was implemented in October 1999. With each release, the most appropriate technology available at the time is selected. This has resulted in a complicated architecture that has:

1. Client/server components on a Cold Fusion server (e.g., Document Entry and Budget Entry functions);
2. Web components on a Cold Fusion server (e.g., Local list maintenance functions and reports); and
3. Web components on a WebSphere “server” on the Senate’s mainframe (e.g., the submit and on-line approval functions).

Under this project the functions that use Cold Fusion will be re-written to use WebSphere, eliminating two different architectural components. This will be implemented in two releases:

1. Phase I—implemented in early March, 2004—Web FMIS r8—re-write the maintenance and administrative functions of Web FMIS to use “thin client” technology, upgrade the reporting function to use Crystal Reports version 9, which is “thin client,” and revise the reporting function so that it will continue to show data from closed fiscal years (data that we would like to archive from FAMIS). Additional functionality, previously developed but not implemented, will be implemented in this release, the security paradigm based on roles, and administrative contact screens that consolidate information from several subsystems.

2. Phase II—currently scheduled for August, 2004—Web FMIS r9—re-write the remaining functions that use client-server technology, including the functions most used by office Web FMIS users (e.g., Main Menu, Document Entry, Budget Entry). Additionally, this release will change notification of documents requiring office action from an internal Web FMIS function to e-mail, add a non-travel ESR in SAVI and modify the ESR import function in Web FMIS.

—*Web FMIS Imaging and Digital Signature Design, Electronic Invoicing and Remittance Enhancement*.—As articulated in the FMS Conceptual Design, the vision for the FMIS is for paperless voucher processing. This requires implementation of electronic signatures and imaging of supporting documentation. This project begins the exploration of imaging and electronic signatures and will result in a design for this functionality. In addition, the plan is to explore, and if feasible implement, the receipt of invoices electronically from large vendors. This would eliminate the step of imaging paper invoices.

#### *Senate Automated Vendor Inquiry (SAVI) and Online ESR*

The Online ESR, a subsystem of SAVI, enables Senate staff to complete an online Travel Expense Summary Report (ESR) and submit it so that their Office Manager can “import” the data and create a voucher, without retyping the ESR data. The April 2003 release of Web FMIS made the corresponding “import” ESR function available to all Office Managers. Office Managers in turn encouraged their staff to use the online ESR, thus substantially increasing the number of online ESR users.

The SAVI system enables Senate staff to check the status of reimbursements, whether via check or direct deposit, and whether or not referencing an online ESR. In June 2003, a serious performance problem was encountered in SAVI. Web pages that normally took a few seconds to access suddenly required more than a minute. This was due to inefficient structure of a few “calls.” While they performed adequately during testing and during pilot use of SAVI the increased use of SAVI after the April 2003 release of Web FMIS highlighted this inefficiency. In less than two weeks, DO and BearingPoint staff identified the cause of the problem and developed, tested and installed the solution, SAVI release 2.02. No substantial performance problems have since been encountered.

In October 2003, SAVI release 2.1 was implemented. This release included a number of security features, such as encryption of user passwords, removal of Social Security Numbers from the Oracle database, masking all but the last three digits of bank account numbers, and disabling unused/unnecessary services on the servers. In addition, work was conducted on SAVI release 2.2, which is scheduled for implementation in 2004, and will include some major functional enhancements, conversion to .NET (“dot net”) version of Visual Basic and several other security enhancements.

#### *Post payment Voucher Audit*

In December 2002, the Rules Committee delegated to the Financial Clerk the authority for sanctioning vouchers of \$35 and less. This authorization directed Rules

and DO to establish a set of procedures for a semi-annual audit of these vouchers. The two offices agreed that Rules would conduct a random sampling inspection of these vouchers based on industry statistical standards. Under the supervision of the IT Group, BearingPoint created tools to determine the sample size, to enable selecting the sample from the universe of vouchers of \$35 and less, and to determine the acceptable number of discrepancies given the sample size and the desired confidence interval. The first audit was conducted in May 2003 for the six-month period ending March 31, 2003, covered 7,270 vouchers, and resulted in a favorable finding of zero discrepancies. The second audit was conducted in November 2003 for the six-month period ending September 30, 2003, covered 11,502 vouchers, and again resulted in a favorable finding of zero discrepancies.

#### *Checkwriter*

The Disbursing Office makes payments via direct deposit and via check.

—*Direct Deposit.*—In 2002 the Disbursing Office began making expense reimbursements to Senate staff via direct deposit (i.e., ACH or Automated Clearing House). In 2003 this was expanded to include external vendors. The initial pilot vendors provided materials to the Keeper of Stationery; and our first payments to them were transmitted on June 3, 2003. After a very successful initial pilot, it was expanded to larger-volume vendors such as FedEx.

—*Laser Checks.*—In five years of using the Checkwriter application, it became clear that there are benefits in switching from printing checks on a continuous-feed impact printer to printing checks on a laser printer. The laser version will provide more flexibility for continuance of operations by eliminating our dependence on the harder-to-find printer. It will also produce a higher print quality, which will help the postal service in the delivery of checks. The higher quality print will also prevent checks from being negotiated for an unintended dollar amount. During 2003, the DO held numerous meetings with Checkwriter's designer, BearingPoint, to establish new specifications for the laser version. As a result, a new and substantially different check proof has been established with the Treasury Department. Additionally, the choice of folder/insert machines to use with the laser check stock was narrowed. Testing is currently underway for the implementation of laser checks in 2004.

#### *Planning*

There are two main planning activities:

- Schedule coordination—planning and coordinating a rolling 12-month schedule; and
- Strategic planning—setting the priorities for further system enhancements.

#### *Schedule Coordination*

In 2003, three meetings continued among the DO, SAA and BearingPoint to coordinate schedules and activities. These are:

- Project specific meetings—a useful set of project specific working meetings, each of which has a weekly set meeting time and meets for the duration of the project (e.g., Document Purge meetings and Web FMIS requirements meetings);
- Technical Meeting—a weekly meeting among the DO staff (IT and functional), SAA Technical Services staff, and BearingPoint to discuss coordination among the active projects, including scheduling activities and resolving issues; and
- “Project Office”—a monthly meeting among senior Senate staff (e.g., the Financial Clerk, Rules Committee staff), the BearingPoint engagement partner, SAA technical and functional staff, DO IT and functional staff, and BearingPoint staff to discuss progress on each project.

With progress being made, the decision was made to move more activities from the project office meeting to the technical meeting, and by the end of 2003, the project office meeting was eliminated. In January 2004 one technical meeting is held each month as a joint technical/project office meeting.

#### *Strategic Planning*

The FMIS strategic plan has a longer time horizon than the rolling 12-month time frame of the technical meeting schedule. It is designed to set the direction and priorities for further enhancements. In 2002 a five-year strategic plan was written by the IT and Accounting staff for Disbursing Office Strategic Initiatives. This detailed description of five strategic initiatives is the basis for the \$5 million in multi-year funds given to the Secretary's office by the Senate Committee on Appropriations for further work on the FMIS project. The five strategic initiatives are:

- Paperless Vouchers—Imaging of Supporting Documentation and Electronic Signatures.*—Beginning with a feasibility study and a pilot, implement new technology, including imaging and electronic signatures, that will reduce the Sen-

- ate's dependence on paper vouchers. This will enable continuation of voucher processing operations from any location, should an emergency again occur;
- Web FMIS—Requests from Accounting Locations.*—Respond to requests from the Senate's Accounting Locations for additional functionality in Web FMIS;
  - Payroll System—Requests from Accounting Locations.*—Respond to requests from the Senate's Accounting Locations for on-line real time access to payroll data;
  - Accounting Subsystem Integration.*—Integrate Senate-specific accounting systems, improve internal controls, and eliminate errors caused by re-keying of data; and
  - CFO Financial Statement Development.*—Provide the Senate with the capacity to produce auditable financial statements that will obtain an unqualified opinion.

#### *Managing the FMIS Project*

The responsibility for managing the FMIS project was transferred to the IT group during the summer of 2003 due to the retirement of the Assistant Financial Clerk. These responsibilities include developing the task orders with contractors and overseeing their work. In 2003, four new task orders were executed with BearingPoint:

- Web FMIS Thin Client;
- Web FMIS Imaging and Digital Signature Design and Electronic Invoicing and Remittance Enhancements;
- Additional Operational Support; and
- Extended Operational Support (Sept. 2003—August 2004).

In addition, in August 2003 a new multi-year contract with Bearing Point was negotiated and signed. This was a joint effort between the DO staff and the SAA procurement staff.

#### *Administering the Disbursing Office's Local Area Network (LAN)*

The DO administers its own Local Area Network (LAN), which is separate from the LAN for the rest of the Secretary's Office.

##### *Office-wide LAN maintenance and upgrade*

Existing workstations were maintained with appropriate service patches, and security updates including:

- Conducted Pre-Install meetings for the new DO SQL server—Worked with the Senate support vendor to determine installation strategy and procedures to properly prepare an SQL production server;
- Supervised DO SQL server installation—Ensured that system was installed in accordance with all agreed upon requirements;
- Installed SNAP servers—These devices provide an additional means for LAN data backup;
- LAN Planning—Began planning for the installation of a new LAN server in 2004; and
- Maintained our Office Information Authorization form log which provides easy access from DO staff desktops to up-to-date information about the authorized contacts for each Senate office.

##### *Office-wide Technical Skills Improvement*

The Systems Administrator was tasked with improving the DO's efficiency with the use of available technology. One example of this improvement is how check inquiries are processed. Prior to the implementation of existing technology, when an office requested information about negotiated checks, DO Accounts Payable Disbursements staff printed a copy of the front and back of the check via Treasury's Pacer system. Then the staff would mail these copies to the office. As a result of the training provided by the Systems Administrator, the DO staff scan the Pacer copy of the front and back of the check and attach the image to an e-mail message to the office, providing better and faster responses.

##### *Projects for the Accounts Payable and Accounting Sections*

The activities of the Accounts Payable and Accounting Sections were supported with the development of a Vendor Data Imaging process which consists of simple scanning procedures to capture and electronically store the paperwork associated with vendors.

##### *Projects for Payroll and Employee Benefits Sections*

Activities of the Payroll and Employee Benefits sections were supported with four specific projects:

- Assisted in the development of the Payroll Imaging system, which captures payroll documents turned in at the DO front counter electronically, including ordering all required system components. This system is still being implemented;
- Maintained required software to enable the Employee Benefits section to continue transmitting employee health plan information electronically to the National Finance Center in order to participate in the program called Centralized Enrollment Clearinghouse System (CLER); and
- Posted Revised Overtime Schedules for different work weeks along with a generic time sheet on the DO website.

*Software for the Report of the Secretary of the Senate*

Several DO staff review and edit data for the Report of the Secretary of the Senate. This requires special software and dictionaries, with the following performed on this software:

- Coordinated the update and installation of the “Toolbox” software (provided by BearingPoint) on existing PCs;
- Reviewed existing spell check dictionaries, and worked with BearingPoint to make the required updates; and
- Implemented procedures to ensure that dictionaries are maintained after each reporting cycle.

*Coordinating the Disbursing Office’s Disaster Recovery Activities*

The DO’s disaster recovery activities include two related activities:

- Disaster Recovery Testing, participating in the computer system disaster recovery tests conducted by the SAA; and
- Coordinating the Continuation of Operations Plan (COOP), a broadly focused activity, addressing all aspects of DO operations.

*Disaster Recovery Testing*

Since 1995, the SAA has contracted with an offsite contractor for backup services in case of a disaster affecting the Senate’s main data center. The Senate’s Payroll system and FMIS are included in this recovery process. Since the contract’s inception, the Senate has tested its ability to restore systems and perform normal activities at least once, and often twice each year. Disbursing Office staff and SAA Procurement staff are active participants in the planning and execution of these tests. In a February 2003, exercise, the mainframe subsystems of FMIS (i.e., ADPICS and FAMIS) were tested successfully. Two critical subsystems, checkwriter and Web FMIS, were also tested with limited success. Due to time constraints, security for Web FMIS was bypassed and generating reports was not included in the test. In addition, because of the communications architecture, some ADPICS document prints (Purchase Orders and Vouchers) could not be created.

*Disaster Recovery Background.*—Every night, data and software from the Senate’s mainframe computer systems are backed up to a magnetic cartridge and taken to a secure off-site facility. In the event of a disaster in the SAA computing facilities at Postal Square, SAA technical staff would immediately arrange to have the data, software, and appropriate operating instructions forwarded from the off-site facility to one of the contractor’s data centers. Senate staff would travel to this facility to oversee the restoration of all software and data on the contractor’s computer. By contract, restoration would be complete within 24 hours and systems would then be available to users. The contracted-for facilities can currently support up to 48 concurrent Senate users.

*Disaster Recovery of the Payroll System.*—Several key components are necessary for access to the payroll system after the restoration of data at the contractor’s facility is complete. At least one terminal identification (term-ID) must be coded in the payroll system to allow CICS access because the payroll application has an internal security module that ties a user to a specific term-ID that controls user access. Another key component is FTP software that allows the movement of files from point to point.

Most payroll payments are made via Direct Deposit to the Federal Reserve Bank using the Automated Clearing House (ACH). After the payroll system is closed-out for the payroll period, the SAA programmers provide an ACH data set which is transmitted to the Federal Reserve Bank in Atlanta, Georgia, via a specially configured PC containing an encryption board and a specialized modem. The DO also has an open-ended agreement with the Senate Federal Credit Union that allows the DO to transmit from their facility in Alexandria, Virginia. The Federal Reserve Bank of Atlanta must be notified prior to any transmission changes, but this agreement gives us the flexibility to transmit from an alternate access point in the event we encounter future transmission problems.

*Disaster Recovery for FMIS.*—The DO has participated in disaster recovery testing of mainframe FMIS facilities since the system was implemented in October 1998. For the February 2003 test, DO and SAA Procurement staff tested the various modules of the mainframe application to ensure they were functioning correctly at the back-up site. Using workstations connected to the Senate's fiber network as well as laptop computers dialing into the offsite location, users have tested various types of document preparation and posting to FAMIS. In addition, batch report testing, and system inquiries into both the procurement and financial modules were tested. Finally, various batch processing tasks were tested to ensure that they perform as expected. In the February 2003 testing, these tests were completed satisfactorily. However, ADPICS printing of Purchase Orders and Vouchers does not work in the disaster recovery mode.

Two components of FMIS, checkwriter and Web FMIS, were tested for the first time with limited success. Testing of the "checkwriter" process, which generates checks and/or direct deposits in payment to vendors, was tested successfully in the February 2003 exercise. The disaster recovery testing of Web FMIS was accomplished in the 2003 effort. This testing required installation of additional hardware and software at the contractor's facility. In order to perform the testing in the available time frame, security had to be disabled and user requested reports were not generated. It was anticipated that problems associated with both will be resolved and tested satisfactorily in the future.

Printing of ADPICS purchase orders and vouchers is still not possible with the current disaster recovery communications infrastructure of "dial-up" lines. Workaround facilities or a revised infrastructure have not been finalized for this functionality. As a result, entities that prepare ADPICS purchase orders and vouchers, primarily the Secretary of the Senate and the SAA, would not be able to print these documents in the event of a disaster. The proposed Alternate Computer Facility should have more advanced infrastructure, allowing for the printing of these documents.

#### *Coordinating COOP*

The DO staff wrote a Continuation of Operations Plan (COOP) in 2001. This document addresses issues beyond the scope of disaster recovery. Normal maintenance is performed on this document to ensure that it remains up-to-date and viable.

### ADMINISTRATIVE OFFICES

#### 1. CONSERVATION AND PRESERVATION

The Office of Conservation and Preservation develops and coordinates programs directly related to the conservation and preservation of Senate records and materials for which the Secretary of the Senate has statutory authority. This office's initiatives include deacidification of paper and prints, phased conservation for books and documents, collection surveys, exhibits, and matting and framing for the Senate Leadership.

Over the past year, the Office of Conservation and Preservation has embossed 110 books and matted and framed 515 items for the Senate Leadership. The office is especially proud to be a part of a Senate tradition. For more than 22 years, the office has bound a copy of Washington's Farewell Address for the annual Washington's Farewell Address ceremony. In 2003, a volume was bound and read by Senator Saxby Chambliss.

As mandated in the 1990 Senate Library Collection Condition Survey, the Office of Conservation and Preservation continued to conduct an annual treatment of books identified by the survey in need of conservation or repair. In 2003, conservation treatments were completed for 112 volumes of a 7,000 volume collection of House Hearings. Specifically, treatment involved recasing each volume as required, using alkaline end sheets, replacing acidic tab sheets with alkaline paper, cleaning the cloth cases, and replacing black spine title labels of each volume as necessary. The Office of Conservation and Preservation will continue preservation of the remaining 4,165 volumes.

This office assisted the Senate Library with 578 books sent to the Library Binding section of the Government Printing Office for binding. The Office of Conservation and Preservation also worked with the Senate Library on four exhibits located in the Senate Russell building basement corridor.

This office continues to serve Senate offices with conservation and preservation of documents, books, and various other items. The office is currently monitoring the temperature and humidity in the Senate Library, the vault, and the warehouse for preservation and conservation purposes, and plans to phase 15 antique books for

box conservation for storage as well as cross-train a Senate Library staff member to repair Senate Library materials.

## 2. CURATOR

The Office of Senate Curator, on behalf of the Senate Commission on Art, develops and implements the museum and preservation programs for the United States Senate. The Office collects, preserves, and interprets the Senate's fine and decorative arts, historic objects, and architectural features; and exercises supervisory responsibility for the chambers in the Capitol under the jurisdiction of the Commission. Through exhibitions, publications, and other programs, the Office educates the public about the Senate and its collections.

### *Collections: Commissions, Acquisitions, and Management*

Several important commissioned portraits are currently in progress, including paintings of Senators Bob Dole and George Mitchell for the Senate Leadership Portrait Collection; Senators Arthur Vandenberg and Robert Wagner for the Senate Reception Room; and Senator Margaret Chase Smith. The Vandenberg, Wagner, and Smith portraits are scheduled to be completed and unveiled in 2004.

The marble bust of Vice President Quayle was unveiled last September. The sculpture was added to the Senate's Vice Presidential Bust Collection and installed on the second floor outside the Senate Chamber. The Curator's Office also installed a painted canvas state seal of Kentucky in the Majority Whip's Office.

Thirteen objects were accessioned into the Senate Collection this year. Objects of note include two porcelain Senate Restaurant plates dating to the early 20th century; a rare cigar label from the mid-1800's depicting Senators Webster, Clay and Calhoun; an historic lithograph of George Washington by Rembrandt Peale based on the Senate's well-known Patri' Pater painting; as well as several historic prints and political cartoons.

Thirteen new foreign gifts were reported to the Select Committee on Ethics and transferred to the Curator's Office. They were catalogued, and are maintained by the office in accordance with the Foreign Gifts and Decorations Act.

In response to work on the Capitol Visitor Center (CVC) and other projects, the Curator's Office worked with the Architect of the Capitol (AOC) to relocate several sculptures in the Capitol. The marble bust of Constantino Brumidi was moved to accommodate the restoration efforts in the Brumidi Corridors; while the three marble patriot busts in the Senate Vestibule and the sculpture of Justice and History were relocated to accommodate CVC construction. Due to the size and fragile nature of Justice and History, a conservator was contracted to assist with the move, and later cleaned and reattached the two pieces in the sculpture's new location.

The 2002 project to professionally photograph the Senate's approximately 1,000 historic prints was completed. One set of transparencies will be stored off-site for emergency purposes, while a second working set will be used for image requests, future publications, and new web site postings.

The office also undertook a new initiative to photograph the 102 historic Senate Chamber desks (one hundred on the Senate floor and two in storage). A contract was awarded to photograph the exterior of each desk, as well as the interior desk drawer. The project is phased to coincide with the conservation of the desks; a total of 20 desks were photographed in 2003, and the project will be completed in 2008. One set of transparencies will be stored off-site for emergency preparedness, while a second working set will be used for the website, image requests, and future publications.

In keeping with the inventory schedule established by the Registration department last year, all prints, drawings, and advertising images in collection storage were inventoried in 2003. Additionally, all objects on display in the Capitol and Senate Office Buildings were inventoried to verify that no changes in location or condition occurred in the past year.

### *Conservation and Restoration*

A total of 19 objects received conservation treatment in 2003. These included 15 Senate Chamber desks, a portrait frame and canvas, a 1909 Russell Senate Office Building partner desk, and two historic ship models.

The initiative to conserve each of the 100 historic Senate Chamber desks began in 1999 at the direction of the Senate Commission on Art. Twice a year, during Senate recess periods, desks are removed from the Senate Chamber and sent out for restoration. Treatment is extensive, and follows a detailed protocol developed to address the wear and degradation of these historic desks due to continued heavy use. To date, 76 desks have been restored and the project is on track to be completed in 2005. This year a condition survey of the desks already treated was completed.

The survey found the desks in good overall condition. The survey noted that the Senate Cabinet shop should complete the installation of rubber bumpers to the arms of the Senate Chamber chairs to protect the front of the desks from damage.

The gilt frame for the portrait of Pocahontas received conservation treatment. While removing the frame from the painting, it was discovered that a small section of the canvas had adhered to the liner of the frame as a result of a previous conservation treatment. A painting conservator separated the frame and painting and performed minor conservation treatment to clean, repair, and protect the surface of the painting.

The office of Senate Curator is studying the possibility of conserving the canvas and frame for the painting George Washington by Gilbert Stuart.

An historic partner desk, part of the original suite of furniture purchased for the Senate Russell Office Building in 1909 and now assigned to the Republican Leadership suite, was refinished according to a detailed protocol treatment that restores the original type of finish and appearance to the Russell Office Building furniture.

Major renovation of the Rules Committee Hearing Room in the Senate Russell Office Building provided the opportunity for conservation treatment of two historic ship models in the room. The ships, one representing the U.S. Constitution and the other the Santa Maria, are part of the original 1913 decorative scheme for the room when it served as the Foreign Relations Committee Room. The ships were removed and examined by a conservator. Extensive cleaning was necessary, as well as repairs to the rigging, sails, and other small associated details.

The Collections Manager participated in training sessions for the Capitol Police regarding the care and protection of art in the Capitol. The Curator's staff also continued to educate the housekeeping personnel on maintenance issues related to the fine and decorative arts collections.

#### *Historic Preservation*

Over the past year the preservation program continued to develop the infrastructure systems necessary to support all levels of preservation activities. Efforts focused on research (archival and physical investigations), documentation, record keeping, and project oversight.

Research projects, in response to Senators' requests, produced room histories and chronologies for individual architectural features, some of which involved fabric analysis and condition assessments. The office initiated documentation projects to capture physical changes of a space or object, and to catalogue existing architectural elements through surveys. These research and documentation projects, aside from contributing to the office's architectural knowledge, provided a forum for developing and refining standards for information collection and reporting. In addition, various record keeping systems were established in order to house the findings, including relational FileMaker Pro databases and traditional files. Such systems allow the office to easily store and access information, and will continue to evolve as the preservation department expands its research, documentation, and oversight purview.

The most significant research-related projects included the completion of an historic structures report (HSR) for the Senate Reception Room, and the creation of a collections guide to local archives. The HSR employed a standard format and will serve as a model for all future HSR's. Based on this effort, the office worked with the AOC to develop a project for an HSR for the Senate vestibule, adjacent stairwell, and small Senate rotunda. Regarding the collections guide, the office initiated a program of systematic review of all relevant local research collections for the purpose of informing future research efforts. Through this undertaking, collection content is recorded, all crucial materials are copied, and the research path is clearly documented.

Along with establishing internal procedures, the office worked in partnership with the AOC and the Sergeant at Arms to monitor all relevant Senate side projects and to provide guidance on those with potential to impact historic resources. Projects requiring considerable time and attention included creation of S-125A in the Brumidi Corridors; continued conservation of the Brumidi Corridor walls; initiation of a shutter restoration program; development of a plaster stability testing project; installation of escape mask hood storage units; rehabilitation of the Republican Leadership suite; and completion of the rehabilitation of the Democratic Leadership suite.

#### *Historic Chambers*

The Curator's staff continued to maintain the Old Senate and Old Supreme Court Chambers, and coordinated periodic use of both rooms for special occasions. By order of the Capitol Police, the Old Senate Chamber was closed to visitors after September 11, 2001. However, during three Senate recesses (August, October, and December), the historic room was opened to Capitol Guide and staff-led tours. Thirty-

eight requests were received from current Members of Congress for after-hours access to the chamber. Of special significance was the re-enactment swearing-in ceremony for the newly-elected Senators of the 108th Congress. Thirty-one requests were received by current Members of Congress for admittance to the Old Supreme Court Chamber after-hours. The office also worked with the AOC to install an electric lift outside the Old Court for the use of disabled visitors. The lift was necessary due to CVC construction and related accessibility issues.

#### *Loans To and From the Collection*

A total of 69 historic objects and paintings are currently on loan to the Curator's Office on behalf of Senate Leadership and officials within the Capitol. Throughout 2003, the Curator's staff returned seven objects at the expiration of their loan periods to their respective owners. At the request of the Republican Leadership, 12 new paintings were borrowed this year.

Of significance was the office's success in locating and securing a loan of an historic chair originally presented to Vice President Charles Curtis. The chair, which reflects Curtis's Native American heritage, is on indefinite loan to the Senate from an anonymous lender.

The Curator's Office continued to work with CVC staff to assemble information on Senate Collection objects under consideration for loan to the exhibition in the main gallery of the CVC.

The Secretary's china was distributed and returned three times in 2003. The official Senate china was inventoried and used at 34 receptions for distinguished guests, both foreign and domestic.

#### *Publications and Exhibitions*

This summer the Office of Senate Curator teamed with the Government Printing Office to supervise the printing of the United States Senate Catalogue of Fine Art. The book marks the first time in its more than 200-year history that the Senate has showcased its entire collection of paintings and sculpture in a publication. Using full-page color images and historic photographs, the book provides detailed information on both the subject and artist for 160 works of fine art, and is a significant resource for those interested in the history of the Senate and the heritage of its art. Advance copies of the publication were distributed to congressional offices in October, and additional copies will be available in 2004. Several brochures were re-printed, and one new brochure was published, *The United States Capitol, Room S-219*.

The interactive exhibit *Take the Puck Challenge!* was deinstalled after a 5-year run. The office is continuing to work with the Architect of the Capitol to develop and install the second phase of the Constantino Brumidi exhibit. The Senate Cabinet shop is constructing exhibit kiosks to display informational panels for the paintings *George Washington at Princeton* and *The Recall of Columbus*.

The Curator's office completed final drafts for the Senate Appropriations Committee Room and Isaac Bassett. These drafts have been submitted to the Appropriations Committee and the Secretary for final review.

In early 2004, funding was approved to develop internet sites on the political cartoons of Puck and the drawings of Lily Spandorf.

#### *Policies and Procedures*

This year saw the passage of important legislation related to the Commission on Art, Public Law 108-83, the Legislative Appropriations Act of 2004, with several important technical amendments to the Commission's enabling legislation, including a provision to permit the Commission to impanel advisory boards, and the establishment of the Senate Preservation Fund. It also created a Curatorial Advisory Board, which will greatly enhance the Commission's ability to care for the Senate's collections and to evaluate potential acquisitions on behalf of the Senate. Such a board will be composed of respected scholars and curators who will assist in the development of policies and procedures, and will review important acquisitions to ensure appropriateness and validity.

The office also created several important procedural documents in 2003. These included standard procedures for portrait unveilings and foreign gifts disposition. In response to recent Senate activities, the office developed formal guidelines for adding or removing applied and fixed fine art in the Senate. The guidelines call for the creation of parameters for each space where art has or could be applied, and the office developed parameters for the Brumidi Corridors and the Senate Reception Room. The guidelines are currently under review. The office also assisted in the development of standard contract procedures that will be used throughout the Secretary's offices in an effort to standardize and safeguard the contracting process.

Progress continued on a definitive Collections Management Policy. The new Curatorial Advisory Board will review the document, which will be presented to the Commission on Art. A first draft of the Commission on Art's collections management policy has been completed with peer review expected in 2004.

#### *Collaborations, Educational Programs, And Events*

As part of the seminar series conducted under the auspices of the Secretary of the Senate and the Sergeant at Arms, the Curator's staff continued to deliver periodic addresses on various aspects of the Senate's art and history. Staff conducted or assisted with several sessions, including "Congress and the Capitol: Tour Guide Series" and "The Vice Presidential Bust Collection."

The office contributed numerous articles to *Unum*, the Secretary of the Senate's newsletter. Along with regular features, a new series highlights art from the country's four geographic regions.

#### *Office Administration*

The Curator's Office continued to improve office safety and emergency procedures. Practice evacuation drills were conducted monthly. The office purchased a digital camera for its COOP plan, and performed routine updates of COOP documents. The collection object files are the primary legal title, research, and management records for all art and historical objects in the Senate's collections. Microfiche and digital copies of these records will be stored off-site for disaster recovery and archival purposes. Additional copies will be used on-site for research and public information in order to lessen the handling and damage to the original paper records. In this way, these unique historical records will be preserved for future generations in case of disaster.

Planning continued with AOC staff regarding both additional storage space in the Capitol complex and related construction outside the Curator's two archival storage rooms on the fourth floor of the Capitol. To ensure that the additional space meets the Curator's needs for both temporary and long-term storage for works of art and historical objects, a variety of considerations were addressed, including access, security, fire prevention, and environmental controls. The office worked closely with the AOC to ensure the safety and accessibility of these spaces during construction. At the same time, as part of a larger security system upgrade for the Capitol, the Physical Security Division coordinated replacement of the alarm systems for the storage rooms.

On behalf of the Sergeant at Arms, the Government Services Administration (GSA) signed a three year lease with a contractor to provide secure, climate controlled, museum quality storage for objects in the Senate Collection that are not displayed and cannot be accommodated in the storage rooms on the fourth floor. The office subsequently relocated 70 objects to the new storage facility, primarily historical furniture, rugs, and decorative arts.

In addition to fulfilling storage requirements, the fourth floor construction included renovation of the Curator's space. The changes have greatly improved operational efficiency and staff workspace.

#### *Automation*

With the assistance of a consultant, the Senate Collection database was restructured and is now configured as a true relational database, a feature that will streamline data entry, enhance data recovery and use, and facilitate overall maintenance. In addition, data entry screens are better organized and more user friendly. Additionally, some staff in the office upgraded to a new version of FileMaker Pro 6. This version is compatible with XML and already has enabled the Senate website information to be updated directly from the collections database.

In response to a new initiative to publish a catalogue on the Senate's historic prints and engravings, clean-up of data related to almost 1,000 graphic images began. The Registrar and Associate Registrar were tasked with confirming the accuracy and completeness of data for the requisite fields in the database which will provide the basis of the identification information for the objects in the catalogue. In order for this to occur most effectively, each print was viewed and its information compared with the data that appears in the automated database.

The office published an exhibit, "Women in Senate Art," on the Senate web site. This collection of paintings and sculptures illustrates the role of women artists in the Senate Collection, as well as highlights the women depicted in Senate art. The office also posted PDF versions of many of its publications to the web site.

#### *Objectives for 2004*

Conservation and preservation concerns continue to be a priority. Projects in 2004 will include the restoration of 15 Senate Chamber desks and restoration of an his-

toric mirror in the Capitol. Investigation will be carried out to identify appropriate expertise and direction for conservation of the painting and frame for a portrait of George Washington by Gilbert Stuart, the First Reading of the Emancipation Proclamation by F.B. Carpenter, and an historic globe from the Senate Rules Committee Hearing Room.

The office, through the Commission on Art, will be responsible for commissioning a new painting. S. Res. 177 directs the Commission on Art to commission by the end of the session a scene commemorating the Connecticut Compromise for display in the Senate.

The office will develop regulations, guidelines, and authorities for administration of the Senate Preservation Fund and associated boards. The Curatorial Advisory Board will be furthered; any additional boards that the Commission deems are needed will be established; and a plan for the Preservation Fund developed.

In compliance with S. Res. 178 directing the Senate Commission on Art to update every six months a list of art and historic furnishings, the office will work closely with the SAA and Senate Superintendent to coordinate and submit a complete inventory to the Rules Committee.

Appropriate disposition of objects in the foreign gift collection will be a priority. The office has established procedures for reviewing and processing foreign gifts that will allow for quicker transfer of objects and alleviate storage issues.

Microfiching of the fine art collection files and microfilming of the Isaac Bassett papers will proceed. The office will continue with the photography of the Senate Chamber desks. Clean-up of the historic print and engraving data will be a high priority.

The next major publication will be a catalogue on the Senate's graphic art collection. Similar in style to the recent fine art catalogue, the United States Senate Catalogue of Graphic Art will highlight the approximately 1,000 prints in the collection along with essays by the Senate Curator and Associate Senate Historian. Other publications scheduled for 2004 include: Bassett: The Venerable Doorkeeper, presenting the career of Isaac Bassett and reproducing passages from his papers, and a brochure on the Appropriations Committee Room.

The office will begin installing information panels for important Senate artworks, and standard labels for all fine art work will be developed.

New internet exhibits will include sites on the Senate Chamber desks, Isaac Bassett, and the United States Senate Catalogue of Fine Art. The office also plans to begin publishing its historic engravings on the web, opening that entire collection to public view for the first time.

Regarding the Senate Preservation Program, the office will expand its knowledge of architectural history through research and documentation. The office will move forward on historic structures reports for the Vice President's Room, Marble Room, and President's Room, and work with the AOC on an HSR for the Senate Vestibule and small Senate Rotunda. In the area of physical preservation, the office will continue project oversight and documentation, and will move into project development by identifying appropriate preservation treatments and sequential tasks for the Senate Reception Room and S-238. In conjunction with the AOC, the office will follow the existing AOC project development procedure to accomplish the preservation goals for these spaces.

### 3. JOINT OFFICE OF EDUCATION AND TRAINING

The Joint Office of Education and Training provides employee training and development opportunities for all Senate staff both in Washington D.C. and the states. There are three branches within the department. The technical training branch is responsible for providing technical training support for approved software packages. This staff provides instructor-led classes; one-on-one coaching sessions; specialized vendor provided training, computer based training; and informal training and support services. The professional training branch offers courses for all Senate staff in areas including management and leadership development, human resources issues and staff benefits, legislative and staff information, new staff and intern information. The Health Promotion branch provides seminars, classes and screenings on health related and wellness issues. This branch also coordinates an annual Health Fair for all Senate employees and four blood drives each year.

#### *Training Classes*

The Joint Office of Education and Training offered 694 classes in 2003 with 6,916 Senate employees participating. The registration desk handled 15,390 requests for training and documentation.

Of the above total, in the Technical Training area, 335 classes were held with a total attendance of 1,799 students. An additional 1,126 staff received coaching on

various software packages and other computer related issues. Training was provided to virtually the entire Senate community as the new Senate Mail Infrastructure was rolled out through the year.

In the Professional Development area 359 classes were held with a total attendance of 5,117 students. Individual managers and supervisors were also encouraged to request customized training for their offices on areas of need.

The Office of Education and Training is available to work with offices on issues related to team performance, communication or conflict resolution. During 2003, 40 requests for special training or team building were met. Professional development staff also traveled to State offices to conduct specialized training/team building during the year.

In the Health Promotion area, 774 Senate staff participated in Health Promotion activities throughout the year. These activities included cancer screening, bone density screening and seminars on health related topics. Additionally 1,300 staff participated in the Annual Health Fair held in October.

The Office of Education and Training also works with the Office of Security and Emergency Preparedness to provide security training for Senate staff. In 2003 the office coordinated 23 sessions of Escape Hood Training for 1,359 Senate staff. The office also worked with the Office of Security and Emergency Preparedness to mount a safety and security curriculum, comprised of numerous topics related to security and emergency preparedness.

#### *State Training*

Since most of the classes offered are only practical for Washington, D.C. based staff, the Office of Education and Training continues to offer the "State Training Fair" which first began in March 2000. In 2003, three sessions of this program were offered to state staff. There were 134 state staff participants. This office also offered a State Directors Forum for the first time. This program was designed specifically for the senior leaders in the Senators' state offices. There were 42 participants. The office continues to offer "Virtual Classroom," which is an internet based training library of 300+ courses. To date, 164 state office staff representing 59 Senators are using this training option.

#### 4. CHIEF COUNSEL FOR EMPLOYMENT

##### *Background*

The Office of the Senate Chief Counsel for Employment (SCCE) is a non-partisan office established at the direction of the Joint Leadership in 1993 after enactment of the Government Employee Rights Act (GERA), which allowed Senate employees to file claims of employment discrimination against Senate offices. With the enactment of the Congressional Accountability Act of 1995 (CAA), Senate offices became subject to the requirements, responsibilities and obligations of 11 employment laws. The SCCE is charged with all legal defense of Senate offices in all employment law cases at both the administrative and court levels. Also, on a day-to-day basis, the office provides legal advice to Senate offices about their obligations under employment laws. Accordingly, each of the 180 offices of the Senate is an individual client of the SCCE, and each office maintains an attorney-client relationship with the SCCE.

The areas of responsibilities of the SCCE can be divided into the following categories: Litigation (Defending Senate Offices in Federal Court); Mediations to Resolve Lawsuits; Court-Ordered Alternative Dispute Resolutions; Preventive Legal Advice; Union Drives, Negotiations and Unfair Labor Practice Charges; OSHA/Americans With Disability Act ("ADA") Compliance; Layoffs and Office Closings In Compliance With the Law; and Management Training Regarding Legal Responsibilities.

##### *Litigation, Mediations, Alternative Dispute Resolutions*

The SCCE represents each of the 180 employing offices of the Senate in all court actions (including both trial and appellate courts), hearings, proceedings, investigations, and negotiations relating to labor and employment laws. The SCCE handles cases filed in the District of Columbia and cases filed in any of the 50 states. The SCCE represents a defendant Senate office from the inception of a case through U.S. Supreme Court review. The office handled all work in 2003 internally without the assistance of outside attorneys.

##### *Union Drives, Negotiations And Unfair Labor Practice Charges*

In 2003, the SCCE handled one union drive. The Office did the following with respect to the union drive: trained managers and supervisors regarding their legal obligations during a union campaign, advised the client in selecting its representatives

for the election, conducted training sessions for the employer representatives regarding improper conduct at elections, and conducted an investigation to determine whether ground rules exist to challenge the election results.

#### *OSHA/ADA Compliance*

The SCCE provides advice and assistance to Senate offices in complying with the applicable OSHA and ADA regulations; representing them during Office of Compliance inspections; advising State offices on the preparation of the Office of Compliance's Home State OSHA/ADA Inspection Questionnaires; assisting offices in the preparation of Emergency Action Plans; and advising and representing Senate offices when a complaint of an OSHA violation has been filed with the Office of Compliance or when a citation has been issued. In 2003, the SCCE handled 5 OSHA complaint procedures.

#### *Management Training Regarding Legal Responsibilities*

The SCCE conducts legal seminars for the managers of Senate offices to assist them in complying with employment laws. In 2003, the SCCE gave 75 legal seminars to Senate offices. Among the topics covered were:

- Preventing and Addressing Sexual Harassment in the Workplace;
- The Congressional Accountability Act of 1995: What Managers Need to Know About Their Legal Obligations;
- Managers' Obligations Under the Family and Medical Leave Act;
- The Legal Pitfalls of Hiring the Right Employee: Advertising, Interviewing, Drug Testing and Background Checks;
- Disciplining, Evaluating and Terminating an Employee Without Violating Employment Laws;
- Management's Obligations Under the Americans With Disabilities Act;
- Equal Pay for Equal Work: Management's Obligations Under the Equal Pay Act;
- The Immigration Reform and Control Act of 1986 (IRCA): Steps Your Office Must Take to Verify Employment Eligibility;
- Enhancing Diversity and Avoiding Discrimination in the Workplace; and
- Workplace Violence.

#### *Preventive Legal Advice*

At times, a Senate office will become aware that an employee is contemplating suing, and the office will request the SCCE's legal advice and/or that the SCCE negotiate with the employee's attorney before the employee files a lawsuit. The successful resolution of such matters substantially reduces an office's liability.

Also, the SCCE advises and meets with Members, Chiefs of Staff, Administrative Directors, Office Managers, Staff Directors, Chief Clerks and General Counsels at their request. The purpose is to prevent litigation and to minimize liability in the event of litigation. For example, on a daily basis, the SCCE advises Senate offices on matters such as disciplining and terminating employees in compliance with the law, handling and investigating sexual harassment complaints, accommodating the disabled, determining wage law requirements, meeting the requirements of the Family and Medical Leave Act, and management's rights and obligations under union laws and OSHA.

#### 5. SENATE GIFT SHOP

Pursuant to 2 U.S.C. 121(d), the Senate Gift Shop was established in 1992 under administrative direction and supervision of the Secretary of the Senate. With each successive year since its establishment, the Senate Gift Shop has continued to provide outstanding products and services that maintain the integrity of the Senate as well as increase the public's awareness of the mission and history of the U.S. Senate. The Gift Shop provides services to Senators, staff and employees of the Senate, as well as constituents, and the many visitors to the U.S. Capitol complex. Products include a wide variety of souvenirs, collectibles, and fine gift items created exclusively for the U.S. Senate. Services include special ordering of personalized products and hard-to-find items, custom framing, gold embossing, engraving, and shipping. Additional special services include the distribution of educational materials to tourists and constituents visiting the Capitol Building and Senate Office Buildings.

#### *Facilities*

For several years, the services offered by the Senate Gift Shop were over-the-counter sales to walk-in customers at a single location. Today, after more than ten years in operation, and as a result of extended services and continued growth, the Gift Shop now provides service from three different locations. Services from these

locations include walk-in sales, telephone orders, fax orders, mail orders, and a variety of special order and catalog sales.

#### *Sales Activity*

The Senate Gift Shop recorded sales of \$1,516,594.88 for fiscal year 2003. Cost of goods sold during this same period were \$1,114,899.59, accounting for a gross profit of \$360,172.97. Records show total sales in fiscal year 2002 were \$1,418,065.88. This represents an increase in sales of \$98,529.00 from fiscal year 2002 to fiscal year 2003.

In addition to tracking gross profit from sales, the Senate Gift Shop maintains a revolving fund and a record of on-hand inventory. As of October 1, 2003, the balance in the revolving fund was \$1,109,717.22 with on-hand inventory valued at \$2,304,772.88.

A General Accounting Office (GAO) audit of the gift shop's fiscal year 2002 sales transactions, requested by the Secretary, is in progress and will be completed this year.

#### *Additional Activity*

One of the most important objectives for 2003 was replacing point-of-sale and accounting software, Basic Four, which is more than 20 years old and no longer meets the increasingly unique needs of the Gift Shop. (This old application was shared with the Stationery Room). A contractor was selected to perform the system installation including the required hardware for the new retail and financial management system. The contract is nearing completion and cut-over to the new system occurred in February 2004. The system is now in an acceptance stage to ensure that all aspects are functioning properly.

The selected software package, Microsoft Retail Management Systems: Headquarters, Store Operations and Great Plains Financial, was purchased in late 2002. It is an off-the-shelf package that requires little modification to meet the special technical requirements of Senate Gift Shop operations. Currently, Gift Shop staff are creating the necessary databases that will serve as the foundation for the new retail system including inventory details, financial data and other information required for detailed reports. Contractors are now training Gift Shop staff on the new system and will continue to provide hardware and software support after the cut-over date.

The installation of the required hardware—servers, computers, monitors, and point of sale terminals—and software, is mostly complete. The majority of hardware and software along with the support services necessary for full implementation of the new system were funded through fiscal year 2003 appropriations allocated to the Secretary of the Senate. A few additional items, i.e., application user fees, required funds which were appropriated in fiscal year 2004.

It is important to note that the new system will not only meet the Gift Shop's current and near-future requirements, but it will also accommodate potential add-on features.

#### *Accomplishments and New Products in 2003*

##### *Official Congressional Holiday Ornaments*

In 2003 the Senate Gift Shop introduced the second ornament in the 2002–2005 series, the third consecutive “four-year ornament series.” Each ornament features an architectural milestone of the Capitol building and is packaged with corresponding historical text taken from the book, *History of the United States Capitol: A Chronicle of Design, Construction, and Politics* by William C. Allen, architectural historian in the office of the Architect of the Capitol.

Our 11th annual ornament, released in 2003, pictures a watercolor of the Capitol as it appeared in 1834 as depicted by New York architect Alexander Jackson Davis. In keeping with a Gift Shop tradition, the authentic colors of the original watercolor were reproduced onto a white porcelain stone and set with a brass frame finished in 24kt gold.

Holiday sales of the 2003 ornament were very good with additional sales expected throughout 2004. Revenue from selling nearly 35,000 of these ornaments has generated more than \$40,000 in scholarship funds for the Senate Child Care Center.

##### *Porcelain “Legislation” Box*

“Legislation” was the second in a series of four porcelain boxes that displays different images from the Constantino Brumidi fresco painted on the ceiling of the President's Room in the Senate Wing of the United States Capitol. The first box in the series, “Liberty” was released in 2002. Each of the final two porcelain boxes will display one of the two remaining allegorical figures, Executive and Religion, in

Brumidi's painting. The boxes will be released in late 2004 and late 2005, respectively.

*Capitol Visitor Center (CVC) Coin Products*

To better promote the CVC and to better showcase the CVC coins, the Gift Shop incorporated coins into a variety of unique gift items. While we have noticed an increase in coin sales due to the creation of these items, we do not anticipate any substantial reduction of inventory until the actual opening of the CVC. The items developed to date include:

- CVC coins encased in Lucite paperweights, which have sold well since their development last year.
- A variety of ladies' and men's wristwatches and pocket watches with CVC coins serving as the face (developed by the Gift Shop and a vendor/manufacturer).
- Introductions of additional items currently in development are expected in 2004.

*Senate Seal Watches*

The "official Senate watch" is now provided by a different manufacturer. The new men's and ladies' watches have the same look and feel as the discontinued watches, with additional space on the backplate for personalized engravings. The first shipment of watches was received in December and is expected to be a popular gift item.

*Projects and New Ideas for 2004*

*United States Senate Catalogue of Fine Art*

The Gift Shop is working with the Senate Curator in order to secure copies of the new publication, United States Senate Catalogue of Fine Art.

*Capitol Complex Trees*

During the early construction stages of the CVC the Senate Gift Shop arranged for the recovery of the felled trees from the grounds of the Capitol complex. The recovered trees have been milled and kiln dried. The resulting 12,000 board feet of cut lumber are being temporarily stored in a warehousing facility.

While the Gift Shop continues researching ideas for products that can be produced from the recovered trees, the general thought is to create presentation pieces for official use and a variety of collectors' items available for sale to the general public.

*108th Congressional Plate*

The series of Official Congressional Plates will continue this year with the design, development, and manufacture of the 108th Congressional Plate. As in previous years, the Gift Shop will rely on Tiffany & Co. to produce the plates.

In addition we are creating a library of complementary designs and artwork from which designs for future Congressional plates could be chosen. This library will include mock-ups produced in conjunction with the selection for the artwork chosen for the 108th Congressional Plate.

6. HISTORICAL OFFICE

Serving as the Senate's institutional memory, the Historical Office collects and provides information on important events, precedents, dates, statistics, and historical comparisons of current and past Senate activities for use by members and staff, the media, scholars, and the general public. The Office advises Senators, officers, and committees on cost-effective disposition of their non-current office files and assists researchers in identifying Senate-related source materials. The Office keeps extensive biographical, bibliographical, photographic, and archival information on the 1,775 former Senators. It edits for publication historically significant transcripts and minutes of selected Senate committees and party organizations, and conducts oral history interviews with key Senate staff. The photo historian maintains a collection of approximately 40,000 still pictures that includes photographs and illustrations of most former Senators, as well as news photographs, editorial cartoons, photographs of committees in session, and other images documenting Senate history. The Office develops and maintains all historical material on the Senate website.

*Editorial Projects*

*Executive Session Transcripts of the Permanent Subcommittee on Investigations, 1953–1954.*—The Historical Office completed editing, annotating, and indexing 3,800 pages of previously unpublished executive-session hearing transcripts produced by the Senate Permanent Subcommittee on Investigations (PSI) under the chairmanship of Senator Joseph R. McCarthy (1953–1954). In May 2003, the PSI released the resulting five-volume work in both printed and electronic editions. The transcripts received extensive national media attention.

*The Senate Leader's Lecture Series.*—From 1998 through 2002, the Senate Majority Leader hosted a series of lectures on Senate leadership. These talks, featuring former Senate presidents and party floor leaders, were held in the Capitol's historic Old Senate Chamber before an audience of current Senators and invited guests. The Historical Office provided production and publication support for the series, including a 188-page volume containing all nine lectures and separate remarks by President Pro Tempore Strom Thurmond. That book, entitled *Leading the United States Senate*, was published by the Government Printing Office in September 2003.

*The Documentary History of the United States Senate.*—The Historical Office is conducting an ongoing documentary publication program to bring together in edited volumes fundamental source materials that will help explain the development of the Senate's constitutional powers and institutional prerogatives. Currently in the research and writing stage are volumes on Senate impeachment trials, the Senate's consideration of controversial treaties, and the evolution of the Senate's standing rules.

*Administrative History of the Senate.*—During 2003, the assistant historian continued the research and writing of this historical account of the Senate's administrative evolution, taking advantage of newly discovered archival resources and improved search capabilities for contents of nineteenth century newspapers and periodicals. This study traces the development of the offices of the Secretary of the Senate and Sergeant at Arms, considers nineteenth and twentieth century reform efforts that resulted in reorganization and professionalization of Senate staff, and looks at how the Senate's administrative structure has grown and diversified over the past two centuries.

*Biographical Directory of the U.S. Congress, 1774-present.*—In May 2003, both Houses of Congress adopted H. Con. Res. 138, authorizing printing of the sixteenth edition of the Biographical Directory of the United States Congress, 1774–2005. The first edition of this indispensable reference source was published in 1859; the most recent edition appeared in 1989. Since 1989, the assistant historian has added many new biographical sketches, has expanded bibliography entries, and has revised and updated most of the database's 1,875 Senate entries. The assistant historian has updated the Congress-by-Congress listing of members through the 108th Congress, in preparation for the new print edition, and has completed the editing and proofing of existing information to allow for expanded search capabilities on the online version at <http://bioguide.congress.gov>.

*Capitol Visitor Center Exhibition Content Development.*—The Senate historian assisted in preparing detailed plans for the exhibition gallery of the Capitol Visitor Center. Three staff historians contributed to exhibition scripts that set forth the chronological history of the Senate and describe the role of Congress in helping to realize the nation's basic aspirations.

#### *Member Services*

*Senate Historical Minutes.*—At the request of the Senate Democratic Leader, the Senate historian prepared and delivered a "Senate Historical Minute" at thirty-one Senate Democratic Conference weekly meetings during the year. These four-hundred-word Minutes are designed to enlighten members about significant events and personalities associated with the Senate's institutional development, and with familiar objects and places within the Capitol. They subsequently appear each week in *The Hill* newspaper. The nearly 200 Minutes prepared since 1997 are available as a feature on the Senate website.

*Members' Office Records Management and Disposition Assistance.*—The Senate archivist continued her program of assisting members' offices with planning for the preservation of their permanently valuable records, with special emphasis on archiving electronic information from computer systems and transferring valuable records to a home state repository. The archivist completed and the Senate published a comprehensive revision of *Records Management Handbook for United States Senators and Their Archival Repositories* together with a revised pamphlet for Senate staff entitled "Senators' Papers: Management and Preservation Guidelines." The archivist assisted in the production of an "Opening an Office Handbook" and produced a brochure, "New Senators Briefing: Your Historical Records." The archivist updated the archival sections of the handbook, "Closing a Senate Office."

*Committee Records Management and Disposition Assistance.*—The Senate archivist provided each committee with staff briefings, record surveys, guidance in preservation of information in electronic systems, and instructions for the transfer of permanently valuable records to the National Archives' Center for Legislative Archives. 3,530 feet of records were transferred to the Archives. The archivist completed a review of records disposition guidelines for the offices under the Secretary's

jurisdiction. The Office's archival staff continued to provide processing assistance to committees and administrative offices in need of basic help with noncurrent files.

*Association of Centers for the Study of Congress.*—In May, the Historical Office joined with the National Archives' Center for Legislative Archives, and the Robert C. Byrd Center for Legislative Studies to conduct a conference designed to establish an association of university-based research centers devoted to the study of Congress. The Association of Centers for the Study of Congress will conduct its first meeting in May 2004. Among the centers involved are those associated with the public careers of former Senators Howard Baker, Bob Dole, Everett Dirksen, Margaret Chase Smith, George Aiken, Thomas Dodd, Wendell Ford, Hubert Humphrey, Richard Russell, John Stennis, and John Glenn.

#### *Oral History Program*

The Historical Office conducts a series of oral history interviews, which provide personal recollections of various Senate careers. This year, oral history interviews were completed with J. Stanley Kimmitt, former Secretary of the Senate; C. Abbott Saffold, former Democratic Secretary; Jade West, former staff director of the Republican Policy Committee; Tom C. Korologos, former staff of Senator Wallace Bennett and White House congressional liaison; Arthur Rynearson, deputy Senate Legislative Counsel; Alphonso Lenhardt, former Senate Sergeant at Arms; and Martin Gold, procedural counsel to the Majority Leader.

#### *Photographic Collections*

The photo historian continued to expand the Office's 40,000-item photographic collection, acquiring images of former Senators not previously represented in the collection and photographing historically significant Senate events, including hearings of Senate committees. Digital images of frequently used photographs were created to promote their use and safeguard the originals. Images are now being transmitted to patrons via e-mail or CD, and can be printed onto photographic paper in the Historical Office. The photo historian also continued to catalog photographic negatives into an image database in order to increase intellectual control over the Office's image collection. An exhibition of Capitol photographs (1900–1950) was developed for display on the Capitol's second floor.

#### *Educational Outreach*

In coordination with the Senate Office of Education and Training, Historical Office staff provided seminars on the general history of the Senate, women Senators, and Senate floor leadership. Office staff also participated in seminars and briefings for specially scheduled groups.

On April 18, 2003, the Washington Post published a highly complimentary feature-length article, "Ensuring a Senate Inscribed in History," on the operations of the Historical Office.

### 7. HUMAN RESOURCES

The Office of Human Resources (HR) was established in June 1995 as a result of the Congressional Accountability Act. The Office focuses on developing and implementing human resources policies, procedures, and programs for the Office of the Secretary of the Senate that not only fulfill the legal requirements of the workplace but which complement the organization's strategic goals and values. This includes recruiting and staffing; providing guidance and advice to managers; training; performance management; job analysis; compensation planning, design, and administration; leave administration; records management; employee handbooks and manuals; internal grievance procedures; employee relations and services; and organizational planning and development.

The Human Resources Office also administers the Secretary's Public Transportation Subsidy program and the Summer Intern Program that offers college students the opportunity to gain valuable skills and experience in a variety of Senate support offices.

#### *Classification and Compensation Review*

For the Secretary of the Senate's operation, the Office of Human Resources has conducted a complete classification and compensation study which includes, for the first time, a comprehensive collection of current job classifications and specifications for every position. Furthermore, the pay plan and bands reflect the accurate and equitable layout of all staff within the organization. Needs for the upkeep of the system are being drafted to afford the Secretary the opportunity to keep the system current.

#### *Policies and Procedures*

HR will continue to update and revise the Employee Handbook of the Office of the Secretary. With nuances in employment law and other advances, policies need to be reviewed, revised and updated annually.

In regard to potential violations of said procedures, the Secretary, through HR and the Senate Chief Counsel for Employment, has developed an effective method to coordinate inquiries.

#### *Attraction and Retention of Staff*

HR is responsible for the ongoing task of advertising new vacancies or positions, screening applicants, interviewing candidates and assisting with all phases of the hiring process. The office works closely with the applicable department to ensure the process moves smoothly and expeditiously. HR presents to the Secretary the recommendations of department heads concerning payroll and hiring actions.

#### *Training*

In conjunction with the Senate Chief Counsel for Employment, HR prepares training for department heads and staff. Some of the training topics include Sexual Harassment, Interviewing Skills, Conducting Background Checks, Providing Feedback to Employees and Goal Setting.

#### *Orientation of New Staff*

Since first impressions make such a lasting impression, HR has developed a new consistent means of orienting new staff joining the Office of the Secretary. This new system allows for a seamless transition from the orientation of HR, policies, parking, and metro subsidy, to the particular department the staff member is joining and fosters a greater overall understanding of the Secretary's operation.

#### *Interns and Javits Fellows*

HR coordinates both the Secretary's internship program and the Javits and Heinz Fellowship programs. The Javits program is due to terminate in September 2004. The Heinz Fellowship is also due to terminate at the end of this fiscal year. HR is aware that the Heinz Foundation is currently working to secure reauthorization for the program.

#### *Employee Outreach, Feedback and Development*

HR acts as a liaison for staff of the Secretary in soliciting and receiving feedback, suggestions and insight in an effort to continually improve processes and procedures.

A key to maintaining and improving performance standards, as well as ensuring completion of organizational objectives, is providing employee feedback. HR continues to work with the Executive Office and department heads to establish objectives that reflect the mission of the Senate and the Secretary's Office.

HR is in the process of obtaining feedback on the current Employee Feedback and Development Program (EFDP) process. A new modified tool will be created to encompass the recommendations and efficiencies brought to light over the past two years.

HR has initiated development of an Elder Care Fair that will be available for all Senate staff interested in learning more about local and nationwide services available to assist the elderly and those responsible for their care. HR is working closely with the Senate Office of Education and Training and the Employee Assistance Program to identify and contact agencies that may be of assistance to Senate staff.

#### *Employee Self-Service (ESS)*

HR has implemented use of the Employee Self-Service system (ESS) which is a secure system enabling Secretary staff to review and update personnel information pertaining to addresses, phone numbers and emergency contact information. Employees are now able to review and correct information to their electronic personnel records kept by HR. Staff and managers can also access leave records and reports through this system. The ability to review and update this information is instrumental to maintaining accurate contact lists for emergencies or other contingencies.

#### *New Leave Tracking System*

In the past, employees of the Secretary of the Senate had to maintain "time-sheets" for each day of work throughout the year. This system was maintained by each employee and signed off on by the supervisor and/or department head. The accrual rates for both sick leave and annual leave, in conjunction with the manual attendance tracking, proved a tedious task for all. HR has created a new leave tracking system whereby attendance is only recorded by the exception, or absence.

Leave slips have been created for staff to complete and submit prior to taking leave. The supervisor approves the request and forwards it to HR to be entered into the system. Staff will then have access to their leave balances which will be accrued and maintained by HR.

#### 8. INFORMATION SYSTEMS

The staff of the Department of Information Systems provide technical hardware and software support for the Office of the Secretary of the Senate. Information Systems staff also work closely with the application and network development groups within the Sergeant at Arms (SAA), the Government Printing Office (GPO), and outside vendors on technical issues and joint projects. The Department provides computer related support for the all LAN-based servers within the Office of the Secretary of the Senate. Information Systems staff provide direct application support for all software installed workstations, evaluate new computer technologies, and implement next generation hardware and software solutions.

##### *Mission Evaluation*

The primary mission of Information Systems Department is to continue to provide the highest level of customer satisfaction and computer support for all departments within the Office of Secretary of the Senate. Emphasis is placed on the creation and transfer of legislation to outside departments and agencies.

As in fiscal year 2002, improved procedures were adopted to stretch support across all Secretary departments. With one exception, which should be completed in June, all offices have been updated to the Senate Mail Exchange Application as the principal e-mail application. Individual offices that previously maintained cc:Mail post offices, namely Public Records, the Stationery Room, and Page School, were combined into one central Secretary Microsoft Exchange server located at Postal Square.

For security reasons, the Secretary of the Senate network is a closed local area network to all offices within the Senate. Information Systems staff continue to provide a common level of hardware and software integration for these networks, and for the shared resources of inter-departmental resources. Information System staff continue to actively participate in all new project designs and implementations within the Secretary of the Senate operations.

##### *Improvements to the Secretary's LANs*

The Senate chose Windows NT as the standard network operating system in 1997. The Senate standard will shift to Microsoft Server 2000 operating system software in fiscal year 2004.

The continuing support strategy is to enhance existing hardware and software support provided by the Information Systems Department, and augment that support with assistance from the Sergeant at Arms whenever required. The Secretary's network supports approximately 300 staff, intern, and patron accounts in the Capitol, the Senate Hart, Russell, Dirksen buildings, and the Page School.

##### *Fiscal Year 2003 Highlights*

Installed 3 LIS major production releases on all Legislative workstations and laptops. In conjunction with the SAA Office of Application Development, legislative software applications are updated and revised on a continual basis. One notable enhancement in fiscal year 2003 was the continuing design and development of the Senate Journal application.

Replaced all Captioning Services workstations with improved hardware and software applications and installed Secretary-Judiciary workstation pilot hardware and software to support voice-to-text speech recognition applications.

Renovated Gift Shop hardware and software workstations and servers to implement improved point-of-sales operation.

Added Quantum Snap Server for existing Stationery server emergency data backup operation.

Updated Official Reporter workstations to Windows 2000 operating systems and improved high speed printing operations.

Installed new Library Oracle server and Web server on schedule in July 2003; Senate Library catalog database deployment for intranet operation is scheduled for 2004.

Deployed enterprise-wide virus-patch installation process to automatically download Norton anti-virus definition files to Secretary workstations. No legislative workstations were affected by the August 2003 outbreaks of the Blaster and Welchia viruses which distributed security vulnerabilities for servers and workstations.

Deployed three major hardware COOP LIS operational upgrades. In May 2003, all legislative department heads were provided a laptop with secure-id/VPN access to the Senate Network that mirrors their office desktop operation. In October, a second set of laptops was deployed off-site. In December a third mirrored set was installed at the Alternate Chamber facility. The setup and installation of the January 2004 Alternate Chamber exercise utilized equipment from outside the perimeter of the exercise site.

Installed and replaced original Secretary intranet development web server. This server will function as the primary data warehouse for the Office of Human Resources' People-Trak database. Networking routes have been established for all Secretary department access to this web server.

The Historical Office completed the McCarthy publication project marking the 50th anniversary of these hearings. Digital scanning techniques implemented and adopted three years ago by our office continue to be utilized in all Secretary departments.

#### *Fiscal Year 2004 Objectives*

Implementation of the SAA Active Directory Redesign project in 2004 will present a rapid change in server-client hardware and software functionality for all Secretary offices. System requirements have been developed and forwarded to SAA to meet and provide continual application growth for all departments. This change in networking structure will allow Information System staff to migrate from a SINGLE-LAN support group to an Enterprise-Level support organization—as extending the flexibility of available support to all departments is vital to the IT growth within the Office of the Secretary.

#### 9. INTERPARLIAMENTARY SERVICES

The Office of Interparliamentary Services (IPS) has completed its 22nd year of operation. IPS is responsible for administrative, financial, and protocol functions for all interparliamentary conferences in which the Senate participates by statute, for interparliamentary conferences in which the Senate participates on an ad hoc basis, and for special delegations authorized by the Majority and/or Minority Leaders. The office also provides appropriate assistance as requested by other Senate delegations.

The statutory interparliamentary conferences are: NATO Parliamentary Assembly; Mexico-United States Interparliamentary Group; Canada-United States Interparliamentary Group; and British-American Interparliamentary Group.

Two additional interparliamentary conferences were created in 2003 which will meet for the first time this year. The new conferences are United States-Russia and United-States China Interparliamentary Group.

In June, the 42th Annual Meeting of the Mexico-U.S. Interparliamentary Group was held in Tennessee. In July, the British-American Interparliamentary Group meeting was held in Virginia. Arrangements for both of these successful events were handled by the IPS staff.

As in previous years, all foreign travel authorized by the Leadership is arranged by the IPS staff. In addition to delegation trips, IPS provided assistance to individual Senators and staff traveling overseas. Senators and staff authorized by committees for foreign travel continue to call upon this office for assistance with passports, visas, travel arrangements, and reporting requirements.

IPS receives and prepares for printing the quarterly financial reports for foreign travel from all committees in the Senate. In addition to preparing the quarterly reports for the Majority Leader, the Minority Leader, and the President Pro Tempore, IPS staff also assist staff members of Senators and committees in filling out the required reports.

Interparliamentary Services maintains regular contact with the Office of the Chief of Protocol, Department of State, and with foreign embassy officials. Official foreign visitors are frequently received in this office and assistance is given to individuals as well as to groups by the IPS staff. The staff continues to work closely with other offices of the Secretary of the Senate and the Sergeant at Arms in arranging programs for foreign visitors. In addition, IPS is frequently consulted by individual Senators' offices on a broad range of protocol questions. Occasional questions come from state officials or the general public regarding Congressional protocol.

On behalf of the Leadership, the staff arranges receptions in the Senate for Heads of State, Heads of Government, Heads of Parliaments, and parliamentary delegations. Required records of expenditures on behalf of foreign visitors under authority of Public Law 100-71 are maintained in the Office of Interparliamentary Services.

Planning is underway for the 45nd Annual Meeting of the Canada-U.S. Interparliamentary Group to be held in the United States in 2004. Advance work, including site inspection, will be undertaken for the 44nd annual Mexico-U.S. Inter-

parliamentary Group meeting to be held in the United States in 2005. Preparations are also underway for the spring and fall sessions of the NATO Parliamentary Assembly.

#### 10. LIBRARY

The Senate Library provides legislative, legal, business, and general information services to the United States Senate. The Library collection encompasses legislative documents beginning with the Continental Congress in 1774; current and historic executive and judicial branch materials; and an extensive book collection on American politics, history, and biography. Collection resources also include a wide array of online systems used to provide nonpartisan, confidential, timely, and accurate information services to the Senate.

##### *Notable Achievements*

Information Services inquiries increased more than 14 percent over 2002 totals. Significant progress made toward making online catalog available Senate-wide. Submitted proposal to Sergeant at Arms for off-site storage facility. XML-generated tables posted on Senate.gov, LIS, and Webster from a single file. Senate Floor Schedule on Senate.gov posted nightly by Library staff. Deaccessioned and transferred to the Federal Depository Program 24,293 outdated, superseded, and surplus government documents.

##### *Information Services*

###### *Senate.gov and the Legislative Information System (LIS)*

The Senate Library's role in the production of www.senate.gov significantly expanded in 2003. The Information Services Team focused on increasing their knowledge and skills with the latest Internet technologies. Each librarian accepted additional responsibility to research, write, edit, and post time-sensitive information on the Senate's official public Internet site. Reference Librarians worked closely with the Webmaster to coordinate and plan the rapidly growing site.

The Senate Library is dedicated to creating an Internet site that provides up-to-the-minute, well-organized information to dual audiences, both Senate offices and the general public. Presentation of timely information on Senate.gov, enhanced by Library-authored navigational guides, significantly improves the Senate's ability to disseminate information. The most popular Senate Library-authored pages on Senate.gov and LIS had 348,198 visitors in 2003.

#### VISITORS TO SENATE LIBRARY—AUTHORED SENATE.GOV AND LIS PAGES

Active Legislation on Senate.gov .....	95,301
Reference on Senate.gov .....	192,725
Virtual Reference Desk on Senate.gov .....	41,301
Hot Bills List on LIS .....	12,353
Appropriations Tables, Fiscal Year 1987–2004 on LIS .....	6,518
<b>TOTAL .....</b>	<b>348,198</b>

Librarians are critical in the development of information architecture, which is the underlying organization system for an Internet site. Well-designed information architecture greatly improves the workflow of adding new information and also makes it easier to locate existing information. Examples are numerous, but they include Active Legislation and the Virtual Reference Desk. These pages provide valuable gateways to thousands of legislative documents, articles, biographies, statistical tables, and works of art categorized by key topics. The addition of the important "teasers," help visitors navigate through more than 10,000 pages of information on Senate.gov.

The Library continues to serve as the official LIS Help Desk for Senate staff and provides LIS training sessions in conjunction with the Office of Education and Training. Reference Librarians participated in 15 LIS training events for Senate staff during 2003.

##### *Patron Services and Document Delivery*

Inquiry statistics for phone, fax, e-mail, and walk-in visitors increased more than 14 percent in 2003 (46,234), surpassing the target of a 3 percent increase over 2002 totals (40,359). Visitors to Library-produced pages on Senate.gov and LIS are factored into the inquiry statistics this year for the first time, having both the effect

of more accurately reflecting and dramatically increasing the 2003 inquiry total (394,432).

#### INFORMATION SERVICES INQUIRY STATISTICS

Phone, Fax, E-mail Requestors .....	34,081
Walk-in Visitors .....	12,153
Visitors to Senate Library-Authored Senate.gov and LIS Pages .....	348,198
<b>TOTAL</b> .....	<b>394,432</b>

Library activity is also reflected by the number of photocopies produced (156,891) and the number of pages printed (6,945) in the Micrographics Center. Technology that scans documents from the Library's extensive microform collection of congressional and executive materials, newspapers, and magazines has become a popular tool. It enables staff to post copies of historic documents on Senate.gov or e-mail them directly to researchers. Use of these technologies decreased the number of information packages hand-delivered to Senate offices (4,078), loaned books and documents (1,664), and outgoing faxes (2,747).

#### *Webster*

The librarians have forged a well-deserved reputation on Capitol Hill as authorities in the field of information service and are frequently asked for consultation. In 2003 administrators of the Sergeant at Arms' Senate Information Services (SIS) program relied upon the Senate Library to thoroughly review the online version of the Leadership Directories before purchasing a Senate-wide license. A second major project involving the reference librarians was their participation in a SIS project to identify a replacement for the outdated News Edge system on Webster. The Library also agreed to serve as the Search Help Desk to assist all Senate staff in the use of commercial research tools provided by SIS via the Front Page on Webster. Serving as the Search Help Desk requires that each member of the Information Services Team maintain expert search skills for LexisNexis, WestLaw, ProQuest, Leadership Directories, Congressional Quarterly, Bureau of National Affairs, National Journal, Federal Document Clearinghouse, Associated Press, and Reuters.

#### *Client Relations*

The Library hosted 27 client relations staff events during 2003, including quarterly Services of the Senate Library Seminars, a State Fair, five District-State Seminars, monthly New Staff Seminars, and a reception for office managers and chief clerks. The Library also conducted two special seminars for the Senate Page School. New borrowing accounts established for 350 Senate staff during 2003 reflect the success of the Library's public relations program.

The Senate Library is proud to have a reputation among information professionals and researchers. Tours and demonstrations during 2003 brought 68 individuals from organizations including the annual Depository Library Conference, University of North Carolina, Federal Library and Information Center Committee, and the University of Maryland. Tours and research assistance was extended to foreign visitors from Brazil, Japan, Russia, Egypt, England, and Hong Kong.

This is the sixth year that the Library hosted National Library Week activities. This year's book talk featured Senator Dale Bumpers who spoke about his autobiography, *The Best Lawyer in a One-Lawyer Town: A Memoir*. More than forty staff enjoyed his candid reminiscences of past and current political figures. The annual dessert reception brought an additional 115 Senate staff to the Library. These annual events are excellent public relations tools that are enjoyed by frequent Library users and by new Senate staff.

Library staff produced three new display cases in the Russell Building corridor in 2003. The new displays included *What Hath God Wrought: Communication Technology in the Senate*. The display documents the use of television, radio, telephone, and telegraph in the Senate since Samuel F.B. Morse transmitted the first official telegraph message from the Capitol in 1844. A second display was the *Signers of the Declaration of Independence*. The display features a first-edition copy of *Annual Register*, or a *View of the History, Politics, and Literature, for the Year 1776*—significant because the first printing of the Declaration of Independence in a book is in this edition. The recently unveiled portrait and historic accomplishments of Senator Blanche Kelso Bruce, the second black Senator in history and the only former slave to serve in the United States Senate, was the third display for 2003.

### *Technical Services*

#### *Acquisitions*

Two significant collections of historic congressional documents were added to the permanent collection in 2003. The Unpublished U.S. House Committee Hearings 1969–1972 and 1945–1968 Supplement, produced by the Congressional Information Service, is a microfiche collection of 1,180 hearing transcripts that were previously only available at the National Archives. In addition, copies were made of legislative calendars for the Senate Committee on Rules and Administration and the Senate Committee on Veterans Affairs, dating from the mid-1930s, which had previously only been available in committee libraries.

A book acquisitions committee has been established to implement a collection development policy in the Library. Members of the committee include the Acquisitions Librarian, several members of the Information Services team, and the Librarian. The committee meets monthly to review each potential acquisition for content, cost, scholarliness, and value to the permanent collection.

The Library added 11,698 books, congressional and executive branch documents, and microforms to the permanent collection in 2003. New materials include 1,034 books, 7,188 congressional documents, and 3,476 executive branch publications. Statistics for books and standing orders are reported in a single category as of 2003, which more accurately reflects the cataloging and processing workload.

#### *Cataloging*

Major progress was made in 2003 that will enable the Senate community to access the Library's online catalog via Webster. Two Windows 2000 catalog servers were received in August and the Oracle catalog database was transferred to the primary server on December 3, 2003. The new technology significantly upgraded system administration by improving backup and remote management functions. Software and licenses have been ordered for the secondary server that will reside at the Senate Computer Center in Postal Square. The Library's online catalog provider, the Library Corporation (TLC) installed the secondary server in early January 2004. The secondary server will provide patron access to the online catalog, and will be available by the fourth quarter of 2004.

The Library's catalog database was rebuilt and significant workstation upgrades were completed in early 2003. Improvements include automated temporary circulation record deletion; expanded printer support; integrated e-mail notification; catalog support of search history, new title searches, and results sorting; full authority record editing; multiple ISBN (International Standard Book Numbers) indexing; and the ability to mask collections from public display. Additional databases improvements made during 2003 are the correction of improper title truncation, and a rebuild of the keyword title index that provides greater flexibility in the modification and display of records.

There are a total of 151,930 searchable bibliographic items in the Library's online catalog. The cataloging team added 7,524 new items to the catalog, and deleted 11,225 items. The item total represents 4,355 new titles and 3,169 updates to existing collections. To maintain quality control standards, 50,367 maintenance transactions were completed during 2003. Those transactions include creating and editing authority records, editing existing records, barcoding new volumes, editing PURLs (Persistent Uniform Record Locators) for electronic resources, withdrawing records for discarded materials, and deleting temporary loan records.

The multi-year project focusing on the cataloging of rare congressional materials continued during 2003. These nineteenth and early twentieth century Senate treaty documents, executive reports, and committee publications may be the only copies in existence. The large number of original cataloging records and subject headings required for this project led to Senate Library participation in the Library of Congress' National Authorities Cooperative Program (NACO). NACO establishes the official subject headings used in catalogs for the majority of the academic, public, and professional libraries in the United States. The Senate Library is one of 179 institutions, including the largest and most prestigious academic institutions in the country, that participates in NACO. The Library contributed 489 new subject headings related to congressional committees, subcommittees, nominations, and treaties during 2003.

#### *Government Documents Collection*

This is the third year of the Library's review of documents received through the Government Printing Office's (GPO) Federal Depository Library Program (FDLP). The review team includes staff from all Library departments and the goal is to deaccession outdated, superseded, and surplus government documents. In 2003, 24,293 items were withdrawn from the collection. Items withdrawn from the Senate

Library collection are offered to FDLP libraries throughout the United States. 20,818 (88 percent) of those have been accepted by other institutions.

The review team also deselected 293 publication series from FDLP in 2003. Documents selected to remain in the collection will be cataloged according to the Library of Congress classification system, replacing of Superintendent of Documents system. The cataloging team reclassified 179 titles in 2003, and looks forward to completely integrating classification of the primary book and government document collections.

Access to core government documents formerly received through FDLP has not been compromised by these cancellations. Increased availability to these materials through agency and department Internet sites allows libraries to print information on-demand. The reduction of GPO-issued items in tangible formats is evident by the 180 percent decrease in government documents received in 2003. The positive impacts of this technological advance include increased physical space, reduced staff time processing materials, and the Library's online catalog serving as a gateway to government-wide information.

#### *Collection Maintenance and Preservation*

On April 17, 2003, a water leak was discovered that caused significant damage to several hundred books in SR-B14. The damaged books were immediately moved to alternate sites to be dried. Sheet plastic from the Library's disaster kits was used to protect adjacent areas from additional damage. Judging from the extent of the wicking, the leak probably began several days earlier. The Superintendent's Office replaced a section of pipe, but the original source of the leak was never determined. Several dozen volumes were purchased to replace the unsalvageable items. Installation of water detection alarms and containment trays by the AOC is anticipated in fiscal year 2005.

#### *Warehouse*

Library staff met with SAA staff and their consultants concerning the Library's off-site storage requirements. The initial June 23, 2003 meeting set the framework for a draft warehouse plan that met the Library's needs. The Library's proposal for a new facility calls for added security, increased shelving, and improved environmental conditions. In anticipation of a move from the existing warehouse, Library staff and summer interns packed 14,000 books. Volumes determined to be in poor condition were set aside for cleaning and repair by the Office of Conservation and Preservation. Several excess collections were transferred to the Regional Depository Library at the University of Maryland.

#### *Administrative*

##### *Budget*

The seventh year of budget reviews delivered minimal reductions totaling \$1,285. This is the lowest amount since the annual reviews began in fiscal year 1997. During that time, the reviews have eliminated duplicate copies, titles available through online services, and materials not meeting the Senate's current needs. This has resulted in \$59,930.34 in cancellations, which have been critical in offsetting annual cost increases for core materials. The collection and acquisitions program now better meet the information demands of today's Senate. The goal is to provide the highest level of service using the latest technologies and best resources in the most cost-effective way.

##### *Professional Staff Development*

During 2003, Library staff participated in 142 training sessions, workshops, and professional development seminars. New Library staff have a particularly active training schedule and veteran staff are required to maintain and upgrade skill levels. In addition to classes on news and legal databases, technical training sessions included Microsoft Excel, CQ Online, CQ Votes, Homesite, Wilson Web Bio, Dialog, Data Harmony, XML, Newswire, Powerpoint, and Writing for the Web. Technical Services staff attended several skill enhancement classes including MARC content designation, taxonomy, and OCLC authorities. Research classes included courses on legislation, law, treaties, copyrights, and the CRS Advanced Legislative Process Institute. Other staff activities included tours to the National Archives, Pentagon library, Senate Recording Studio, Senate Legal Counsel, Senate Judiciary Committee library, the United Nations library, Computers in Libraries conference, and the annual Special Libraries Association conference.

##### *Interns*

Summer interns completed several key projects. These included boxing 11,500 volumes of the Congressional Serial Set and copying historic Senate committee calendars for the permanent collection. The interns also identified House hearings and

committee prints missing from the Library collection. Copies of missing titles were received from the committees.

*Unum, Newsletter of the Office of the Secretary of the Senate*

The Secretary's quarterly newsletter was established in October 1997 and has been produced by Senate Library staff since May 2000. With a distribution to approximately 1,000 readers, *Unum* serves as an historic record of accomplishments, events, and personnel in the Office of the Secretary of the Senate. The Summer 2003 issue of *Unum* was the first full-color issue.

*Major Library Goals for 2004*

Provide Senate-wide access to the Library's catalog via Webster.

Implement navigation and organization design improvements on Senate.gov.

Prepare updates to Senate Votes on Cloture Motions (Senate Print 99-95) and ANecrology of United States Senators.

### 2003 ACQUISITIONS

	Books		Government Documents		Congressional Publications				Total
	Ordered	Received	Paper	Fiche	Hearings	Prints	Bylaw	Repts/Docs	
January .....	23	57	310	77	301	23	41	202	1,011
February .....	23	48	242	56	261	23	23	133	786
March .....	25	61	169	35	233	37	37	200	772
1st Qtr .....	71	166	721	168	795	83	101	535	2,569
April .....	67	110	182	145	333	37	39	274	1,120
May .....	40	135	165	71	248	32	43	284	978
June .....	22	82	163	115	313	21	60	277	1,031
2nd Qtr .....	129	327	510	331	894	90	142	835	3,129
July .....	32	78	227	71	191	15	58	525	1,165
August .....	20	62	150	89	318	16	60	270	965
September .....	3	57	248	88	178	14	52	349	986
3rd Qtr .....	55	197	625	248	687	45	170	1,144	3,116
October .....	41	74	244	82	296	17	48	263	1,024
November .....	33	177	139	52	225	14	64	99	770
December .....	26	93	245	111	274	17	71	279	1,090
4th Qtr .....	100	344	628	245	795	48	183	641	2,884
2003 Total .....	355	1,034	2,484	992	3,171	266	596	3,155	11,698
2002 Total .....	263	628	2,287	1,083	3,094	152	576	1,977	9,797
Percent Change .....	34.98	64.65	8.61	-8.40	2.49	75.00	3.47	59.59	19.40

### 2003 CATALOGING

	LIS Hearing Numbers Added	New Titles Cataloged						Total Titles Cataloged
		Books	Government Documents		Congressional Publications			
			Paper	Fiche	Hearings	Prints	Docs/Pubs	
January .....	21	25	14	4	261	10	29	343
February .....	30	30	14	10	222	14	16	306
March .....	38	32	16	4	272	21	2	347
1st Qtr .....	89	87	44	18	755	45	47	996
April .....	46	21	10	144	4	49	274	274
May .....	33	30	21	138	54	243	243	243

## 2003 CATALOGING—Continued

	LIS Hear- ing Num- bers Added	New Titles Cataloged						Total Ti- tles Cata- loged
		Books	Government Documents		Congressional Publications			
			Paper	Fiche	Hearings	Prints	Docs/Pubs	
June .....	3	66	12	18	88	92	15	291
2nd Qtr .....	36	142	54	28	370	150	64	808
July .....	2	45	20	2	548	32	40	687
August .....	39	37	10	1	105	42	13	208
September .....	58	58	13	31	375	113	55	645
3rd Qtr .....	41	140	43	34	1,028	187	108	1,540
October .....	5	70	6	.....	305	63	33	477
November .....	.....	78	9	.....	101	43	16	247
December .....	50	101	3	1	154	2	26	287
4th Qtr .....	55	249	18	1	560	108	75	1,011
2003 Total .....	221	618	159	81	2,713	490	294	4,355
2002 Total .....	99	430	488	183	2,873	123	461	4,558
Percent Change .....	123.23	43.72	-67.42	-55.74	-5.57	298.37	-36.23	-4.45

## 2003 DOCUMENT DELIVERY

	Volumes Loaned	Materials De- livered	Faxes	Micrographics Center Pages Printed	Photocopies Pages Printed
January .....	141	404	202	637	11,718
February .....	102	219	200	560	9,989
March .....	146	274	300	651	9,648
1st Qtr .....	389	897	702	1,848	31,355
April .....	167	403	300	286	14,293
May .....	162	507	223	323	15,204
June .....	190	522	309	1,774	20,349
2nd Qtr .....	519	1,432	832	2,383	49,846
July .....	136	423	260	921	20,551
August .....	119	206	169	232	9,376
September .....	130	334	199	276	12,484
3rd Qtr .....	385	963	628	1,429	42,411
October .....	137	293	254	144	15,767
November .....	115	250	209	781	10,408
December .....	119	243	122	360	7,104
4th Qtr .....	371	786	585	1,285	33,279
2003 Total .....	1,664	4,078	2,747	6,945	156,891
2002 Total .....	1,952	4,467	7,148	4,421	132,903
Percent Change .....	-14.75	-8.71	-61.57	57.09	18.05

## 11. SENATE PAGE SCHOOL

The United States Senate Page School provides a smooth transition from and to the students' home schools, and offers those students a sound program, both aca-

demically and experientially, during their stay in the Nation's Capital, balancing a unique work situation with the Senate's demanding schedule.

*Summary of Accomplishments*

Accreditation by the Middle States Commission on Secondary Schools continues until December 31, 2008.

Two page classes successfully completed their semester curriculum. Closing ceremonies were conducted on June 6, 2003, and January 23, 2004, the last day of school for each semester.

Orientation and course scheduling for the Spring 2003 and Fall 2003 pages were successfully completed. Needs of incoming students determined the semester schedules.

Extended educational experiences were provided to pages. Twenty field trips, four guest speakers, opportunities to compete in writing contests, to play musical instruments and vocalize, and to continue foreign language study with the aid of tutors of four languages were all afforded pages. Sixteen field trips to educational sites were provided for summer pages as an extension of the page experience. National tests were administered for qualification in scholarship programs as well.

Effective and efficient communication and coordination among Sergeant at Arms, Secretary of the Senate, Party Secretaries, Page Program, and Page School continues and policies of the program have been reviewed.

The community service project embraced by pages and staff in 2002 continues. Items for gift packages were collected, assembled, and shipped to military personnel in Afghanistan, Kuwait, Iraq, and the USO in Frankfurt, Germany (where distribution of the boxes to troops enroute to war zones take place). Pages included letters of support to the troops participating in Operation Enduring Freedom.

The evacuation and COOP plans have been reviewed and updated. Pages and staff continue to practice evacuating to primary and secondary sites. Staff, tutors and pages participated in escape hood training.

Staff were retrained in CPR and certified in First Aid and AED use.

Updated materials/equipment were purchased. These included a DVD player, calculus textbooks and support software, English and history textbooks, chemistry and physics probeware kits, textbooks with support software and site license, and teacher resource material.

*Summary of Goals*

For the coming year, the goals of the administration and staff of the Senate Page School include:

- Individualized small group instruction and tutoring by teachers on an as-needed basis will continue to be offered.
- Foreign language tutors will provide instruction in French, Spanish, German, and Latin.
- The focus of field trips will be sites of historic, political, and scientific importance.
- Staff development options will include attendance at a "Learning and the Brain" conference, seminars conducted by Education and Training, and subject matter conferences conducted by national organizations.
- Facility re-design to maximize space will be completed.
- Upgrading science laboratory equipment will continue allowing micro labs and reducing quantities of supplies used.
- Review of technology applications for classroom use will be completed.
- Continuation of the community service project.

12. PRINTING AND DOCUMENT SERVICES

The Office of Printing and Document Services (OPDS) serves as liaison to the Government Printing Office (GPO) for the Senate's official printing, ensuring that all Senate printing is in compliance with Title 44, U.S. Code as it relates to Senate documents, hearings, committee prints and other official publications. The office assists the Senate by coordinating, scheduling, delivering and preparing Senate legislation, hearings, documents, committee prints and miscellaneous publications for printing, and provides printed copies of all legislation and public laws to the Senate and the public. In addition, the office assigns publication numbers to all hearings, committee prints, documents and other publications; orders all blank paper, envelopes and letterhead for the Senate; and prepares page counts of all Senate hearings in order to compensate commercial reporting companies for the preparation of hearings.

During fiscal year 2003, the OPDS prepared 5,334 printing and binding requisitions authorizing GPO to print and bind the Senate's work, exclusive of legisla-

tion and the Congressional Record. Since the requisitioning done by the OPDS is central to the Senate's printing, the office is uniquely suited to perform invoice and bid reviewing responsibilities for Senate printing. As a result of this office's cost accounting duties, OPDS is able to review and assure accurate GPO invoicing as well as play an active role in helping to provide the best possible bidding scenario for Senate publications.

In addition to processing requisitions, the Printing Services Section coordinates job scheduling, proof handling and job tracking for stationery products, Senate hearings, Senate publications and other miscellaneous printed products, as well as monitoring blank paper and stationery quotas for each Senate office and committee. The OPDS also coordinates a number of publications for other Senate offices, including the Curator, Historian, Disbursing, Legislative Clerk, Senate Library as well as the U.S. Botanic Garden, U.S. Capitol Police and Architect of the Capitol. Last year's major printing projects included the Report of the Secretary of the Senate, an expanded Leader's Lecture Series book, as well as a 500 page four-color case bound book the "U.S. Senate Catalogue of Fine Art." Current major projects for the office include a new full color version of the "History of the U.S. Botanic Garden 1861-1991."

*Hearing Billing Verification*

Billing verifications are how reporting companies request payment from a Senate committee for transcription services.

During 2003, OPDS provided commercial reporting companies and corresponding Senate committees a total of 975 billing verifications of Senate hearings and business meetings. This translated to an average of 51.3 hearings/meetings per committee, a 2.6 percent increase over 2002 and also represented over 70,000 transcribed pages at a total billing cost of over \$460,000.

OPDS utilizes a program developed in conjunction with the Sergeant at Arms Computer Division that (a) provides more billing accuracy and greater information gathering capacity and (b) adheres to the guidelines established by the Senate Committee on Rules and Administration for commercial reporting companies to bill the Senate for transcription services. During 2003, the office increased the efficiency and accuracy of the system by sending files and billing verifications electronically between committees and reporting companies. Department staff continue training to apply today's expanding digital technology to improve performance and services.

HEARING TRANSCRIPT AND BILLING VERIFICATIONS

	2001	2002	2003	PERCENT CHANGE 2003/2002
Billing Verifications .....	1,004	952	975	2.4
Average per Committee .....	48	50	51.3	2.6
Total Transcribed Pages .....	72,799	71,558	70,532	-1.5
Average Pages/Committee .....	3,467	3,766	3,712	-1.5
Transcribed Pages Cost .....	\$479,921	\$471,807	\$461,807	-2.2
Average Cost/Committee .....	\$22,853	\$24,832	\$24,288	-2.2

Additionally, the Service Center within OPDS is staffed by experienced GPO detailees who provide Senate committees and the Secretary of the Senate's Office with complete publishing services for hearings, committee prints, and the preparation of the Congressional Record. These services include keyboarding, proofreading, scanning, and composition. The Service Center provides the best management of funds available through the Congressional Printing and Binding Appropriation because committees have been able to decrease or eliminate additional overtime costs associated with the preparation of hearings.

*Document Services Distribution, Inventory and On Demand Publication*

The Document Services Section coordinates requests for printed legislation and miscellaneous publications with other departments within the Secretary's Office, Senate committees, and GPO. This section ensures that the most current version of all material is available, and that sufficient quantities are available to meet projected demands.

## DOCUMENT SERVICES—CONGRESSIONAL RECORD

	2001	2002	2003
Total Pages Printed .....	25,051	29,690	33,094
For the Senate .....	14,084	14,489	16,835
For the House .....	10,967	15,201	16,259
Total Copies Printed and Distributed .....	1,300,000	1,268,603	1,199,402
To the Senate .....	318,572	439,953	307,917
To the House .....	459,477	301,383	441,735
To the Executive Branch and the Public .....	492,915	532,813	449,750
Total Production Costs .....	\$15,428,530	\$13,488,381	\$20,143,538
Senate Costs .....	\$7,452,933	\$6,339,539	\$9,886,805
House Costs .....	\$7,333,134	\$6,609,307	\$9,563,592
Other Costs .....	\$642,462	\$539,535	\$693,141
Per Copy Cost .....	\$12.14	\$12.14	\$16.79

In 2003, a total of 33,094 pages were printed in the Congressional Record. Of this total, 16,835 pages were printed for the Senate, and 16,259 pages were printed for the House of Representatives. These page counts are comprised of the Proceedings of the Senate and the House of Representatives, Extension of Remarks, Digest and miscellaneous pages. This is 3,404 pages more than were produced in 2002, an increase of 11.4 percent. A total of approximately 1.2 million copies of the Congressional Record was printed and distributed in 2003. The Senate received 307,917 copies, the House 441,735, with the remaining 449,750 delivered to the Executive Branch agencies and the public at large.

OPDS continually tracks demand for all classifications of Congressional legislation. Twice a year the office adjusts the number of documents ordered by classification. The goal is to adjust numbers ordered in each classification to closely match demand and thereby reduce waste. In recent years with the advancement of document availability online, the OPDS has taken a more aggressive approach to reducing waste of less requested legislation. The office supplements depleted legislation where needed by producing additional copies in the DocuTech Service Center which is staffed by experienced GPO detailees that provide Member offices and Senate committees with on-demand printing and binding of bills and reports. In 2003, the DocuTech Center produced 803 tasks for a total of 971,077 printed pages, a production increase of 22 percent over 2002.

The primary responsibility of the Documents Services Section is to provide services to the Senate. However, the responsibility and this office's dedication and assistance to the general public, the press, and other government agencies is virtually indistinguishable from the services provided to the Senate. Requests for material are received at the walk-in counter, through the mail, by fax, phone, and online. Recorded messages, fax, and e-mail operate around the clock and are processed as they are received, as are mail requests. The office stresses prompt, courteous and accurate answers to the various public and Senate requests.

## SUMMARY OF ANNUAL STATISTICS

CALENDAR YEAR	CONGRESS/SESSION	PUBLIC MAIL	FAX REQUEST	E-MAIL	COUNTER REQUEST
2.00020e + 15 .....	106/2nd .....	4,066	3,129	112	9.51869e + 19
	107/1st .....	3,449	2,093	621	
	107/2nd .....	3,637	1,866	662	
	108/1st .....	1,469	2,596	735	

*Online Ordering*

The past year brought significant changes in providing new services and improving existing ones. For example, OPDS has continually sought to improve the efficiency and utility of the Secretary of the Senate's homepage. Beginning in late 2000, Senate offices, by way of a link to the Webster, could order legislative documents online. Via the same link, it is also possible to confirm arrival of printed copies of the most sought after legislative documents. The site is updated several times daily and each time new documents arrive from GPO in the Document Room. In 2003 that process was expanded to provide the capability of online ordering of blank paper. This is but one model of OPDS continuing to seek new ways to use technology to assist Members and staff with added services and enhancements.

## 13. PUBLIC RECORDS

The Office of Public Records receives, processes, and maintains records, reports, and other documents filed with the Secretary of the Senate involving the Federal Election Campaign Act, as amended; the Lobbying Disclosure Act of 1995; and the Senate Code of Official Conduct: Rule 34, Public Financial Disclosure; Rule 35, Senate Gift Rule filings; Rule 40, Registration of Mass Mailing; Rule 41, Political Fund Designees; and Rule 41(6), Supervisor's Reports on Individuals Performing Senate Services; and Foreign Travel Reports.

The office provides for the inspection, review, and reproduction of these documents. From October 2002, through September 2003, the Public Records office staff assisted more than 2,000 individuals seeking information from reports filed with the office. This figure does not include assistance provided by telephone, and assistance given to lobbyists attempting to comply with the provisions of the Lobbying Disclosure Act of 1995. A total of 95,314 photocopies were sold in the period. In addition, the office works closely with the Federal Election Commission, the Senate Select Committee on Ethics and the Clerk of the U.S. House of Representatives concerning the filing requirements of the aforementioned Acts and Senate rules.

*Fiscal Year 2003 Accomplishments*

The office developed a manual detailing the policies and procedures of the Public Records revolving fund for the purpose of producing a financial statement. At the Secretary's request, GAO also performed an audit of the revolving fund which revealed no discrepancies. Public Records also completed a transition to the next generation of scanning technology by replacing old hardware, and updating software.

*Plans for Fiscal Year 2004*

The Public Records office is revising and improving the lobbying pages on senate.gov based upon recommendations of an independent survey of North American disclosure web sites.

*Automation Activities*

During fiscal year 2003, the Senate Office of Public Records automated the Gift Rule filings and the Mass Mailing registrations. In the event of an emergency, these filing registrations are easily accessible off site. The office also started a project to automate the foreign travel reports required by the Mutual Security Act of 1954.

*Federal Election Campaign Act, as Amended*

The Act requires Senate candidates to file quarterly reports. Filings totaled 4,238 documents containing 232,442 pages.

*Lobbying Disclosure Act of 1995*

The Act requires semi-annual financial and lobbying activity reports. As of September 30, 2003, 6,112 registrants represented 15,317 clients and employed 24,872 individuals who met the statutory definition of "lobbyist." The total number of lobbying registrations and reports was 40,877.

*Public Financial Disclosure*

The filing date for Public Financial Disclosure Reports was May 15, 2003. The reports were available to the public by June 13, 2003. Copies were provided to the Select Committee on Ethics and the appropriate State officials. A total of 2,545 reports and amendments was filed containing 14,481 pages. There were 316 requests to review or receive copies of the documents.

*Senate Rule 35 (Gift Rule)*

The Senate Office of Public Records received over 1,233 reports during fiscal year 2003.

*Registration of Mass Mailing*

Senators are required to file mass mailings on a quarterly basis. The number of pages was 487.

## 14. SENATE SECURITY

The Office of Senate Security (OSS) is responsible for the administration of classified information programs in Senate offices and committees. In addition, OSS serves as the Senate's liaison to the Executive Branch in matters relating to the security of classified information in the Senate.

*Personnel Security*

Five hundred fifty Senate employees held one or more security clearances at the end of 2003. This number does not include clearances for employees of the Architect of the Capitol or clearances for Congressional Fellows assigned to Senate offices, which are also processed by OSS.

In the past year, OSS processed 2,418 personnel security actions, a 31.9 percent increase from 2002. One hundred twenty investigations for new security clearances were initiated last year, and 87 security clearances were transferred from other agencies. Senate regulations, as well as some Executive Branch regulations, require that individuals granted Top Secret security clearances be reinvestigated at least every five years. Staff holding Secret security clearances are reinvestigated every ten years. During the past year, reinvestigations were initiated on 58 Senate employees. OSS processed 71 routine terminations of security clearances during the reporting period and transmitted 322 outgoing visit requests. The remainder of the personnel security actions consisted of updating access authorizations and compartments. The length of time required for the Department of Defense (DOD) and the Federal Bureau of Investigation (FBI) to process Senate staff for security clearances has increased by 66.7 percent relative to 2002.

*Security Awareness*

OSS conducted or hosted 79 security briefings for Senate staff. Topics included information security, counterintelligence, foreign travel, security managers' responsibilities, office security management, and introductory security briefings. This represents an increase of 1.3 percent from 2002.

*Document Control*

OSS received or generated 2,668 classified documents consisting of 79,931 pages during calendar year 2003. This is an increase of 10.3 percent in the number of documents or generated in 2002. Additionally, 60,873 pages from 3,263 classified documents no longer required for the conduct of official Senate business were destroyed. This represents a 0.6 percent increase in destruction. OSS transferred 754 documents consisting of 30,149 pages to Senate offices or external agencies. These figures do not include classified documents received directly by the Appropriations Committee, Armed Services Committee, Foreign Relations Committee, and Select Committee on Intelligence, in accordance with agreements between OSS and those Committees. Overall, Senate Security completed 6,685 document transactions and handled over 170,953 pages of classified material in 2003, an increase of 5.5 percent.

Secure storage of classified material in the OSS vault was provided for 106 Senators, committees, and support offices. This arrangement minimizes the number of storage areas throughout the Capitol and Senate office buildings, thereby affording greater security for classified material.

*Secure Meeting Facilities*

OSS secure conference facilities were utilized on 1,375 occasions during 2003. In July, the smallest OSS conference room was converted to a computer and storage room. This was necessitated by changes in office space and loss of computer connections previously supplied by the House Permanent Select Committee on Intelligence, both due to the Capitol Visitor Center (CVC) construction. This has somewhat limited the number of people who could be allowed to read or use classified computer systems when other rooms were in use. Even with the loss of this room, use of OSS conference facilities increased 77 percent over 2002 levels. Eight hundred thirty-eight meetings, briefings, or hearings were conducted in OSS' three conference rooms. Of those, forty were "All Senators" briefings. OSS also provided secure telephones, secure computers, secure facsimile machine, and secure areas for reading and production of classified material on 537 occasions in 2003 to Senators and staff.

## 15. STATIONERY ROOM

The Senate Stationery Room's principal functions are to sell stationery items for use by Senate offices and other authorized legislative organizations, including:

- selecting a variety of stationery items to meet the needs of the Senate environment on a day-to-day basis and maintain a sufficient inventory of these items;
- purchasing supplies utilizing open market procurement, competitive bid and/or GSA Federal Supply Schedules;
- maintaining individual official stationery expense accounts for Senators, Committees, and Officers of the Senate;
- rendering monthly expense statements;

- insuring receipt of reimbursements for all purchases by the client base via direct payments or through the certification process;
- making payments to all vendors of record for supplies and services in a timely manner and certifying receipt of all supplies and services; and
- providing delivery of all purchased supplies to the requesting offices.

	Fiscal Year 2003 Statistical Oper- ations	Fiscal Year 2002 Statistical Oper- ations
Gross Sales .....	\$4,843,716	\$4,628,342
Sales Transactions .....	61,140	61,479
Purchase Orders Issued .....	7,545	6,218
Vouchers Processed .....	8,689	7,376
Metro Fare Media Sold .....	52,279	41,558
\$20.00 Media .....	46,260	36,943
\$10.00 Media .....	3,023	1,978
\$5.00 Media .....	2,996	2,637

*Operational Growth*

As indicated in the above statistics, the Stationery Room operation continues its progressive growth pattern with an increase in gross sales of \$213,000 over fiscal year 2002.

It should be noted that current staffing level of twelve employees for the operation remain at the same level as fiscal year 1974 when sales were approximately \$944,000.

*Fiscal Year 2003 Activities*

During the first quarter of the fiscal year, the Stationery Room assisted ten Senator-elect offices. In addition, the Stationery room assisted the new Majority Leader and his staff with their transition.

Members of Stationery Room staff were tasked as part of a Senate-wide working group to assist the Sergeant at Arms (SAA) in the development of an “Emergency Go Bag.” The finalized bag should support each office in an emergency with a variety of supplies as recommended by the Department of Homeland Security, Federal Emergency Management Agency and the American Red Cross. Offices will be able to purchase additional “Go Bags” on a Special Order basis through the Stationery Room.

The Stationery Room made initial inquiries regarding a state-of-the-art Retail Point-of-Sale system and back-office accounting system during April 2003. A professional consultant was subsequently hired to draft a requirements document, which will be finalized this spring. Baseline estimates for application software are between \$131,500 and \$133,000. This price structure does not include add-ons that will be needed for automated flag ordering/tracking; an internal e-commerce website for automated office product ordering capabilities; or other custom system software modifications.

Working together, the Stationery Room and the Committee on Rules and Administration began a review of the applicable Rules and Regulations for the Mass Subsidy Program. On November 3, 2003, a provision was added to the regulations to authorize the purchase of media one week in advance of the month in which the media is to be used. The Stationery Room was also tasked to provide a means in which offices could order transit media electronically via e-mail. This project is currently in beta testing with thirteen offices as a pilot group.

As part of the Secretary’s efforts to ensure financial responsibility, the General Accounting Office began an audit of the Stationery Room’s operation. The final report may be issued in the summer of 2004.

To fulfill emergency preparation needs, Stationery Room personnel devised a mechanism—scanning—for data storage and retention of all critical documents for the operation. Fiscal year 2003 records are nearing completion of scanning. Once records have been scanned, that information is available locally and paper copies are removed to a National Archive facility storage and final disposition. This project has been a joint effort by the Stationery Room, Historical Office and Sergeant at Arms.

In an effort to establish an effective communication link with the SAA IT product line, a process was devised to notify the Stationery Room of new IT equipment being introduced into the Senate. Notification now allows the Stationery Room to be proactive in supporting office equipment.

Stationery Room staff regularly meets with Administrative Office Managers to more effectively understand their needs and requirements. In addition, the office is currently looking at creating (i) a Product Review Committee to ensure the office carries the products it needs and (ii) a working group regarding necessary emergency supplies in case Continuity of Operations Plans are implemented.

The Stationery Room is part of a Flag Process working group being guided by the Office of the Sergeant at Arms. The mission of this working group is to streamline the flag procurement process for constituents with a focus on timely processing and delivery. This is an on-going project and is currently in its early stages.

#### 16. WEBMASTER

The Webmaster is responsible for the three web sites that fall under the purview of the Secretary of the Senate: the Senate Web site, [www.senate.gov](http://www.senate.gov) (except individual Senator and Committee pages); the Secretary web site on the Senate intranet, Webster; and an intranet site currently under construction for Secretary staff only.

The Senate Web site ([www.senate.gov](http://www.senate.gov)) was completely redesigned and the new site was launched in the fall of 2002. At that time the Documentum Web Content Management System was implemented which allows content providers to create and post information to the web site without knowing HTML, the format language of the web.

Development work on the Documentum content management system continued throughout 2003 as content providers identified changes that, when implemented, would make their work easier. Adjustments were made to the application that allows the curator to update the web site directly from their database. This application has been working effectively for almost a year.

An XML application was built for the Senate Library to allow them to update the Active Legislation information one time and then disseminate the information in different formats, such as publishing in HTML to two separate web sites and creating a PDF version for printing. The Active Legislation web page on [www.senate.gov](http://www.senate.gov) is consistently in the top 10 most visited content items on the main site, drawing more than 12,000 visitors a month.

Throughout 2003, [senate.gov](http://senate.gov) content providers became more cohesive as a group. Monthly meetings were held where new ideas were shared. Collaboration increased throughout the year and the posting of feature articles in the major areas of the site were coordinated in terms of timing and subject matter. The editing and creation of content continued at a steady pace incorporating feedback received from staff and the public.

In 2003 the web site averaged over 115,000 visitors a day. Reviewing statistics on web page usage help the content providers better understand what information the public is seeking and how best to improve the presentation of that data. The main Senate homepage and the home pages of the six subject areas (buckets) receive the most visits as people navigate around the site. Within the buckets we find that visitors are drawn to the following content items in order of popularity: 1. Roll Call Votes; 2. Active Legislation List; 3. Senate Leadership Page; 4. Senate Organization Chart; 5. Committee Hearing Schedule; 6. Session Schedule for 2003; 7. Virtual Tour of the Capitol; 8. Bill and Resolutions; 9. Calendars and Schedules; 10. Nominations; 11. Individual State Pages; 12. Historical Office Page; 13. Congressional Record; 14. Virtual Reference Desk; and 15. Appropriations Bills.

E-mail traffic to the webmaster has shown a dramatic decrease in questions about where to find information on the web site. The new web site navigation structure makes finding information much easier. In previous years the webmaster received on average 15 messages a day asking for the location of some specific information on the site. In 2003 that number dropped to less than 5 requests a day.

A major effort in 2003 was the installation, configuration, and testing of the Verity Search Engine for [senate.gov](http://senate.gov). Based on the initial round of tests, changes were made to the search engine configuration resulting in greatly improved relevance ranking of search results. Testing is now focusing on how to improve the search results by adding or editing metadata associated with the content items. More relevant and standardized keywords, and better descriptions and titles will improve the relevance ranking and display of the search results. Secretary staff assisted SAA staff in conducting briefings for Senate Systems Administrators on how to use the search feature on their own sites. Systems Administrators were encouraged to review how their data displays in search results prior to final implementation of the search feature for the public.

A continuing problem encountered in 2003 was that some web pages were not always available when the public tried to access them. Specifically, the problem was

with pages that accessed a database using Cold Fusion to populate the page with information. SAA staff spent a tremendous amount of time and attention trying to solve this stability problem, including calling in Macromedia engineers to work on-site. In addition to making changes to the Cold Fusion settings, it became obvious that architectural changes were required which would affect the way Senate offices used databases to publish information to senate.gov. These changes are being made and the stability of the Cold Fusion pages on senate.gov has improved dramatically.

Training on the Documentum system continued in 2003. The Webmaster took on-line courses in WebPublisher Administration, DQL (the Documentum Query Language), and XML as implemented in Documentum, as well as attending seminars on Authoring in XML, XML and Content Management, and Search Engine Development. The Webmaster represented the Office of the Secretary at meetings of the LegBranch Multimedia Group and Executive Branch meetings on improving Citizen Participation through E-Government Initiatives.

In the fall of 2003 a Web Developer was hired to assist the Webmaster, and the Office of Web Technology was enhanced within the Office of the Secretary, an acknowledgment of the growth in workload and responsibility in disseminating information and providing services to the public, and internally to the Senate, via websites.

#### LEGISLATIVE INFORMATION SYSTEM (LIS) PROJECT

The Legislative Information System (LIS) is a mandated system (Section 8 of the 1997 Legislative Branch Appropriations Act, 2 U.S.C. 123e) that provides desktop access to the content and status of legislative information and supporting documents. The 1997 Legislative Branch Appropriations Act (2 U.S.C. 181) also established a program for providing the widest possible exchange of information among legislative branch agencies. The long-range goal of the LIS Project is to provide a "comprehensive Senate Legislative Information System" to capture, store, manage, and distribute Senate documents. Several components of the LIS have been implemented, and the project is currently focused on a Senate-wide implementation and transition to a standard system for the authoring and exchange of legislative documents that will greatly enhance the availability and re-use of legislative documents within the Senate and with other legislative branch agencies. The LIS Project Office manages the project.

#### *Background: LIS*

An April 1997 joint Senate and House report recommended establishment of a data standards program and in December 2000, the Senate Committee on Rules and Administration and the Committee on House Administration jointly accepted the Extensible Markup Language (XML) as the primary data standard to be used for the exchange of legislative documents and information.

Following the implementation of the Legislative Information System (LIS) in January 2000, and the transfer of operations and maintenance of the LIS to the Office of the Sergeant at Arms (SAA) in March 2000, the LIS Project Office shifted its focus to procuring system development services in support of an LIS Augmentation Project (LISAP). The LISAP is focused on the data standard component to provide a Senate-wide implementation and transition to XML for the authoring and exchange of legislative documents.

A database of documents in XML format and an improved exchange process will result in quicker and better access to legislative information and will provide documents that can be more easily shared, re-used, and re-purposed. Parts of one XML document can be re-used in another XML document because the document structure is similar and the format of the data (XML) is standard. As more and more documents are created in the XML format, the necessity for re-keying or converting from one format to another (HTML to WordPerfect or XyWrite locator to Word or Word to WordPerfect, etc.) will disappear.

The LISAP incremental development approach has helped the LIS Project Office build user acceptance, manage costs and adjust quickly when needed. The initial focus for the LISAP is to develop an XML authoring system for the Office of the Senate Legislative Counsel (SLC) and the Office of the Enrolling Clerk for bills, resolutions and amendments. Collaboration of Secretary of the Senate and Sergeant at Arms staff, augmented with strong contractor support, provides a great team effort and great progress has been made in the past year.

#### *LISAP: 2003*

During 2003 Senate staff continued to develop the Legislative Editing in XML Application (LEXA) focusing on the Office of the Senate Legislative Counsel and the production of bills, resolutions and amendments in XML. LEXA features many auto-

mated functions that provide a more efficient and consistent document authoring process. The SLC has worked very closely with the LEXA development team to strengthen and refine the application and provide a list of future enhancements. At this time LEXA can be used to create introduced and reported bills and resolutions and most amendments. Creation of conference reports and compilations will be completed in the coming months.

In late 2003, a contractor developed a two-day training course on LEXA that was held three times between January 6 and January 15 for the 39 attorneys and staff assistants in the SLC. It takes several months for a drafter to learn to use XyWrite and the locator formatting codes. Following the LEXA training, SLC staff immediately began producing bills and resolutions using LEXA, and the first XML draft to become a bill was introduced on January 22, 2004. The SLC will work gradually toward creating all legislative documents in LEXA and will use XyWrite only when necessary.

The document management system (DMS) for the SLC was also completed in 2003. The DMS is integrated with LEXA and will be implemented in 2004 once the SLC has completed the transition from XyWrite to LEXA. The DMS will provide the ability for the SLC to track and manage all work requests, legislative drafts, and internal office documents prepared in a variety of formats including XML, Word, WordPerfect, e-mail, and PDF. The DMS will also provide search and retrieval, delivery of documents to clients, and exchange of documents with the Senate Enrolling Clerk, the GPO, the House Office of the Legislative Counsel, and the Senate Appropriations Committee. The expansion of a DMS approach into other Senate offices will facilitate greater accessibility to legislative documents.

With the implementation of LEXA and the DMS for the SLC, support becomes an important issue. The 2004 Legislative Branch Appropriations Act directed the GPO to provide support for LEXA much as they have for XyWrite for many years. With help from the LEXA development team, the GPO is working toward achieving that goal. As LEXA becomes more widely used in the SLC and other offices drafting legislation, the support load will increase. The Systems Development Services group of the Office of the Sergeant at Arms provides support and maintenance for the LIS/DMS, and that group will also support the DMS for the SLC. The training contractor is also developing a comprehensive printed and online reference manual for LEXA and the DMS and will also produce computer-based training for new hires.

Also in 2003, a contractor completed work on converting bills, resolutions, and SLC drafts from the 106th and 107th Congresses to an XML format for use in LEXA. In early 2004, the contractor converted the documents from the first session of the 108th Congress. The conversion software has been incorporated into LEXA providing the ability to convert a locator-coded document to an XML document. The contractor also developed software (also in LEXA) to convert an XML document back to locator codes for printing through the Government Printing Office's Microcomp software. This conversion will also be used to supply locator-coded versions of documents to those offices and organizations still working in XyWrite.

The conversion contractor also began work on converting the compilations of current law to XML format for use by the SLC and the House Legislative Counsel in drafting bills and amendments. This contractor has also developed an XML component to assist in the creation of tables and columnar data in legislation that will be used by the Senate, House, GPO, and Library of Congress. This component provides assistance and a visual display to the drafter during the creation of a table. The XML tagging in the table provides a readable display in the editor and on the Web and accurately prints the table through Microcomp—all without manual intervention to change the underlying tagging or data.

#### *LISAP: 2004*

The LEXA development team will continue to work with the SLC to refine and enhance LEXA including developing software to create and print conference reports and to edit and update the compilation documents created and maintained by the House and Senate Legislative Counsels. LEXA, as developed for the SLC, will establish a framework on which to build applications for other offices producing other types of legislative documents. The team will next address the specific needs of the Office of the Enrolling Clerk. Additional functionality to produce engrossed bills and amendments and enrolled bills will be added to LEXA, and the office will receive training and the LEXA reference manual.

The SLC's DMS will be implemented in 2004. Prior to implementation, transition training will be developed for the office and the reference manual will be expanded to include information on the use of the DMS. The DMS will be integrated with LEXA and will provide a powerful tracking, management, and delivery tool. Technology-based training (TBT) will also be prepared for the SLC that will combine

training on LEXA and the DMS for new attorneys and staff assistants in the SLC. The TBT, coupled with the standards-based LEXA and DMS applications, will shorten the time needed for new hires to learn the drafting technology. The SLC will be able to focus on teaching the legislative drafting process and new hires will no longer have to spend months training on entering printing codes using out-dated DOS-based technology.

The legislative process yields other types of documents such as the Senate and Executive Journals and the Legislative and Executive Calendars. Much of the data and information included in these documents is already captured in and distributed through the LIS/DMS database used by the clerks in the Office of the Secretary. The LIS/DMS captures data that relates to legislation including bill and resolution numbers, amendment numbers, sponsors, co-sponsors, and committees of referral. This information is currently entered into the database and verified by the clerks and then keyed into the respective documents and re-verified at GPO before printing. An interface between this database and the electronic documents could mutually exchange data. For example, the LIS/DMS database could insert the bill number, additional co-sponsors, and committee of referral into an introduced bill while the bill draft document could supply the official and short titles of the bill to the database.

The Congressional Record, like the Journals and Calendars, includes data that is contained in and reported by the LIS/DMS database. Preliminary DTDs have been designed for these documents, and applications could be built to construct XML document components by extracting and tagging the LIS/DMS data. These applications would provide a faster, more consistent assembly of these documents and would enhance the ability to index and search their contents. The LIS Project Office will coordinate with the Systems Development Services Branch of the Office of the Sergeant at Arms to begin design and development of XML applications and interfaces for the LIS/DMS and legislative documents. As more and more legislative data and documents are provided in XML formats that use common elements across all document types, the Library of Congress will be able to expand the LIS Retrieval System to provide more content-specific searches.

#### ACQUISITION OF ARTIFACTS THAT ONCE BELONGED TO THE SENATE

Senator CAMPBELL. What particularly interests me, as you mentioned, as well as Senator Stevens, and that is the acquisition of former artifacts that belong to the Senate. Is it my understanding that you can get these on permanent loan or buy them, but that things cannot be donated to the Senate? Is that true or not?

Ms. REYNOLDS. I am going to defer, as I did last year, to our Senate curator on that, and ask her to educate us a little bit on—

Senator CAMPBELL. If she would come up to the table, and identify herself for the record, please.

Ms. REYNOLDS. Diane Skvarla, our Senate curator.

Ms. SKVARLA. The question I understand was whether items could be donated to the Senate. They actually can be donated to the Senate and we continue to get items donated to the Senate; several every year. As Emily pointed out, we hope with the Preservation Fund and new knowledge that we will get more of those in the future.

Senator CAMPBELL. Of the things that are donated, I suppose some have real historic value; and who knows, maybe some do not. Does this advisory board that you mentioned, are they ones that determine what to accept and what not to accept?

Ms. SKVARLA. They will assist us. Yes. We normally get a piece, and find out the history of it, of why it might be important. For example, a couple of years ago, we got as a gift a snuff box once owned by Isaac Bassett, who was the assistant doorkeeper here in the Senate. The snuff box was actually a gift to Bassett from the Senators themselves in the 19th century.

## CURATORIAL ADVISORY BOARD

The curatorial advisory board will assist us. They will also note, if it is a fine piece of silver, we might ask the curatorial board for their advice. So yes, it very much will help us in determining the appropriateness of that gift to the Senate.

Senator CAMPBELL. How many people are on that board?

Ms. SKVARLA. We are having 11.

Senator CAMPBELL. Eleven. Emily did mention some of the acquisitions that have been made. Those will eventually all be in the Visitor Center, like Vice President Curtis' chair. Is that the long-range goal that—that's where they will be?

Ms. SKVARLA. We are still in the process of that exhibit design and development. That will be an issue that obviously will be presented to leadership and the Capitol Preservation Commission, as time goes forward.

## SENATE WEB SITE

Senator CAMPBELL. Thank you. Did I hear you properly when you said we are getting 150,000 hits per day on the web site?

Ms. REYNOLDS. Right. It's 115,000.

Senator CAMPBELL. 115,000 per day. Are most of those students or do you have any way of knowing?

Ms. REYNOLDS. I am not certain that we have a way of knowing. That would be an interesting figure to track. I can tell you, though, just some anecdotal evidence that came in recently that was fun for us to see, and that is, a university instructor in Indiana was nice enough to send us his core syllabus on public law in the United States Senate. He had encouraged his students to use Senate.gov, and had developed his syllabus around some of the material on Senate.gov.

If there is a way to track those statistics or to conduct some sort of a survey of our users, let me get with our webmaster on that. I will be happy to get back to you. That is a good question.

Senator CAMPBELL. I thought it might be students. I know when my own son was in college a few years ago, he was using different web sites, the Library of Congress, and a number of opportunities back here to write a lot of his college papers.

Ms. REYNOLDS. Right. Exactly.

Senator CAMPBELL. It is a wealth of information.

Ms. REYNOLDS. The other thing, if I might just add one more note on the web site usage, is we were averaging about 15 requests a day for assistance in navigating the site. Our very skilled webmaster now, in rearranging the site and making it more user-friendly, we are now getting to an average of just about five requests a day for assistance in navigating the site.

So, this is another area where your committee has been generous to us in helping us expand the site, some added enhancements. You will see some additional enhancements even this year.

## RICIN INCIDENT

Senator CAMPBELL. Okay. We will move on to a couple of other things. How did the February's ricin incident impact your operation?

Ms. REYNOLDS. Our office was not most immediately impacted. But there were a variety of ways in which we responded. The first is, Senator Frist asked the Sergeant-at-Arms and I to set up a leadership coordination center, which actually ended up being physically housed in my office for that week. It was very helpful for all of us because our staff and the Sergeant-at-Arm's staff were working in conjunction with each other on that response.

In addition, as I mentioned, we exercised part of our COOP plan with the stationery operation, also part of our COOP plan with public records, and we maintained—they were long days, but in the evenings then, we would flip over the operation to the Sergeant-at-Arms emergency operation center for any questions that came in during late evening hours through individual offices. But most especially, having that leadership coordination center, so that we could work hand-in-glove together to respond, was very helpful.

Senator CAMPBELL. So, you did not feel that you were out of the loop on anything that you couldn't keep up—

Ms. REYNOLDS. No, sir.

#### CAPITOL VISITOR CENTER

Senator CAMPBELL. Okay. And then the last question on the Visitor Center. I look at it almost every day once or twice. We're certainly picking up progress on that. I wish it were faster, very frankly. But what is your assessment of the status of that? Do you think we are going to have some challenge that we cannot confront?

Ms. REYNOLDS. That is a good question. I certainly do not want to steal Mr. Hantman's thunder, since he is—

Senator CAMPBELL. I am going to ask him the same question.

Ms. REYNOLDS [continuing]. Our day-to-day person out there. My role in this has been, and I will tell you, I have been amazed in the course of my time in the job, even though I certainly am not the Architect of the Capitol, anything close to an engineer or a construction person, or an architect myself, I have been amazed at the time that the leadership staff and staff from the Capitol Preservation Commission spent on this, in conjunction with the Architect's Office. Again, it is a very collaborative effort.

Clearly, we have had some challenges, be it weather-related, obviously, in the construction of this or even some construction challenges. I know Alan will address all of that.

The project is making enormous progress, as you said. I reflected that, Mr. Chairman, 1 year ago, at this time, when you and I talked about those trucks coming up the hill every day but coming up to load up dirt, they were excavating and removing that dirt each and every day.

It is incredible progress in 1 year when you think you can now actually look out there and see that there is a top going on. It gives us all a sense, and particularly for those of us, or laymen, like myself, who do not understand construction necessarily. But it comes alive all of a sudden, and you begin to see all of those drawings, and diagrams, and everything we talked about during the previous year begin to unfold.

There is no doubt that within the course of the next couple of years, whether it is weather-related issues or other challenges, that

the architect will presumably continue to face those challenges; but face them well, as they have. We all make those adjustments together.

That is why it is very important, I dare say, that there is a weekly meeting that I help to facilitate, along with my colleague on the House side, the Clerk of the House, so that we come together in a bicameral, bipartisan way to look at any issues on the Architect's plate, to address how they impact our community, both on the Senate and the House side, and hopefully afford solutions together.

#### CVC OPERATIONAL DECISIONS

In addition to that, we are also at a time, and it is a particularly exciting time, as we reference the exhibit design coming up for the Capitol Visitor Center, where we can begin to turn our focus to the operational side of the Capitol Visitor Center. That is when you know there is light at the end of the tunnel, that it is an exciting place to be.

Clearly, while we are not making strict operational decisions, we are having very good dialogue, and hopefully setting some parameters that we can take back to the leadership and the Capitol Preservation Commission. In adding over 500,000 square feet to the Capitol itself with this Visitor Center, there are enormous operational issues. But we all keep in mind the three primary goals, the very reason this center is being constructed in the first place, and that is to enhance our security, to improve our visitor amenities, and just as we talk about on our public web site, to provide greater visitor education opportunities for those who come here to learn about this Capitol and this Congress.

Senator CAMPBELL. Thank you.

Ms. REYNOLDS. Thank you.

Senator CAMPBELL. Senator Durbin, did you have questions of Ms. Reynolds?

#### SENATE STUDENT LOAN PROGRAM

Senator DURBIN. Very briefly. You have recently conducted a survey on student loan programs?

Ms. REYNOLDS. Yes.

Senator DURBIN. This is an issue that I initiated several years ago and found that no one wanted to administer it. We basically decided to let 1,000 flowers bloom and see what happened, with some basic guidelines. I have lived in fear ever since that, not only some wonderful things but some not so wonderful things, may have occurred under the name of student loan incentives for recruitment and retention. What have you found in your survey?

Ms. REYNOLDS. Our survey, which we conducted last summer, and we had roughly 58 offices that responded, and I will tell you a quick summary, obviously. Those offices that responded, and all 58 participate in the program, the feedback was very positive about the program.

As you know, and I was not here at the time; but as you know, the administration of the program was given to us but not with really a strict set, if you will, of rules and regulations. Of course, then each office was able to create their own rules and regulations, if you will.

I will balance with what we found in that survey with regard to the offices and the administration of the program, is that some offices, Senator Durbin, will actually set parameters of service before an individual qualifies for the student loan repayment program. Others have an open enrollment period. So, you are not necessarily, as a new hire, automatically entitled to the program. But everyone does have a little bit of a different variation on that theme.

One of the questions we asked the offices in that survey is, would it be helpful to you if there was some additional guidance. I think about two-thirds of those in the survey said, leave it as it is. We like making our own determination.

That having been said, I do think—and, again, most of this is anecdotal evidence, because as you know, the program is now only about 2 years old, but the anecdotal evidence is still overwhelmingly positive, in terms of offices who have strong candidates, and particularly, young lawyers, strong candidates, who very much wanted a job on the Hill, but because of the size of their student loans, salary was obviously a real issue. In more than one instance, offices cited that having the availability of that program enabled them to attract very top-flight candidates.

The retention piece of it, again, because the program is not very mature, and it still somewhat remains to be seen, we can continue to go back, obviously, and pull those statistics for you all. I did notice because I know this was one concern this year at this hearing, that it does not appear as if, from last year to this year, we dropped—we had a fairly high number of those who terminated before their year was up, that they were required of service. It looks like from last year to this year, that number dropped by about one-third or better. So from a retention standpoint, you could extract that—that is obviously a positive going forward.

But we will continue to monitor that program and provide you with feedback. But again, from the office's standpoint, the ability to make their own determination and to use it as a tool to attract and retain, was very positive.

Senator DURBIN. Well, we give considerable latitude to members of the Senate and other offices, within certain guidelines, to decide salaries, and promotions, and work assignments. I like that part of the flexibility of it, because I think each office tries to create its own office atmosphere.

I am going to ask, and I have asked the General Accounting Office to take a look at this, and see if they have any recommendations, whether we should be more specific in terms of guidelines to avoid some things that we did not anticipate. But thank you for your work on this.

Ms. REYNOLDS. Thank you very much.

Senator DURBIN. Thank you for your testimony today. Thanks, Mr. Chairman.

Senator CAMPBELL. Thank you. This will be the last hearing that you appear while I am still here. I just wanted to, for the record, tell you how much I have enjoyed working with you, your professionalism, and your friendship, too. When I go back out West to find different kinds of mountains to climb, I will be thinking of you here.

Ms. REYNOLDS. Keep thinking of us. We appreciate it. Thank you, sir.



## ARCHITECT OF THE CAPITOL

### STATEMENT OF ALAN H. HANTMAN, ARCHITECT OF THE CAPITOL

#### ACCOMPANIED BY:

**DICK McSEVENEY, CHIEF OPERATING OFFICER**

**AMITA POOLE, CHIEF OF STAFF**

**GARY GLOVINSKY, CHIEF FINANCIAL OFFICER**

**HECTOR SUAREZ, CHIEF ADMINISTRATIVE OFFICER**

**BOB HIXON, PROJECT EXECUTIVE FOR THE CAPITOL VISITOR CENTER**

#### OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. Now, we will hear from Mr. Hantman.

If you would just come up here, and go ahead, and proceed. Your complete testimony will be included in the record, Mr. Hantman. I think you can abbreviate your verbal presentation as you would like.

Mr. HANTMAN. Thank you, Mr. Chairman, Senator Durbin. Thank you for this opportunity to testify here today. I would just like to introduce a few people who are joining me here today. Our Chief Operating Officer, Dick McSeveney; our Chief of Staff, Amita Poole; our CFO, Gary Glovinsky; Chief Administrative Officer, Hector Suarez; Bob Hixon, our Project Executive for the CVC; and several other key people who have supported me in preparing for this hearing and throughout the year.

What I would like to do, Mr. Chairman, as you indicated, is just have a few words in terms of an oral review here.

Senator CAMPBELL. Your complete testimony will be in the record. Just go ahead and summarize as you please.

#### FISCAL YEAR 2005 BUDGET SUMMARY

Mr. HANTMAN. As we prepared this budget request, we worked very closely with our clients to ensure that we were addressing their needs and those of the Capitol complex in planning for necessary projects and programs.

This budget request for fiscal year 2005 directly relates to my responsibilities for facilities management, project delivery, and the stewardship of the Capitol complex. Over the past few years, as directed by the Congress, additional buildings have been added to the AOC's responsibilities. This includes the new Alternate Computer Facility, the Fairchild Building, the National Audio-Visual Conservation Center, the book depositories at Fort Meade, and, of course, the Capitol Visitor Center.

All told, this amounts to an additional 1.5 million square feet of buildings and another 91 acres or so under the AOC's custodial care. That brings us to some 15 million square feet of building space, Mr. Chairman.

We are requesting \$585 million for fiscal year 2005 to support the maintenance, the care, and operations of all the buildings and grounds of the Capitol complex. This includes a number of projects to support and enhance life safety and security which, as you know, Mr. Chairman, are my top priority. It also reflects a number of major projects valued at \$177 million that have been requested by our clients, including the Library of Congress and the U.S. Capitol Police. You alluded to that in your opening statement.

This 2005 request represents a 41 percent increase over the enacted amount for fiscal year 2004. However, if our client projects were counted separately from our basic AOC budget, the fiscal year 2005 request would be less than my fiscal year 2004 budget.

On another note, Mr. Chairman, I am pleased to report that the AOC has once again cut its total injury/illness rate. We reduced fiscal year 2002's rate by more than 5 percent, for an annual rate of 7.9 percent in fiscal year 2003. Since fiscal year 2000, we have reduced the injury/illness rate by a total of 56 percent and we still continue to improve. Our goal basically is to get it down as close to zero as is humanly possible. We thank you for your support in this.

Many life safety and security improvements have been implemented or are ongoing in the Senate office buildings. For example, all Dirksen building entrances have been upgraded to meet ADA requirements. Mechanical and electrical updates have been or are being completed on all Senate building elevators.

We also continue to upgrade or install new sprinkler systems, smoke detection systems, and are making egress improvements in buildings across the Capitol complex.

In this calendar year, Mr. Chairman, one of our highest priorities is preparing for the inauguration. We have bid out the construction of the inaugural stands, which we will be awarding shortly; and we are in various stages of design, specification, and bidding for other requirements, such as the sound system, ramps, and chairs for the swearing-in ceremony.

#### CAPITOL VISITOR CENTER

Another major undertaking will be the planned start-up of building systems for the Capitol Visitor Center. At the direction of the Capitol Preservation Commission, I have requested as an interim measure, funding for facility operations and maintenance until it is decided how and by whom the CVC will be operated and maintained. Ms. Reynolds referred a little bit to that process that is going on right now.

Construction on the CVC has been progressing at a strong pace, as crews are increasingly working under the roof deck, which now covers the entire western half of the project area. It might be helpful, Mr. Chairman, to just take a look at a photo showing the progress we made last August on the Visitor Center, and a photo that was taken just 2 weeks ago.

On the left, of course, you see that the excavation was well underway. The foundation walls were being put in just last August, since last summer, completed to what we see basically 2 weeks ago. The deck, again, is fully in place with respect to the area between the major skylights and the east front of the Capitol.

All of that area will be part of the plaza that is necessary to support the inaugural activities. We will have a completed roof deck. We will have it covered by granite pavers, from the House steps to the Senate steps; and in May we expect to see stone masons start to lay granite pavers beginning on the north side, near the Senate steps. Some 200,000 pavers will be laid.

Over the past year, the AOC has undergone significant change. We have added key people. We have reaffirmed our commitment to providing high-quality service to Congress and the American people with the implementation of a new strategic plan. I am dedicated to providing a safe, secure, and productive environment for all who work at and visit the Capitol complex each year, as well as for all AOC employees.

We have completed tens of thousands of work orders to our clients' satisfaction—about 48,000 work orders just in the Senate buildings this year. We have achieved many of our goals due to the hard work and dedication of the AOC employees. I am very privileged and honored to lead such a professional team.

PREPARED STATEMENT

This committee's support in helping us achieve these goals is greatly appreciated. Once again, I thank you for this opportunity to testify today. I will be happy to answer any questions you might have.

Senator CAMPBELL. Thank you.  
[The statement follows:]

PREPARED STATEMENT OF ALAN M. HANTMAN, FAIA

Mr. Chairman, members of the Subcommittee, I thank you for this opportunity to testify before you today. The Office of the Architect of the Capitol (AOC) has been undergoing tremendous change over the past year as we have finalized and begun implementing our five-year Strategic Plan. Our Strategic Plan is the blueprint that we are now following to help us carry out our responsibilities to preserve and enhance the United States Capitol and the other facilities located across the Capitol complex as well as guide us as we provide high-quality service to Congress and the American people.

Our Strategic Plan is linked to our Performance Plan which outlines specific actions and milestones we will use to achieve our goals. We also have established a reporting protocol that is tracking the Agency's strategic initiatives, the General Accounting Office's recommendations, and the Chief Operating Officer's Action Plan items on a monthly basis. In addition, we have identified a number of measures to monitor and evaluate the success of our work efforts over the next year.

Last July, we added a Chief Operating Officer to the team. Richard McSeveney is responsible for much of the AOC's day-to-day operations including programs and initiatives associated with strategic planning, performance management, worker safety, customer satisfaction, and service quality. He has submitted his Action Plan to Congress that outlines how we are implementing change and moving the AOC to the next level of client service excellence.

As we prepared this budget request, we worked closely with all of our clients to ensure that we were addressing their needs and those of the Capitol complex in planning for numerous projects and programs. This budget request for fiscal year 2005 will allow me to meet my responsibilities for facilities management, project delivery, and the stewardship of the Capitol complex. But just as importantly this budget responds to the needs of our customers, the requirements for improved fire and life safety, security, and future obligations.

Over the past few years, per the direction of Congress, additional facilities and projects have been added to the AOC's responsibilities. A short list of facilities includes the Alternate Computer Facility, the Fairchild Building, the National Audio Visual Conservation Center in Culpeper, Virginia, and of course, the Capitol Visitor Center. All told, this amounts to an additional 1.5 million square feet and 91 acres

under the AOC's custodial care. Our budget has been structured and increased to support the new requirements and responsibilities this Agency has for these new facilities.

Over the past several weeks, we have worked with the respective committee staffs and our clients to address possible budget resolutions. We re-examined priorities and studied how holding our budget to fiscal year 2004 funding levels would impact our day-to-day work as well as major projects. We have met the challenge of building a budget request that balances both fiscal responsibility and my office's mission to preserve, maintain, and enhance the national treasures and properties entrusted to us. I want to thank the Subcommittee for its generous support over the years without which we could not have completed many critical projects, continued to provide exemplary service, and assured continuity of operations at the Capitol, in the Senate Office Buildings and throughout the Capitol complex.

We are requesting \$479.3 million (not including items specific to the House) for fiscal year 2005 to support the maintenance, care, and operations of the buildings and grounds of the Capitol complex. This includes a number of projects to support and enhance life safety and security—my top priority. It also reflects a number of major projects, valued at more than \$136 million that have been requested by our clients including the Library of Congress (LOC) and the U.S. Capitol Police (USCP).

The most significant requests are \$59.2 million for the construction of the Library's Copyright Deposit Facility; \$39.5 million for the construction of the third and fourth increments of the Library's collection storage modules at Fort Meade; \$18.4 million to accommodate office and storage space at the Fairchild and GPO buildings for the Capitol Police; and another \$18.4 million for a USCP firing range and off-site delivery facility.

This is a \$138.7 million or 41 percent increase over the enacted amount of \$340.5 million for fiscal year 2004. This does not reflect the \$12 million transfer of fiscal year 2003 appropriations into the AOC budget for fiscal year 2004 for the Capitol Visitor Center.

If these specific client requests were not counted in the AOC budget request, budget growth for fiscal year 2005 for my Agency would actually show a negative growth from fiscal year 2004.

Other key items in my budget request include \$20.1 million for sprinkler and smoke detector upgrades in the Library of Congress buildings; \$3.7 million for the Hart modular furniture replacement program; \$1.3 million to renovate Senate Office restrooms; \$4.5 million to implement Phase III of the U.S. Capitol Master Plan; \$14.5 million for the preparation of the opening of the Capitol Visitor Center; \$5.1 million for the restoration of Bartholdi Park and Fountain; \$1.5 million to design the upgrade of the Capitol complex cable television system; \$955,000 for wayfinding signage, renovation and restoration of street lights and other decorative items on the Capitol grounds, and \$1,065,000 for installation and operations of emergency defibrillators across the Capitol complex.

#### PROJECT DESCRIPTIONS

##### *Copyright Deposit Facility—\$59.2 million*

This new, centralized, 180,200 square foot facility would house all existing and projected copyright collections in a secure, specialized environment for the Library of Congress. The Copyright Office of the Library of Congress is required by law to retain all the post-1977 unpublished deposit materials for the full term of the copyright protection and published deposits for the longest period considered practicable and desirable by the Register of Copyrights. The design work has been completed on this two-story building and, if funded, construction will begin in 2005. If the facility is not built, the storage of existing and future copyright collections will continue to be housed in decentralized, privately leased records facilities with questionable abilities to provide for the future growth of deposits and records. In addition, the collections will continue to be at risk due to the inability of existing mechanical systems to provide for the specialized requirements regarding temperature and humidity.

##### *Fort Meade Book Storage Modules 3 and 4—\$39.5 million*

This project for the Library of Congress entails the construction of two buildings to alleviate a shortage of collection storage capacity at the Jefferson, Adams, and Madison buildings on Capitol Hill. The third and fourth storage modules are designed to maintain environmental conditions of 50 degrees Fahrenheit and relative humidity of 30 percent. Scheduled to be constructed in late 2004 and 2005, the buildings will have two loading docks, a quarantine room, and a vacuum equipment room, as well as mechanical and electrical rooms to accommodate the necessary

equipment. If construction of these modules is delayed, the Library's ability to accept new materials into its collection will be compromised.

*U.S. Capitol Police Support (USCP)—\$30.9 million*

The AOC has recently signed a 10-year lease to occupy a little more than four floors of the Fairchild Building located at 499 South Capitol Street, S.W., that will accommodate the interim office space needs of the U.S. Capitol Police. Funds have been requested for the annual lease and to cover the costs to fit out the available space. This includes fixtures, furnishings, equipment, telecommunications, and information technology infrastructure.

In addition, the AOC is nearing agreement with the Government Printing Office to utilize some space for the Capitol Police logistical and storage functions, such as property management and warehousing. Relocating the USCP to these spaces will free existing space occupied by the USCP for Congressional use.

*Capitol Visitor Center Start-up Support—\$14.5 million*

In preparation for the opening of the Capitol Visitor Center (CVC), \$6.3 million is requested to procure equipment and supplies, contract for custodial services, and support, operate, and maintain the structural, architectural, and utilities infrastructures.

An additional \$8.2 million is being requested to cover the transitional stand-up costs for the operations, administration, and management supporting guide services, visitor services, food services, and gift shop services for the CVC.

In addition, the AOC is requesting 35 Full Time Equivalents (FTEs) in preparation for the opening of the CVC. Eighteen FTEs are being requested in the Capitol Building appropriation for facility maintenance; 16 FTEs in the CVC appropriation for project and operations support necessary for an orderly startup (tour guide services, restaurant management and gift shops); and one FTE to support the Office of the Attending Physician.

#### EMPLOYEE SAFETY

For the third consecutive year, the AOC has cut its injury/illness rate. According to year-end figures from the Occupational Safety and Health Administration, we reduced fiscal year 2002's rate of 8.35 by more than five percent for an annual rate of 7.91 in fiscal year 2003. Since fiscal year 2000, we have reduced the total injury/illness rate by 56 percent. These achievements would not have been possible without the efforts of all AOC employees. In January, we conducted an Agency-wide survey asking employees about their perceptions, opinions, and attitudes about safety. The response rate to the survey was 62 percent when typically these surveys receive a 30 percent response rate.

When asked if they agree with the statement, "Workplace safety is very important to AOC," 90.8 percent of AOC employees agreed with the statement. Nearly ninety-four percent of employees stated that they "think about the safety of my customers and the public," and 96.2 percent said they "think about their own safety on the job." Over the past several years, our workforce has made a commitment to work in a safe and healthy environment. This commitment has led to consistent and notable reductions in our injury/illness rate.

However, any single injury is one too many. I am committed to providing a safe environment on Capitol Hill. I set high expectations and communicate them to my Superintendents and employees. I perform unannounced visits to worksites to observe and discuss safety and ensure that personal protective equipment is available and worn. Mr. Chairman, I have requested \$64.7 million in project funding to support life/safety and security projects. It includes upgrading or installing new sprinkler systems and smoke detection systems; upgrading elevators; renovating restrooms to comply with ADA requirements; installing defibrillators across the Capitol campus; and making egress improvements.

#### SENATE OFFICE BUILDING IMPROVEMENTS

Many life/safety and security improvements have been implemented or are ongoing in the Senate Office Buildings. For example, all Dirksen Office Building entrances have been upgraded to meet ADA requirements, and all mechanical, electrical, and cab refurbishing upgrades to the elevators in the Russell Building have been completed. All mechanical and electrical updates are completed on the Dirksen Building elevators, and the cab upgrades are scheduled to be completed this fall. The Hart Building elevators modernization will begin in May and the completion date for this project is spring of 2005.

In the area of client services, Senate offices now have a new way to submit and track work requests, learn about on-going projects, order furniture, or request as-

sistance from the Senate Superintendent's Office. The tool is a new intranet site: <http://Senate.AOC.gov>. This site is the first AOC client-specific web site focused on customer service. In addition, building alerts are regularly posted on the site and updated to provide information about projects such as elevator or restroom upgrades.

Our new Senate site was rolled out during a demonstration for Senate staff in December and we have been providing training classes for office managers. Senate staff members have also been providing us with suggestions on how to add value to the site and we are making adjustments to better meet their needs. The site will continue to grow and evolve in the upcoming months, for example, a client feedback form was recently added. Similar sites for the House and Capitol Superintendent's Offices will be online soon.

The AOC continues to make significant improvements in the Senate Office Recycling Program. Contamination rates have plummeted from a high of 75 percent in fiscal year 2000 to zero for the first quarter of fiscal year 2004. We attribute this tremendous progress to three things: we simplified the program, we have initiated coordination efforts with the Senate Sergeant at Arms and Senate staff to further educate them about the program, and we have modified our own work practices and operations to ensure efficient and effective collection and separation of recyclable materials. We have also increased the types of recyclable materials we collect to include items such as toner cartridges and rechargeable batteries. Ninety-three office suites, eight committee suites and a number of other Senate offices are actively participating in the recycling program.

#### CAPITOL BUILDING

In fiscal year 2005, one of our highest priorities concerning the Capitol Building will be the preparations for the Presidential Inauguration. We have been updating plans from the last inauguration and have begun planning the construction of Inaugural stands and identifying other requirements, such as a sound system, ramps, crossovers, and chairs for the swearing-in ceremony. We are also working closely with the U.S. Capitol Police on security issues.

Mr. Chairman, I am pleased to report that as of February 17, 2004, the Capitol Dome was re-opened for special Member-led tours. As you know, tours were suspended following the terrorist attacks on September 11, 2001. Since that time, my office completed a number of safety upgrades in the Dome that included installing exit signs, bump guards, fire alarms, an evacuation system, improved handrails, and new stair treads. We also improved the tour route lighting and emergency lighting. I would like to note, however, that the scheduling and conducting of these tours now falls under the responsibility of the Capitol Guide Service.

We have completed a number of other projects throughout the Capitol over the past year including installing numerous additional life and fire safety devices throughout the building; continuing to restore and conserve frescos, historical artwork, chandeliers, and the Brumidi murals; and upgrading 24 of 28 elevators. The remaining four are scheduled to be completed between fiscal year 2004 and fiscal year 2006.

Mr. Chairman, a popular service we provide for the American public is the opportunity to purchase, through Members' offices, flags flown over the U.S. Capitol. Last fall, my office discovered that several web sites existed that were reselling flags flown over the Capitol at a much higher cost than if the consumer had requested one through their Member's office. We sent out notices to all Congressional offices to alert Members to this practice and have been developing a web site that would provide information on flags flown over the Capitol and directing consumers to contact their respective Senators or Representatives. I am pleased to report that as a result of our actions, many of these web sites have ceased reselling flags or have changed their web sites to clarify their business practices.

As I mentioned earlier, another major undertaking will be the start-up of the Capitol Visitor Center facility. At the direction of the Capitol Preservation Commission (CPC), I have requested funding under the Capitol Building fiscal year 2005 appropriation, as an interim measure to fund facility operations and maintenance until it is decided how and by whom the CVC will be operated and maintained.

#### CAPITOL VISITOR CENTER (CVC)

Construction on the CVC has been progressing at a strong pace, especially over the last several months as crews are increasingly working under cover below portions of the roof deck which now covers the entire western half of the project area. Sequence 1 and Sequence 2 contractors have been jointly working to coordinate and fully integrate their schedules to ensure that the project proceeds in the most effi-

cient manner possible. Additionally, we have augmented our management team to facilitate the efficient sequencing and execution of the more than 3,000 project line items that need to be accomplished.

Over the next year, Members will witness the completion of the western half of the plaza at a level sufficient to support inaugural activities. That entails the ability of the plaza deck to accommodate a Presidential motorcade and, if necessary, the landing of a helicopter on the deck. Specifically, the portion of the plaza supported by the steel framing will have a completed roof deck covered by granite pavers from the House Steps to the Senate Steps. In May, Members can expect to see stone masons on the plaza laying granite pavers on the East Front Plaza deck beginning on the north side of the deck near the Senate Steps. A plan describing the plaza finishes and the accessible areas of the CVC site for the Inauguration has been presented to the CPC and Rules Committee staff. Other landscape elements will be in place and some portions of the hardscape elements, including the retaining walls around the House and Senate grassy oval areas, will be partially in place. At the same time, all the interior facilities will continue to be worked on and ultimately commissioned and turned over so those operating the facility will have time to adapt to the facility and establish operating procedures before the CVC opens to the public.

The current estimated completion date for the CVC is spring 2006. After a long and thorough review of project activities and the line-item schedules of both Sequence 1 and 2 contractors by my office, our construction manager, and the General Accounting Office, we have determined this more accurate opening time frame.

The overall base project budget stands at \$351.5 million. This amount includes the \$265 million appropriated for the core CVC space and the shell for House and Senate expansion space; \$38.5 million for additional security enhancements funded after September 11, 2001; and \$48 million to accommodate higher than expected bids, additional changes in scope and design due to unforeseen site conditions and weather impacts, and the management and construction costs associated with the scope and design changes, as well as contingency funds. Additionally, \$70 million has been appropriated for the build-out of the House and Senate expansion spaces.

As construction continues, we continue to plan the exhibits that will be featured inside the CVC and work with representatives of the Capitol Preservation Commission to determine how services such as food service, gift shops, guide services, and first aid to our visitors will be provided. Because our 16,500 square foot gallery will be the only one in the country dedicated to the history and accomplishments of the Congress and the growth of the Capitol, it will feature a number of interesting and educational exhibits. It will include a 10-foot tall touchable model of the Dome with cutaway interior; a curving marble wall inset with state-of-the-art document cases featuring historic documents from the Library of Congress and the National Archives chronicling legislative achievements; a set of six alcoves covering the history of the House, the Senate, and Capitol Square; virtual House and Senate theaters allowing historical programs and live access to floor proceedings; a "Behind the Scenes" area covering everything from subways to grounds-keeping; a photo exhibit featuring the Capitol as a national stage for important ceremonies; and an interactive area where visitors can access touch screen programs about "Your Congress/Your Capitol."

Mr. Chairman, I know that we all eagerly await the opening of this unique, historic, and very necessary visitor center that will offer free and open access to all people in a safe and secure environment so that they may witness and learn about the workings of democracy and the legislative process.

#### PROJECT DELIVERY

As the example of the CVC illustrates, in recent years the number and complexity of our projects has greatly increased. Therefore, the AOC has worked to develop core and technical competencies for its project managers and contracting officers. Specifically, we have established a competency framework and training assessment for both AOC contracting officers in line with the Defense Acquisition Workforce Improvement Act (DAWIA) and AOC project managers in the engineering and architectural series that mirrors the Project Management Institute Body of Knowledge.

We are also working more closely with our clients to design and control the scope of our projects to assure high quality drawings and specifications, to minimize changes during construction, and to deliver quality projects on time and on budget. All current projects have been prioritized and the more critical projects have been assigned to the Project Management Division. Appropriate levels of support are being provided to these project managers to assure that they have the resources necessary to move these high priority projects forward.

The Capitol Complex Master Plan that is under development will help facilitate consistent management and oversight of all our projects and assist us in setting priorities. Its key objectives are to document existing conditions; provide context for site selection and site development within and near the Capitol Grounds; address cross-jurisdictional questions of historic preservation, sustainability, infrastructure renewal, permanent security measures, visitor management strategies, traffic and parking issues, and landscaping; and identify facility needs and future building trends, and coordinate planning efforts with local, regional, and Federal development plans.

The existing master plan is nearly 25 years old and does not address present-day issues such as increased security, new and advancing technologies, and future needs. As you know, since September 11, the AOC has undertaken substantial new projects to adjust to a demand for heightened security. Chief among these projects is perimeter security which has seen significant progress.

—*Capitol Square.*—All work on the Senate side of Capitol Square is complete except the outer perimeter work along Constitution Avenue, N.W., and the work which is currently impacted by the Capitol Visitor Center project. The portion near 1st Street and Constitution Avenue, N.W., which is part of the Capitol Complex's outer perimeter, is also ongoing. The north entry will be constructed following the completion of the tunnel work on the CVC. The work along the Northeast Drive and 1st Street, N.E., will be completed following the completion of the CVC itself. The portion of the outer perimeter near 1st Street and Constitution Avenue, N.W., will be completed as part of the later phases of the Senate Office Building Perimeter Security program.

The work on the House side of Capitol Square is largely complete with the major exception of the work which is currently impacted by the CVC project and the portion near 1st Street and Independence Avenue, S.W., which is part of the Capitol Complex outer perimeter.

—*Senate Office Buildings.*—A contract has recently been awarded for the perimeter security work along Constitution Avenue between Delaware Avenue and 2nd Street, N.E. This work is currently planned to be completed in November 2004. The remainder of the perimeter security around the Senate Office Buildings will be completed in phases over the next two years.

—*House Office Buildings.*—The work along Independence Avenue in the front of the House Office Buildings is largely complete with full completion anticipated this spring. The remainder of the perimeter security around the House Office Buildings will be completed in phases over the next two years.

Another project underway that will address the current and future needs of the Capitol Complex is the expansion of the West Refrigeration Plant at the Capitol Power Plant. This project replaces the aging and outmoded East Plant refrigeration machines and provides for additional heating and cooling requirements. The project is approximately 25 percent complete and, when finished, will enable the Capitol Power Plant to reliably meet cooling requirements through 2025 and will significantly increase overall plant efficiency, thereby lowering annual energy consumption.

#### HUMAN CAPITAL

Because the AOC is a service-based organization, our workforce is our most valuable asset. We continue to look at new and innovative approaches to better attract and retain highly qualified employees so that we continue to be in a position to meet the needs of all our clients.

We have hosted in-service Federal Employees Health Benefits Days to assist employees with any problems they may have or to answer questions about various health plans. We plan to host sessions twice a year. We have also developed a new Leadership Development Program that we plan to roll out soon. It expands the existing framework to address all leadership levels of AOC to develop the skills needed to achieve competencies that are considered to be government-wide standards. In addition, we have invested in employee training and provide other incentives, such as transit subsidies.

This past year we established a new Office of Workforce Planning and Management (WFPM) as approved in our fiscal year 2003 full time equivalent appropriations request. This office is responsible for position management, organizational analysis, and succession planning. WFPM staff has conducted an Administrative Study in which they evaluated the need of administrative positions, the duplication of positions, and whether AOC's positions and functions align with the AOC Strategic Plan.

In September 2003, the AOC launched AVUE, a Digital Services Recruitment and Staffing Module that lists all AOC vacancy announcements and allows job applicants to apply online. In addition, all position descriptions are developed in AVUE. Its implementation has significantly reduced the time it takes to generate and issue a referral list of qualified candidates to managers, thereby reducing the time to fill vacant positions.

With the assistance of the Office of Information Resources Management, kiosk computer stations were established in every jurisdiction so AOC employees can have access to computers to develop their employment profiles, view vacancies, and apply for AOC vacancies at any time. In conjunction, we opened an AOC Employment Center. The center is open every Tuesday and Thursday and by appointment. AOC Human Resources staff members are available to assist employees in developing their employment profiles and providing instruction to apply for positions online.

#### INFORMATION TECHNOLOGY

Our budget request for the Office of Information Resources Management (OIRM) has increased as a result of our efforts to centralize all information technology (IT) functions under OIRM. In the past, individual jurisdictions controlled some portions of IT funds.

In addition to bringing AVUE online, OIRM successfully managed a number of projects this past year including: developed and published the AOC's Enterprise Architecture; completed the foundation for the upgrade to AOC's network, AOCNET; completed the infrastructure build-out at the Alternate Computer Facility (ACF); implemented the Financial Management System fixed assets module on schedule which provides the AOC with automated records of its fixed assets and enables the Accounting Division to record automated depreciation entries in the general ledger (proper accounting of fixed assets is required to receive an unqualified audit opinion); developed and launched the Senate's web site; and completed the AOCNET Fiber-optic Ring Project.

#### SENATE RESTAURANTS

Another area in which we provide client service is in the Senate Restaurants. We have been making strides in reducing economic dependency over the past few years through cost reductions and the marketing of our services.

Our management has taken a number of steps to help resolve some issues regarding its billing procedures including: sending out bills to collect unpaid balances; implementing a detailed code system to explain charges and verifying who authorized such charges; and billing on a more regular cycle.

The Senate Restaurants offer services designed to provide Senate Offices with new menu options when planning small, in-office functions that are less expensive than fully catered events. Senate staffers can log on to our expanded web site and check out the daily specials in each restaurant and look for special events. The site is registering more than 5,000 hits per month.

This year we upgraded our cash registers in both the North Servery and Senate Chef to accept credit cards. Shortly we hope to institute a discount debit card for use in the North Servery as well.

Finally, I am especially pleased to inform you that for the sixth straight year, independent auditors have found no reportable conditions or material weaknesses in financial controls.

#### CONCLUSION

The Office of the Architect of the Capitol has been serving Congress since 1793 and continues to provide client services through hurricanes, ice storms, anthrax, and ricin incidents.

Over the past year, we have undergone significant change and have reaffirmed our commitment to providing high-quality service to Congress and the American people. Our request for funds is in direct response to our customers' requests for important projects and programs. In addition, we continue to strive to achieve the level of safety, security, preservation, and cleanliness, expected across the Capitol Complex.

I am dedicated to providing a safe, secure, and productive environment for all who work at the AOC and for those who work and visit the Capitol Complex each year. We have completed thousands of work orders, have met our clients' expectations, and have achieved our goals due to the hard work and dedication of all our AOC employees. I am very privileged and honored to lead such a professional team.

The Subcommittee's support in helping us achieve these goals is greatly appreciated. Once again, thank you for this opportunity to testify today. I'd be happy to answer any questions you might have.

#### CVC LANDSCAPING

Senator CAMPBELL. Once the pavers are on the plaza, is there going to be an automobile parking lot, or is that going to be a garden look?

Mr. HANTMAN. Certainly, from the perspective of the front yard to the Capitol, Mr. Chairman, my recommendation would certainly be that parking would be extremely limited to those people who really need to bring cars up onto the east plaza. But that is clearly an administrative decision for the—

Senator CAMPBELL. Are we going to replant the grass and some of the trees that were there?

Mr. HANTMAN. Absolutely. Absolutely. We will, in fact, have more trees—

Senator CAMPBELL. There will be enough soil, on top of the roof of that, to be able to hold trees?

Mr. HANTMAN. The areas that have been directly adjacent to the Capitol, say, between the central rotunda steps and the Senate steps, between the central rotunda steps and the House steps, those panels will be there. We will be having grass, just as Mr. Olmstead originally planned it. The concept was not to have heavy trees or gaudy planting that would detract from the building itself at those locations.

So, those will be replaced. We will have adequate room for growing the grass that we need in those panels, as well as on the eggs. The House and the Senate eggs will be replanted. Trees, the allé of trees leading down East Capitol Street will be fully replaced with trees that are in line with the original design of Mr. Olmstead.

Senator CAMPBELL. And you feel confident that the surface is going to be done before the 2005 inaugural activities?

Mr. HANTMAN. We will have that surface ready for—if there is a motorcade for the President, if the helicopter, the Presidential helicopter has to land, it will be in place, the troops need to pass in review, that will be all ready for that.

#### FISCAL YEAR 2005 FUNDING REDUCTIONS

Senator CAMPBELL. We have big problem with money this year, as you know. AOC has requested a 41 percent increase. That is large and it may be very well needed, but it will be tough to accommodate. I have asked everyone who has come before our committee, what happens if we cannot fund that request? Have you prioritized what is the most important thing that we need to be aware of if we need to trim some money from your request?

Mr. HANTMAN. Well, within my agency, Mr. Chairman, I have really reviewed both operations and the capital improvement requirements that were requested by the superintendents of each of our jurisdictions; a separate jurisdiction for the Senate office buildings, the House, the Capitol, Library of Congress. And we balanced their priorities for fire, life safety, security, and operational re-

quirements, against the fiscal realities; to ensure that we could fulfill our responsibilities without significant budget increases.

In addition to refining the AOC needs for maintenance operations and funding for capital projects, we also worked very closely with our clients to ensure that we were addressing their needs as part of the requirements of the overall Capitol complex.

I recently requested that the Library of Congress and the Capitol Police review and formally reconfirm their needs and requests, and they have done so. I have letters for the record submitted on March 23, from Dr. Billington, and April 5, from Chief Gainer, which really talk to their projects and the need for those very important projects.

[The information follows:]

THE LIBRARIAN OF CONGRESS,  
Washington, DC, March 23, 2004.

The Honorable ALAN M. HANTMAN, FAIA,  
*The Architect of the Capitol,*  
Washington, DC.

DEAR ALAN: In response to your March 10 letter, I am writing to reaffirm the Library's mission-critical need for the following projects in the Architect of the Capitol (AOC) fiscal year 2005 budget.

*Fort Meade Modules 3 and 4: \$39,500,000*

There has already been a delay of more than five years in obtaining this desperately needed space.

Failing to fund Modules 3 and 4 in fiscal year 2005 would adversely affect library materials.

—The special format collections that are scheduled to fill Modules 3 and 4 and the four specially designed cold vaults total approximately 26.2 million items, and include: 500,000 reels of microfilm masters, many of which are in imminent danger of deterioration that will render them unusable unless they are transferred to cold storage; 10 million manuscripts; 340,000 maps; 750,000 print and photographic negatives; and 500,000 boxes of special collections from the collections of Prints and Photographs, Music, Law, Rare Book and Special Collections, Folklife and rare bound volumes from Serials and Government Publications.

Many of these materials are stored in conditions that do not meet preservation standards. Others are stored in better environmental conditions, such as Iron Mountain, but are not readily retrievable for processing or consultation by researchers, seriously hampering core Library activities.

*Copyright Deposit Facility: \$59,200,000*

A delay in funding would: add more time of storing copyright deposits in unsuitable conditions, further advancing the deterioration of these deposits; and continue the risk of public criticism that copyright deposits are not being preserved to meet the requirements of the law.

We are currently storing more than 135,000 cubic feet of copyright deposits.

Copyright's capacity requirements will grow, particularly with the 1999 Copyright term extension, which means the Office will have to store unpublished deposits for an additional 20 years.

*Collections Security (Secure Storage Rooms): \$860,000*

In compliance with the Library's congressionally approved Collections Security Plan, funding is needed for the construction of 12 secure storage vaults within the Library's three Capitol Hill buildings to house all "platinum" and "gold" collections.

Current funding allowed the construction of five vaults; fiscal year 2005 funding will support an additional three vaults, with the remaining four vaults built in fiscal year 2006.

A delay in the construction of the vaults could result in a life expectancy of about 20 percent of what it would be if the collections were stored under proper environmental conditions.

*Cafeteria Equipment: \$210,000 (Price Correction from Memo)*

The continued maintenance problems of current cafeteria equipment (dishwashing machine) add service cost through staff downtime and additional use of paper products.

If not funded, the condition of the equipment will continue to deteriorate, consuming additional AOC maintenance labor hours needed elsewhere.

With machinery not fully operational, it creates a safety hazard with operators and health concerns with Library staff and patrons.

*Study—Book Conveyor Integration/Upgrade: \$400,000*

Without this funding to study the alternatives for correcting numerous deficiencies with the existing book conveyor systems, service levels will continue to decrease. This may ultimately lead to a complete failure of the book conveyor systems.

The decreased service levels will impact the Library's ability to efficiently deliver materials to its staff and other customers, and severely impact staff resources by eventually forcing the manual delivery of books and research materials.

Funding is not required for the Madison Loading Dock Expansion (\$125,000), and should be deleted from the fiscal year 2005 budget request.

If you have any questions regarding the Library's fiscal year 2005 AOC budget requirements, please contact Budget Officer Kathryn Murphy on 707-5186.

The Library appreciates the AOC's continued support with its buildings and grounds requirements.

Sincerely,

JAMES H. BILLINGTON,  
*The Librarian of Congress.*

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UNITED STATES CAPITOL POLICE,  
OFFICE OF THE CHIEF,  
*Washington, DC, April 5, 2004.*

The Honorable ALAN M. HANTMAN, FAIA,  
*Architect of the Capitol, SB-15, The U.S. Capitol, Washington, D.C.*

DEAR MR. HANTMAN: This is in response to your letter of March 10, 2004, requesting that we validate the inclusion, and provide a statement as to the effect on our operations of deferring the three USCP facility projects contained in your fiscal year 2005 budget.

*Firing Range Design and Construction \$12,000,000*

The original partnership with the Federal Law Enforcement Training Center (FLETC) on the new training facility in Cheltenham, Maryland included 26 agencies. With the creation of Department of Homeland Security and subsequent merger with Treasury/FLETC, the facility now serves 70 plus agencies but the size of the range has not grown proportionally. We continue to work with FLETC regarding issues on availability of the facilities as well as funding requirements. We have also been working with the Appropriations Committees regarding the resolution of the issues. However, the issues remain unresolved. If the scheduling requirements for all USCP firearms training and re-certification can be accommodated by the FLETC, the USCP will not require the facility requested by the AOC. However if the facility availability issues are not worked out to our satisfaction, the construction of a new firing range is critical to the operations of the USCP.

*Fairchild and GPO Build-Out \$12,500,000*

It is our understanding that the AOC only has funding for fit-out of one of the four plus floors leased on behalf of the USCP in the Fairchild building. Without the \$12.5 million, renovations necessary to occupy the remaining three floors could not be made. Without occupying this space, the USCP cannot relieve exiting overcrowded conditions and provide for current growth of personnel and equipment. We therefore request that this item remain in your budget.

*Off-Site Delivery \$6,400,000*

The current off-site delivery facility at P Street S.E. is in dilapidated condition. It no longer sufficiently meets the operational needs of the Congressional community nor does it address the growing security requirements of the Congress. A new facility is critical to the operations of the Congress. Given the current real estate market, we need to be ready to immediately respond when an acceptable site is identified. Therefore, we request that you continue to support this funding in fiscal year 2005.

Thank you for requesting our input in these facility related issues that so critically impact our operations. If you have any operational questions please do not hesitate to contact Captain Morris, on 224-4161.

Very Respectfully,

TERRANCE W. GAINER,  
*Chief of Police.*

#### FISCAL YEAR 2004 SPENDING LEVELS

Mr. HANTMAN. Our goal, Mr. Chairman, would be to maintain a steady state of operations at the same level as fiscal year 2004, providing essential services, as expected, levels of safety and security throughout the Capitol complex. Our new capital projects requested by our clients, which are valid and important needs, would have to be deferred, if we, in fact, were left at the fiscal year 2004 level.

Senator CAMPBELL. Okay. I interpret that to mean they are all high priorities?

Mr. HANTMAN. All of them, sir.

Senator CAMPBELL. I understand that you have unobligated funds from last year and prior years. Can we reprogram any of those unobligated funds to projects planned for fiscal year 2005?

Mr. HANTMAN. We do have a large balance of unobligated funds, as you mentioned. This includes a number of long-term projects, some of them being built in phases, some of them allocated towards the Power Plant, towards the CVC. But there are several parts of that unobligated balance that could be reprogrammed and reused, assuming that they would be replenished in future years.

For instance, there is some \$63 million to purchase the Alternate Computer Facility. If we wanted to continue renting for a period of time, that might be a possibility. There is \$16 million in unobligated funds for the National Audio-Visual Conservation Center. That is the Government's share of the funding that is being provided by the Packard Foundation. If that were replenished in a timely way to give that money towards that project, that might potentially be used.

We do have other large unobligated balances for security, and for the Cheltenham training facility, all of these issues. But there would be things we certainly could talk to for possible reprogramming, if, in fact, they were replenished in a timely way.

Senator CAMPBELL. We have given you an awful lot of work to do. Should we consider perhaps a 1-year moratorium in on any new projects?

Mr. HANTMAN. Mr. Chairman, we have effectively, in our budget preparation timeframe, pretty well scrubbed—we essentially incorporated a moratorium within the AOC for our basic projects, already. When our superintendents came to us with their requests, we basically said we are going to have—and I think you referred to it in your comments—about an 18 percent increase in cost of living, in life-safety projects, and the cost of utilities. We have absorbed that within our total budget amounts.

By doing that, by absorbing that 18 percent, we essentially already cut back on capital projects that we were trying to achieve within our fiscal year 2004 levels. So, we have started doing that already, sir. But as you have indicated, we certainly do have a very significant workload, and we are trying to work through that.

## CAPITOL POWER PLANT

Senator CAMPBELL. Okay. Thank you. You also mentioned the Capitol Power Plant. Eighty-two million dollars has been provided in the last several years for that. What is the status of the project? I did not remember hearing if it is on time or on budget.

Mr. HANTMAN. We are definitely on budget. That project is proceeding well. There have been delays. The delays are the same issues that we faced on the Visitor Center: weather-related delays, utility-related delays; about 120 days, to account for that.

But one of the things that we are doing, because the east plant—the east refrigeration plant is in such poor shape right now and that is, of course, why you have granted us the ability to expand the west refrigeration plant and upgrade it, is we are taking two 3,000-ton chiller units and putting them temporarily in the east refrigeration plant; so that we can, in fact, make sure that we meet all the requirements for heating and cooling at the Capitol.

Those two refrigeration units will be moved into the west plant as we move ahead. So, the fact that we are behind schedule should not impact the operation and supply of utilities to the facilities themselves; and if we want to buy back some of that lost time, it would be fairly expensive. So, we think that the solution of having these temporary machines put into the existing east plant, moving them over is the more financially appropriate way to proceed.

Senator CAMPBELL. Okay. Thank you. Senator Durbin, I will yield to you for some questions.

## CAPITOL VISITOR CENTER MANAGEMENT

Senator DURBIN. Thank you very much, Mr. Hantman. We thank you and your staff for being here today, and I want to particularly thank Matt Evans, the landscape architect, for his cooperation and work with our staff on the Rain Garden project, which we talked about last year. They are giving me good reports and I thank all of you for your work in that regard.

I would like to make a statement for the record that there have been some suggestions that the Capitol Visitor Center needs a new bureaucracy, that we need to create a new office to manage the Capitol Visitor Center. I think that is a very bad idea. I think the Capitol Visitor Center should be administered by your office. There may be a particular element that requires someone on your staff to be assigned to that. But to make that a separate operation, as someone suggested, I just think adds another layer of bureaucracy and confusion that is expensive and unnecessary.

## WORKER SAFETY

I would like to ask you about a few things that have been recurring topics. One was worker safety. Several years ago, the reports were not too good in terms of workers' compensation and injuries on the job. We brought in some people to give some advice on that. What is the status today?

Mr. HANTMAN. Senator Durbin, I think with your impetus and the help with this committee, we have really addressed that tremendously. As you probably recall, we essentially had the worst safety record in the Government at that point, something like 17.3

percent injury rate per year. We have cut that down tremendously with a very active life-safety program going on; and every year, we continue to make more progress on that.

As of now, again, since the year 2000, we have cut down 56 percent in terms of the injury rates. We are down to 7.9 percent, which puts us approximately in the middle of Federal governmental agencies. Again, given the fact that we are largely a blue-collar, shop-oriented organization, that is saying an awful lot compared to some of the white-collar oriented groups. But I share your concerns. I continue to make this a very high priority and make sure that all of our people have the right protective gear, and that they have training.

We are about to initiate a new program, in fact, where we have all of our supervisors and front-line people with new buttons that they have to put on and wear in the field every day to assure that they recognize that safety is one of our highest priorities, and that they talk to their people about it on a day-to-day basis. So it is very active, a lot of good movement, and we still have a ways to go.

#### RECYCLING PROGRAM

Senator DURBIN. On the recycling program, it is my understanding that there were 90 offices that were involved in the recycling program.

What are we doing to encourage offices to enroll in the recycling program?

Mr. HANTMAN. We have a dedicated team, Senator, that goes, essentially, to visit every committee as well as every Member's office. As you know, this is a voluntary program. We do encourage it. We encourage it also by making it as simple as possible to recycle.

One of the recommendations from the outside consultants, that we had brought in on this, was the fact that we combine the mixed paper and the high-grade paper together so that we do not have two separate bins at the desk for people to use. It makes it easier for them. Hopefully, the education process we are using, that says please do not drop your lunch into the recycling bins, because that gives us essentially bales and bales of material that cannot be recycled and effectively used.

We have essentially cut back almost to a zero percent rejection by our vendors, because the amount of garbage that has gone into these bales has been cut down to such a great extent. So, we are making an awful lot of progress on that. Again, your support has been critical to that.

#### PROJECT TIMELINES

Senator DURBIN. I did a little research—or my staff did, about how long it takes to do things. I asked them, how long did it take to build the Dirksen building. It turns out it was 3 years and 9 months. How long did it take to build the Hart Senate Office Building? It turns out it was 6 years and 8 months, 80 months compared to 45 months. The reason I asked that was because I have been watching the progress on the north end of the Dirksen building restroom remodeling. I can remember the exact day that the remodeling started. It was Halloween. So some 6 months ago, we started remodeling the bathroom.

I remembered what happened on the south end. It seemed like 1 year. Was it?

Mr. HANTMAN. I would have to check on the timeframe, Senator. Senator DURBIN. Who monitors that, to make certain that things are actually being done each day, and that they are on schedule.

Mr. HANTMAN. Our superintendent of the Senate office buildings and his staff monitor those projects internally. I will check immediately on what the issues are on that specific area.

Senator DURBIN. Could I suggest that the Architect put up a sign where they announce that the restroom was closed, construction began October 31, 2003, as kind of an incentive to maybe complete it? Now, I have had kitchen remodeling and things, and I know that it goes on, and on, and on; but it just seems like an extraordinarily long time to remodel a bathroom. Six months. I know that they are doing it several floors at a time but, if you could look into that, I would appreciate that very much.

Mr. HANTMAN. I absolutely will.  
[The information follows:]

#### DIRKSEN BATHROOM REMODELING

*Question.* Why is it taking so long to remodel the bathrooms at the North end of the Dirksen building? Is it possible to place a sign depicting when work commenced as an incentive for completion?

*Answer.* The Dirksen Bathroom Renovation is proceeding on schedule and on budget. The duration of this project is a function of many constraints, specifically, hazardous materials abatement, constrained working environment and restricted work hours. Hazardous materials abatement requires the construction of containment areas to ensure environmental and OSHA compliance while limiting specific trades progress. The physical size of the space restricts the amount of manpower which can safely work at any one time thus extending the critical path of the project. Finally while working in an occupied building a significant number of activities are limited to night work to minimize disruption to the clients.

As of April 19, 2004, the Senate Superintendents Office replaced the existing signs with signs that included the project start date and completion date.

#### SENATOR OFFICE BUILDING ENTRANCES

Senator DURBIN. Let me ask you about the entrance ways. You made reference to them. There are times when employees come to work or there are large groups of visitors, when people are standing outside, waiting to get in to go through security, sometimes in bad weather. Are there any design changes that you are considering to accommodate that possibility, where people might be out in the rain, or the snow, or cold weather, or heat, that are visiting our buildings?

Mr. HANTMAN. We do have a plan at the Russell Senate Office Building on Delaware Avenue, just to the north of the major steps entering that building. We have a project in place to build a larger vestibule outside the face of that building, where people can be screened outside of the structural framework of the building itself, so if an incident does occur, it will be less damaging to the building itself.

This will facilitate the ability of people in a very tight entrance to be able to come in and back up a bit. That would be the major entrance for ADA, as well as a security perspective.

Senator DURBIN. And that is for the other buildings, Hart, Dirksen?

Mr. HANTMAN. The first—this was the first pilot project. We wanted to do this first. We were looking at the possibility of doing Dirksen on the D Street side, as well as taking a look—Hart already has the canopy out on the Second Street side. But Dirksen would be the next.

#### CVC COST TO COMPLETE

Senator DURBIN. With regard to the Capitol Visitor Center, do you believe the current estimated cost of completion, \$351.3 million, is accurate?

Mr. HANTMAN. These are the dollars that we have had come up. As you know, the original project budget was \$265 million. We had \$38 million added, after the 9/11 timeframe, and some \$48 million added to the project as the result of the General Accounting Office's analysis of the project to complete.

We believe that—we are working very diligently towards making sure that we can work within these budget guidelines. We are at a very delicate point in the project, Senator, which says that our second major contractor, which is Manhattan Corporation, is just about to come on-site. The integration of the 3,000 elements that have to be integrated between our first-phase contractor and our second-phase contractor are still being worked out in terms of their overall scheduling.

If we can get them together most effectively, and that is one of the reasons we brought on Bob Hixon as our executive on the project. People in the field need to coordinate this most effectively. It is a very tight budget and we are working very effectively towards trying to mitigate any claims and issues that the contractors may have, and we will have a better handle on that in the next several months.

#### CVC PROJECT MANAGEMENT

Senator DURBIN. When did you decide you needed a new person to manage the CVC project?

Mr. HANTMAN. There were a series of issues, Senator. One of the issues certainly was the fact that because of the weather-related delays, and the other site surprises that our sequence one contractor had, it became evident that we were going to have to have our sequence two contractor work side by side with them, as opposed to turning over the work at one point in time for the second firm to start.

When it became very clear that the integration of all of this work in the field would become even more critical, we recognized that further field support would be necessary. In fact, we asked Gilbane to bring on people who were less administrative but more field-oriented, so that we could coordinate the work.

#### RESTAURANT OPERATIONS

Senator DURBIN. Are you under any timetable or plan to privatize any of the restaurants in the Capitol complex?

Mr. HANTMAN. We have no plan to do that.  
[The information follows:]

## SENATE RESTAURANTS

In reference to my statement regarding privatization of the Senate restaurants I would like to clarify my response. My original response of "no" is correct, although ongoing deliberations with the Capitol Preservation Commission about dining facility operations in the Capitol Visitor Center has raised the issue of privatization. In fact, the consultants reviewing the proposed operations for the CVC have recommended privatization of the dining facilities to the Capitol Preservation Commission. In the context of a new contract for food service operations there have also been discussions of including options for potential inclusion of both the existing Senate and House Restaurants. If this decision is made in the future, I anticipate that it would include provisions for current restaurant employees.

## RETAIL SALES

Senator DURBIN. Can you tell me if there has been any idea of starting a retail sales operation at the Botanic Garden?

Mr. HANTMAN. We have been looking for some kind of authority to do that from the Joint Committee on the Library. As you know, the Botanic Garden, for purposes of security, was made part of the Capitol grounds, for the first time in the last year or so. We think that having a sales facility in the Botanic Garden makes an awful lot of sense. We do not have the authority to accept funds, to augment our income through such facilities but we would like to have that, pretty much as the Library of Congress has.

Senator DURBIN. I understand that there may be some gift shops in the Capitol Visitor Center. Is that correct?

Mr. HANTMAN. There will be gift shops. In fact, the committee that Ms. Reynolds referred to before, the Capitol Preservation Commission, is looking at how that will be operated, who will operate the gift shop, what kind of organizational structure, that you referred to, would be put in place to manage it. That has not been settled yet.

## CVC EXHIBITS

Senator DURBIN. One of the other things that I have talked to a number of Members about, and there seems to be interest in, is perhaps in the Capitol Visitor Center, creating a new opportunity for the States to honor some person. Statuary Hall, with the two statues from most States, generally date to heroes and heroines of a long time ago. There are some notable exceptions to what I just said. But in my State's case, it goes back to quite a few years. I was wondering if we could work with you to try to set up the situation where it might not involve a statue or plaque, where States could, again, at their own expense, honor a more contemporary person from each State in that new Capitol Visitor Center.

Mr. HANTMAN. I would be more than happy to work on that with you, Senator, and your staff. One of the things we have been looking at, by the way, is, as you are aware, there is a great hall, a major space in the Capitol Visitor Center. We have been talking at the Capitol Preservation Commission meetings about the possibility of moving some existing statues from the Capitol Building into the Visitor Center, to give it a sense of scale, a sense of tradition, to tie it into the Capitol Building itself.

As you are aware, for the first time in the history of the Capitol, one of the States recalled a statue of one of their people. This was Kansas. They recalled Governor Glick and put in a statue of Gen-

eral Eisenhower, which now stands in our Capitol Rotunda. We have been getting several other suggestions from states and indications that they want to recall statues, and bring in Amelia Earhart, or other people, from their States that might, in fact, give us a better sense of the diversity and history that our country has.

So, we do have room in the Capitol Visitor Center for statues; and clearly, some of them are not very well displayed in the Capitol Building at this point in time. They are kind of tucked into corners and not paid the kind of respect that they—

Senator DURBIN. Well, there is some talk in Illinois about Michael Jordan, but I do not know if that would be the honoree.

I will just wait and see. I will let somebody else make that decision.

#### CAPITOL FENCE

The last thing I would like to weigh in on is the great fence around the Capitol, like the Great Wall of China. Can you tell me where you stand on the great fence proposal?

Mr. HANTMAN. Well, clearly, I sat here, Senator, last week, along with the Capitol Police Board and Chief Gainer on that. I think that both of you gentlemen spoke eloquently to the need to balance security and openness. It is not an easy question.

The Capitol Police Board has certainly given the freedom, and the police should be taking the freedom, to bring recommendations and concerns to the police board and take a look at all the options that are on the table. That is, in effect, what the Chief was doing.

There has been no formal movement on that. It has been an issue that has been on the table, as you know, for a generation at this point in time. So, we continue to look at all the alternatives that the Chief presents to us and try to determine what needs to be recommended to the Congress. But no official movement has been made on that.

Senator DURBIN. My concern is then, and I share the feelings of the chairman, that I just do not think that this ought to be something that we push forward unless we are shown that it is absolutely the only alternative. But it seems like the belt-and-suspenders approach, having put in all these bollards to deal with traffic, and then to establish a perimeter fence, and keep traffic away from the bollards. I am not quite sure what the thinking is there. But I will keep an open mind, because we want everyone to be safe in the Capitol complex; but from an aesthetic viewpoint, I think it would be a disaster.

Thank you for your testimony.

#### SENATE RECYCLING

Mr. HANTMAN. My staff just slipped me a note, sir, and it indicates that the Senate Appropriations Committee does recycle. I will be happy to provide you with additional information on that.

[The information follows:]

#### RECYCLING

*Question.* Does the Senate Appropriations Committee participate in the recycling program?

Answer. The Appropriations Committee was provided with recycling bins, instruction and training to implement the new combined paper recycling program on March 12, 2004 and they are currently participating in the program.

#### CLOSING STATEMENT

Senator CAMPBELL. Mr. Hantman, I have several other questions I am going to submit in writing, if you would get the answers back to the committee. I have one that is not really an important question but just to settle it in my own mind, if you would. You talked about the fire alarms in your testimony, new fire alarms being put in the building some years ago. I have been in the same office for the last 12 years, over in the beautiful older building, the Russell. I love it over there. I never wanted to move from there, in fact. I have one of those old offices that has a fireplace, and there have been logs in that fireplace for 12 years, and I have been dying to light them up. Do those things work?

Mr. HANTMAN. There is always a balance, Mr. Chairman, between the need for fire security and in fact, as you are probably aware, there have been an awful lot of requests in the Capitol Building itself for activating fireplaces, which sometimes have had ducts run through them, or wiring run through them over the past number of years. We kind of look at that as a one-on-one type of situation. Clearly fireplaces, especially when you have alarm systems in the building, are not wonderful.

#### ADDITIONAL COMMITTEE QUESTIONS

Senator CAMPBELL. No, not a good thing. Okay. I guess I will have to leave the Senate then never having been able to use that fireplace. But I will have to live with that.

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

#### QUESTIONS SUBMITTED BY SENATOR BEN NIGHORSE CAMPBELL

##### CAPITOL VISITOR CENTER

*Question.* What is the status of the Capitol Visitor Center?

Answer. Overall, Sequence 1 is approximately 60 percent complete and Sequence 2 is underway—with 10 percent of the value of their fabrication work underway—largely of stone.

Significant progress has been made throughout the CVC site. Specifically, the roof deck now covers the entire western half of the project area and most of it has been waterproofed. Crews have begun placing the topping slab on the north side of the site and we will begin setting granite pavers on the deck in May.

Our project team continues to integrate the schedules of Sequence 1 and Sequence 2 contractors and we are reconciling a number of issues. Gilbane has added resources in the areas of management, change resolution, scope-gap identification and engineering support. As a result of these partnering efforts, we have seen tangible progress and results.

Most importantly, we are on track to meet the requirements to support the inauguration in January 2005 and to complete and open the Visitor Center in spring 2006. The overall base project budget stands at \$351.3 million. This amount includes the \$265 million appropriated for the core CVC space and the shell for House and Senate expansion space; \$38.5 million for additional security enhancements funded after September 11, 2001; and \$47.8 million to accommodate higher than expected bids, additional changes in scope and design due to unforeseen site conditions and weather impacts, and the management and construction costs associated with the scope and design changes, as well as contingency funds. Additionally, \$70 million has been appropriated for the build-out of the House and Senate expansion spaces. An issue we are currently working through is the significant increase in

steel prices which might impact portions of the work that have not yet been procured.

*Question.* What are the most significant problems you have experienced in this project to date?

Answer. Any project that requires a massive excavation has the potential to encounter unforeseen conditions, and our project, has been no exception. During our preconstruction effort, before actual site excavation began, we encountered many difficulties during our utility relocation effort. Every utility line running through our project footprint had to be relocated and, more often than not, the drawings that were available to us, some dating back to the early 1900s, were inaccurate and unreliable. The utility relocation effort took months longer than expected.

Another significant problem arose after the events of September 11, which prompted a full project design review. While the general layout of the facility did not change, we were required to provide for more robust mechanical systems, which in turn, required some structural changes. Increased on-site security also made delivery of materials more challenging.

Most problematic was that at the height of our excavation process in January 2003, we endured the second wettest year on record for this region. It is very difficult to move heavy equipment in the mud, it is difficult to excavate, and the material becomes undesirable as backfill at other project sites. Further, crews cannot erect steel in the rain and they cannot weld, so structural work was also hampered. On top of the persistent wet weather, we lost several days due to heavy snowfall and several more days preparing, and then restoring the site, after Hurricane Isabel.

Finally, we also experienced unforeseen conditions during the main excavation of the site. One example is the discovery of an old well approximately 40 feet below the original House wing, directly in the path of our perimeter wall. To clear the path for our perimeter wall, the large stones around the well had to be crushed and removed and a stable base for our perimeter wall had to be established. In short, what should have taken one week to place three perimeter wall panels in that location took close to eight weeks.

*Question.* What are the biggest challenges ahead of you?

Answer. Our most significant challenge is coordination between the Sequence 1 and Sequence 2 contractors. There remain more than 3,000 project line items to be accomplished between the two contractors and these activities need to be closely coordinated and sequenced so that work can be accomplished efficiently and expeditiously.

Also, there is still a potential for unforeseen site conditions related to excavation of the Library of Congress tunnel and our main utility tunnel down East Capitol Street, which could result in schedule delays. Other unknowns related to changes in scope, changes in the security environment (such as those that occurred after September 11), severe weather conditions, or other external factors could present further challenges.

*Question.* Are you confident you will be able to complete the project within the funds appropriated to date?

Answer. The CVC budget is very tight, but barring any significant unexpected site conditions, scope changes, or other unknown issues, we will continue to work diligently to stay within the available funding. Once the Sequence 2 contractor begins working on the site, this will be much easier to gauge. Until now, most Sequence 2 work has been preparatory in nature as the contractor waits for space to be turned over by the Sequence 1 contractor.

*Question.* The western half of the plaza is to be sufficiently complete to support 2005 inaugural activities. Are you confident you will meet this critical milestone?

Answer. Yes. The western half of the plaza from the large skylights to the face of the Capitol, from the House Steps to the Senate Steps, will have a completed roof deck covered by granite pavers. This portion of the plaza will be able to accommodate pedestrian and vehicular traffic, including the presidential motorcade, and if necessary, support the landing of Marine One. Presently, we are placing the top slab on the plaza on the north side of the roof deck and we expect to see stone masons placing the first of 200,000 granite paving stones in May.

Since last year, the CVC project team has had discussions with Capitol Preservation Commission staff and senior staff of the Senate Rule Committee regarding the requirements and expectations for the January 2005 Inauguration ceremony.

*Question.* You have recently changed the management team of the CVC. Can you explain how the new team will change the way the project is managed?

Answer. I would characterize the recent personnel changes, in particular, the additions of Messrs. Bob Hixon and Gary Lee from GSA to the AOC, as well as the addition of a new construction manager by Gilbane, not so much as a change in

management approach, but more as a strengthening of the management team with greater “in-the-field” experience, made necessary by the intensive coordination efforts that are required to closely integrate the Sequence 1 and Sequence 2 activity schedules.

Bob Hixon has provided knowledgeable advice and assistance to me informally for several years while GSA has been actively working with the AOC on the procurement side of the CVC project. As Director of the Center for Construction and Project Management at GSA, Mr. Hixon has been responsible for GSA’s Construction Excellence Program, bringing the highest possible standards of construction management to a portfolio of more than 160 projects worth more than \$5 billion. Mr. Hixon joined the AOC effective March 7, 2004, and has assumed responsibility for the project. He has begun conducting an in-progress review of the construction management of the CVC, including recommending changes and best practices to be followed in the construction management area involving both the Sequence 1 and 2 contracts.

*Question.* You have requested 51 CVC-related staff in your budget request. Are all of these staff really needed in fiscal year 2005 if the facility will not open until 2006? Will any of the 16 FTE authorized for the current year be utilized?

*Answer.* Many options related to the startup of the operations of the CVC are still being considered. These numbers are based on the best information available provided by the J.M. Zell Company, the operations startup contractor, working with the Capitol Preservation Commission. Once the decision regarding how and by whom the CVC will be operated, some refinements may be appropriate. The Capitol Preservation Commission requested that, in the interim, we submit this request in our budget.

Ten of eleven currently authorized FTEs are working on project management and other directly related tasks for the CVC and one position is currently vacant. The remaining 5 FTEs are not being utilized in the current year. We have requested that the funding to support these FTEs be reprogrammed to fund other activities within the project.

#### CAPITAL IMPROVEMENT PLAN

*Question.* Several years ago this Committee directed AOC to develop a master plan for the Capitol complex as the existing master plan is nearly 25 years old. What is the status of the master plan? What is your Capital Improvement Plan and how does it relate to the Master Plan? What are the most significant construction requirements we can expect will emerge from this planning process? Do you have any estimate of how much funding might be required for maintenance and repair projects over the next 5 years?

*Answer.* In the fiscal year 2004 budget, \$4.2 million was appropriated for the development of the Capitol Complex Master Plan. We have narrowed the list of prospective architectural engineering firms to four, and have conducted extensive interviews with these firms. A final selection is expected to be made in May, after which we will undertake a negotiation with that firm. Contract award and project kick-off are scheduled for July. The draft Master Plan will be ready for review by the Committees in 2006.

The Capitol Complex Master Plan provides the umbrella provisions and guidance under which all project planning and land use will occur over the next 20 years, and therefore is a critical prerequisite to a fully functional Capital Improvements Plan (CIP). The Master Plan will identify major capital projects that are needed whereas our ongoing Condition Assessments focus exclusively on projects needed to maintain our existing facilities and include smaller projects falling below the Line Item Construction Program (LICP) threshold (currently \$250,000). Together, they will be the basis for our future CIPs.

The CIP describes how the Master Plan can be implemented through a series of achievable planning and programming steps. It presents an achievable Capital Plan by identifying the projects necessary to satisfy the goals and objectives of the Master Plan. The CIP implements the Master Plan in that all known and valid projects are evaluated against established criteria in the following five categories: Safety, [Physical] Security, Preservation, Impact on Mission, and Economics (Cost payback, savings). The inclusion of projects in future CIPs will be based on a more detailed development and analysis of projects’ requirements, identification of prerequisites, development of appropriate sequencing, and establishment of priorities. This will be a principal basis for assignment of projects to a specific fiscal year LICP. As the Master Plan and the condition assessment are completed, subsequent CIPs are likely to reflect some changes in project identification.

We are still in the process of developing our CIP. Until such time as our condition assessment and Capitol Complex Master Plan are completed, we will not be able

to give the Committee a total list of projects nor a cost associated with these projects. However, based on the current draft CIP, the Dome restoration project, additional elevator modernization, the Fairchild and GPO build-out, high voltage switchgear, logistics warehouse facility, campus-wide roof repairs, and the Library's storage modules at Fort Meade and the Copyright Deposit Facility are among the list of significant construction projects for the next five years.

#### CONDITION ASSESSMENTS

*Question.* AOC planned to award building condition assessment (BCAs) contracts to assess the House and Senate Office buildings and the Capitol in 2003. Since these BCAs are an integral part of the Capitol Hill master plan (expected to be issued in April 2006), what is the current status of these BCA efforts?

*Answer.* The Building Condition Assessment (BCA) contract for the Capitol, House and Senate Office Buildings was awarded on February 26, 2004. BCAs are planned for other jurisdictions as well. The AOC will begin receiving information from the current BCAs in July 2004—in time to potentially include projects in the fiscal year 2006 LICP, if an urgent undertaking is needed. If not urgent, identified projects will be included in subsequent fiscal year LICPs, as appropriate. Completion of the BCAs for the House and Senate is scheduled for September 2004. Upon review, BCA information will be available to the Congress soon thereafter. The timing of the BCAs is such that they will appropriately feed into the Capitol Complex Master Plan.

#### PROJECT MANAGEMENT

*Question.* One of the major areas cited by the General Accounting Office as needing improvement within the AOC in its 2003 management review was project management. How is project management being handled differently today in an effort to deliver projects on time and within budget?

*Answer.* Project management has instituted significant positive changes in the last year. These changes include: strengthening and modifying the perimeter security project team to increase its effectiveness; establishing project priorities; developing a simplified project summary reporting method that continues to be refined to assure it provides required information in a concise manner; conducting a workload analysis; holding staff meetings and monthly Planning, Coordination and Scheduling (PS&C) meetings to discuss relevant project issues and encourage teamwork. In addition, there has been an increased emphasis on use of established procedures, such as best practices. The roles of the Contractor Officer Technical Representative (COTR) and their interaction with project managers have been clarified, and there is greater cooperation between the Procurement, Architecture, Engineering and Construction Divisions due to increased management oversight. We have determined core competencies for project managers and we have developed contract modification management procedures.

#### CUSTOMER SERVICE

*Question.* AOC has identified improving customer service as an important goal. What strategies are being developed to become more responsive to customer complaints and improve building conditions and cleanliness?

*Answer.* The Senate Superintendent's Office is implementing a number of initiatives to proactively address customer complaints and improve customer service. In the past year, we have initiated meetings with all Senate office managers and Committee chief clerks to provide information on the services provided by the Superintendents Office, project status, and points of contact for programs such as ergonomics and ADA issues, as well as personally address and resolve specific issues with clients. This effort has proved successful as the Senate Superintendents Office realized an 11 percent increase in pro-activity as seen in the annual Buildings Services Customer Satisfaction Survey.

In addition, we have initiated our Annual Business Planning effort with a focus on client service, performance management, and bench marking. Through execution of the business plan our responsiveness rating increased 8 percent. While these initiatives have been productive, we continue to strive to improve our responsiveness to clients' needs. Current initiatives include the implementation of the Senate Superintendent's web site which provides a direct link to the Superintendent's Office, instant feedback on work order status, an on-line furniture catalog, building information alerts, and project status updates. Client surveys will be generated automatically and sent to clients upon completion of a work order to obtain instant feedback regarding quality and timeliness of service. This survey data will be analyzed and action plans developed to address common themes and bridge gaps in service.

With regard to building cleanliness, the annual Buildings Services Customer Satisfaction Survey indicated a 13 percent increase in satisfaction with the cleanliness of Member suites. This is a direct result of the implementation of the quality assurance program which requires custodial staff to follow comprehensive cleaning checklists, integrates management quality inspections, and establishes clear lines of accountability. This year the program has been expanded to include the public restrooms and integrated into a performance based contract for cleaning and policing of public areas and restrooms. We also have intensified our focus on daily inspections of public areas and restrooms. Through this inspection process we quickly assign the resources necessary to address building "hot spots." The Senate Superintendent's Office is currently analyzing the floor care program and researching best practices and modern equipment to provide world class maintenance for the various floor surfaces in the Senate Office Buildings.

With regard to building conditions, the recent award of the Facility Conditions Assessment contract will provide a comprehensive assessment of the condition of buildings structures and systems, a 10-year prioritized plan to address deficiencies, and a complete inventory and bar coding of systems to complete our current Preventative Maintenance initiative. Use of this information will ensure the strategic care of the facilities and world class preventative maintenance resulting in improved building conditions and performance.

Concurrent with our improvement initiatives, we are promoting a culture of customer service within our workforce through the use of implementation tools, best practices, accountability, and employee recognition.

#### MANAGEMENT IMPROVEMENTS

*Question.* In order to improve management of the agency, the fiscal year 2003 legislative branch bill language was included establishing a Chief Operating Officer position, and requiring the development of a strategic plan. Now that AOC's strategic plan has been finalized by the agency's Chief Operating Officer and he has submitted an action plan as mandated, what changes can we expect to see in AOC's management approach and priorities? What milestones have been established to help the COO and AOC track progress in the development of its strategic management and accountability framework?

*Answer.* The AOC is following the actions identified and published in its Annual Performance Plan and the COO Action Plan as the foundation for its organizational business priorities. Specific milestones are published as a part of the Annual Performance Plan and the COO Action Plan.

The Strategic Plan is linked to more detailed, functional planning through the AOC Performance Plan. The Performance Plan outlines the specific actions and milestones planned to achieve our goals. In order to track progress implementing AOC's strategic initiatives, the COO has instituted a monthly management reporting requirement. To ensure that the Strategic Plan is a living document, the Senior Leadership Team uses the monthly reports to continually assess the Agency's strategic priorities and make adjustments as needed. The Architect, COO, and the Senior Leadership Team hosted its first quarterly management review of AOC's newly published Strategic and Performance plans with the Agency's Management Council.

*Question.* Performance measures are also important to help an agency manage its progress in achieving its goals, what is the status of the development of AOC's specific performance measures and how are they being used to manage the agency? Some areas that AOC designated in its strategic plan as performance measures to be developed are: client satisfaction, employee satisfaction, on-time projects, on-budget projects, project quality, facility maintenance, asset preservation, employee safety, clean audit, recycling, budget execution.

*Answer.* While many of the jurisdictions track measures that are specific to their daily work, AOC does not currently have an Agency-wide approach to collecting and analyzing this data as it relates to the Strategic Plan. Over the course of the year, AOC will be developing a process for cascading the high-level measures identified in the Strategic Plan down and across the organization. Once that work is completed, AOC will develop a systematic approach to tracking results using the measures.

Since 2002, the AOC has conducted an annual Building Services Customer Satisfaction Survey among occupants of the Capitol, the House and Senate Office buildings, and the Library of Congress buildings. Last year occupants of the U.S. Capitol Police Headquarters were also invited to participate. This year the scope will be expanded to include Supreme Court building occupants. Respondents are asked to indicate their satisfaction level regarding 61 areas that cover services provided by the AOC that range from the effectiveness of the Office of the Superintendent to the

maintenance of sidewalks. Questionnaires are tailored to each jurisdiction so customers are asked only about services relevant to them. AOC jurisdictions integrate customer input in the annual business plans and use survey results to draw specific action plans. For 2004, the survey period is June 1–20.

Jurisdictions have been implementing a web-based on-going customer satisfaction survey to assess customers' satisfaction with the on-demand work order process, from task request to work completion. This effort is now being implemented in the House and Senate jurisdictions. Other jurisdictions will follow as they establish websites.

The AOC is assessing the satisfaction of its internal customers with provided services through focused surveys. The Architecture, Engineering, and Project Management Divisions and the Safety, Fire, and Environmental Programs Office have surveyed their internal customers, and are taking actions based on the results. The Human Resources Management Division will issue its survey next summer. Other AOC organizations will join this effort in a coordinated manner to ensure that action plans are drawn to respond to internal customers' input. We also will be conducting an AOC-wide employee focus group survey later this year.

*Question.* In his action plan, the Chief Operating Officer (COO) states that he has established a Senior Leadership Team to help lead AOC's transformation and he also envisions a flatter organizational structure to facilitate decision making in a more timely manner. What have been the results of this new structure?

*Answer.* A new organizational structure was proposed for Committee review as part of our fiscal year 2005 budget submission. We have been piloting the new structure and find it has streamlined decision making and more clearly delineates Senior Leadership lines of authority and responsibility. Unless directed otherwise, with the approval of the fiscal year 2005 budget, we will implement an organizational structure that will assist us in clarifying lines of supervision and communication throughout the AOC.

*Question.* One of the Architect's and COO's priorities is improving communication with employees and stakeholders. What efforts are being made to communicate agency progress and project status with stakeholders? What is being done to obtain input from employees? How will this information be used to help better manage the agency?

*Answer.* The Architect and the COO have been holding periodic meetings with stakeholders and have been meeting with employees as part of their daily business meetings or at special functions within the jurisdictions. We also have a number of employee workgroups and committees that provide program and operational information and input to Agency management. In addition, we are planning to complete an AOC employee survey later this year. The input from these sources assists management in the evaluation of Agency policies, programs, priorities and overall business operations. Employees also make valuable suggestions for changes/improvements in business processes and delivery of services.

The AOC recognizes that communication is a powerful tool to affect change, educate, and empower employees by helping to deploy AOC's strategic goals throughout the organization.

To effectively reach our audiences and develop the Agency's message, we have crafted a Communications Plan to establish regular processes, forums, and mechanisms for employee communication, which are aligned with efforts to obtain and respond to employee feedback and other outreach efforts to external audiences.

Through the publication of the employee newsletter, "Shop Talk", and distribution of the electronic newsletter, "AOC This Week", and postings on the AOC Intranet site, messages are frequently communicated with employees regarding project status, program and policies changes, and safety messages.

AOC uses a variety of creative vehicles to communicate internally since our employees work different shifts in many buildings across the Capitol complex, and not everyone has ready access to electronic tools such as e-mail and voicemail.

Part of the communication loop is to receive feedback from employees. We are doing so by the use of surveys, town meetings, and focus groups regarding specific areas. For example, in January we conducted an Agency-wide survey asking employees about their perceptions, opinions, and attitudes about safety. The response rate to the survey was 62 percent when typically these surveys receive a 30 percent response rate.

This input is used to develop and enhance our safety communications efforts, identify deficiencies in training, and establish programs to reward employees for jobs well done.

Externally, the AOC is stepping up efforts to communicate with Members of Congress, their staffs, community leaders, and visitors through a variety of vehicles. The strategy for communicating with these audiences involves the use of personal

mailings; reports; briefings; testimony; press releases; stakeholder surveys, and meetings. In addition, a quarterly newsletter from the Architect to Members of Congress reporting on major projects has been developed.

Methods for communicating with other external audiences such as the visiting public; dignitaries; Capitol Hill community; Federal government agencies; architects and engineers; historians; vendors; and the media include: postings/stories on the AOC Internet site—www.AOC.gov; public meetings; press releases; media interviews; news stories; speeches; Capitol seminars; targeted mailings; scholarly articles; trade shows; and small meetings.

*Question.* Please describe the significant accomplishments to date completed as a result of AOC's three financial management action plans. What is the status of AOC's first financial statement audit? How is AOC leveraging the financial statement preparation and audit processes to improve financial control and accountability?

*Answer.* We made significant strides in meeting each of our strategic financial management objectives. For example, we established an Audit Committee; we produced our first financial statements and initiated a Congressionally-mandated financial statement audit; and we compiled values for all Capitol Hill real property. We also completed our first external reporting via FACTS I and FACTS II; developed written accounting policies and procedures; improved our major consumable inventory process and measurement techniques; and streamlined critical accounting functions.

According to John Webster, CFO of the Library of Congress (LOC) and an AOC Audit Committee member, the AOC accomplished in two years achievements that took the LOC seven years to accomplish.

In 2003, we accomplished the following:

- Drafted and implemented the Audit Committee charter and recruited highly-qualified and respected independent Audit Committee members.
- Within two years of establishing an integrated trial balance, we produced full sets of comparative, OMB-compliant, financial statements and instituted year-end procedures to record all adjustments and accruals and closed within 10 days of the end of fiscal year 2003.
- Wrote the Statement of Work and performed all necessary administrative functions to award a five-year audit contract of our first financial statement audit of AOC balance sheets.
- Researched and resolved issue regarding ownership of Capitol Hill real property and directed massive effort to properly identify, classify, and value all AOC land, buildings, software, construction work-in-progress, and personal property.
- Implemented fixed asset module by converting all manual property records into electronic asset tracking records and reconciling to manual data and developed written policies and procedures for capitalization of assets and construction work-in-progress.
- Produced comprehensive written accounting policies and procedures for the first time and devised new accounting procedures to accommodate MIPR imputed funding and various reimbursable projects in accordance with appropriations law.
- Managed a major effort to resolve long-outstanding Fund Balance with Treasury issues. The un-reconciled balance is now zero. We also installed new processes for accurately measuring and reporting liabilities on the AOC balance sheet never previously considered.
- Completed 18 months of negotiations with OMB and Treasury regarding proper accounting treatment for the Thurgood Marshall Federal Judiciary Building and also obtained Auditor concurrence of the transactions and valuation.
- Communicated regularly with GAO, GSA, OMB, and Treasury staff to improve AOC processes at every level.
- Improved the accuracy rate of the AOC inventory from the 2002 rate of 54 percent to 83 percent for 2003. This represents a one year improvement of more than 50 percent.
- During fiscal year 2003, no complaints were received, either internally or externally, and on average we processed and paid more than 1,000 invoices totaling more than \$25 million per month, accurately and on time, in support of the AOC's mission.
- Took decisive action to correct deficiencies in credit card processing and controls.
- Issued AOC Funds Control Administration Order which establishes procedures to improve internal controls and integrated program planning, budgeting, and financial control processes. It places control of financial resources at appropriate

management level and provides for documented Delegation of Authority down through the management chain to operating officials.

- Produced internal fiscal guidance for budget execution establishing obligation goals.
- Developed Agency tracking procedures for bill and report directives which establishes responsibility and monitoring, sets timelines for completion, and provides for quarterly status updates.
- Hired Business Financial Analysts (BFAs) in several jurisdictions to provide hands-on financial direction and guidance in the field, as well as acting as a liaison between the AOC Budget Office and the jurisdiction.

The AOC is undergoing its first financial audit. We expect to conclude the audit by June 30 and receive the auditor's opinion in July. This performance tracks with the experience of other agencies undergoing their first audit. The accomplishments listed are examples of how we leveraged the financial statement preparation and audit process to improve financial control and accountability.

*Question.* GAO's January 2004 status report on AOC's implementation of management review recommendations states that the hiring of the first group of financial managers in AOC's various operating jurisdictions is underway. What benefits have resulted from these increases in staffing?

*Answer.* Business Financial Analysts (BFAs) have been hired to provide day-to-day financial procedures, support, and advice for programs, projects, and activities at the jurisdictional level while supporting the Jurisdiction Account Holder's financial objectives. Some of the readily identifiable benefits that have resulted and that are in process include:

- Produced a Zero Based Budget Review of Facilities Maintenance and personnel for the Senate and House Office Buildings that was included as a supplement to the fiscal year 2005 Budget Submission to Congress.
- Working directly with the jurisdiction to develop and streamline procedures using best business practices to meet Agency obligation goals.
- Provides guidance and advice on fiscal policy, procedures, and regulations to all levels of staff within the jurisdiction.
- Establishing a method to accurately track and monitor FTEs including Construction Management project labor at the jurisdiction level.
- Forecasting material and equipment expenditures against current budget amounts.
- Closing out completed projects funded in prior years and preparing documents to move any remaining available funding.
- Streamlining day-to-day procurement procedures at the jurisdiction level.
- Tracking and documenting final invoices in order to monitor unliquidated obligations and deobligate funds that are no longer valid to enable execution of the funding for other purposes within the program as appropriate and within re-programming guidelines.
- Provides financial guidance to field personnel entering financial documents in the Financial Management System (FMS).
- Developed a process in the jurisdiction to track funding reallocations within program groups or activities.
- Designing a program to track reimbursable collections and spending at the Capitol Power Plant.
- Comparing historical spending data to current spending to identify trends.

*Question.* In its January 2004 status report, GAO indicates that the use of interim dates by AOC for monitoring progress on individual financial management action items would be beneficial because many completion dates are not scheduled until fiscal years 2006 and 2007. Has AOC begun to use interim dates for monitoring progress? If so, please provide examples.

*Answer.* The financial management actions items have been updated to incorporate additional interim action items. The current CFO action items with status are provided for the record.

March 2004 Report															
AOC Strategic Objective 4.4 - Objective Owner - Edgar Bennett															
Institutionalize financial management best practices that support the effective delivery of programs and services.															
Action Plan	Milestone Date	Revised Date	FY04				FY05				STATUS as of March 15, 2004				
			01	02	03	04	01	02	03	04	Start Date	Completion Date	Percent Complete	Comments/Issue	
Action Plan Owner: Tim Macdonald															
Action Plan 4.4.1: Build a foundation of financial control and accountability.															
Leverage audit resources and the financial statement audit process to be able to issue auditable financial statements.											On Target	03/1/02	10/1/08	5%	This is an ongoing task that will extend well beyond just the first clean audit opinion that we receive on our financial statements.
Milestone: Issue FY03 auditable financial statements.	03/31/04	06/15/04	◆								On Target	10/01/03	06/15/04	80%	This is our first ever audit of the AOC. Our original target was not met because some of basic assumptions concerning the valuation of Property, Plant and Equipment turned out to not be true.
Milestone: Unqualified audit opinion on the FY05 financial statements.	04/30/06										On Target	10/01/03	04/30/06	10%	Achieving this milestone is extremely dependent on the FY03 Audit milestone. If a disclaimer results from the FY03 audit, this milestone will slip to FY06. In addition, Cost accounting and links between Budget and the Performance plan are prerequisites.
<b>Financial Reporting</b>															
Develop the processes and procedures necessary for developing financial reports for major programs and/or business segments											On Target	09/30/02	03/30/05	5%	We have been implementing the processes and policies necessary to prepare financial statements since 2002. Significant progress has been made and quarterly program financial reports are now produced. However critical definitions of the programs to be tracked and the cost to be allocated still need to be completed.
Implement processes and procedures necessary for developing financial reports for major programs and/or business segments											On Target	10/01/04	03/30/05	5%	A cost allocation process is one of the issues we will be seeking expert financial advice on with our new contract vehicle depending on funds availability. We should have this ready by the beginning of FY05.
Milestone: Issue first annual financial report for major programs and/or business segments for FY04	03/30/05										On Target	10/01/02	03/30/05	5%	Through our quarterly reporting process we are gaining the level of experience necessary to complete this task.
<b>Internal Controls</b>															
Develop an approach for assessing and improving agency internal controls over finance-related efficiency measures											On Target	10/01/03	09/30/04	10%	Our Audit Committee has emphasized the importance of implementing an AOC-wide internal control plan. We are studying the model in use at the LOC.
Implement approach for assessing and improving agency internal controls over finance related efficiency measures											On Target	10/01/04	09/30/05	5%	This implementation will be worked through a contract vehicle that has recently been put in place.
Milestone: Issue policy statement on internal controls	09/30/04							◆			On Target	04/15/04	09/30/04	10%	We are in close to awarding a contract for financial management software and services. The sale of the software is the first step the Order on Funds control Administration has been signed.
<b>Inventory Control</b>															
Establish inventory management & control procedures to ensure accurate and useful information											On Target	04/01/02	02/01/06	15%	This is an ongoing task. We are implementing our new Inventory Policy. During FY03 we have begun the standard inventory control practice known as ABC Inventory. We have also started distributing monthly inventory reports on the CFO's Intranet site.

March 2004 Report														
AOC Strategic Objective 4.4 - Objective Owner - Edgar Bennett														
Institutionalize financial management best practices that support the effective delivery of programs and services.														
Action Plan	Milestone Date	Revised Date	FY04				FY05				Completion Date	Comment/Issue		
			01	02	03	04	01	02	03	04				
Implement inventory management & control procedures to ensure accurate and useful information	FY05									On Target	04/01/02	02/01/06	5%	Steady progress is being made as noted above.
Milestone: Implementation of new inventory control system	02/01/05									On Target	10/01/03	02/01/05	7%	Implementation of MRO Maximo Asset Management System is in process and on target for Feb 2005 implementation.
<b>Financial Performance Reports</b> Develop the processes and procedures necessary for developing financial performance reports for major programs and/or business segments.	FY06									On Target	11/01/04	09/30/06	5%	A contract was awarded for financial management advice and assistance. This is one of the tasks of that contract.
Implement processes and procedures necessary for developing financial performance reports for major programs and/or business segments.	FY07									On Target	11/01/05	09/30/07	0%	Future Task.
Milestone: Issue first annual financial performance report for major programs and/or business segments	09/30/08									On Target	11/01/07	09/30/08	0%	Future Task.
<b>Budget</b> Develop accurate operating and capital budget requests and ensure plans prepared to properly evaluate execution of programs.										On Target	04/01/02	01/15/07	20%	The Budget development is making incremental changes and working lessons learned to improve the budget call, cost estimates, timing of requests and understanding of the direction of the overnight committees.
Milestone: Budget submission is well justified and in line with Client, Committee and AOC goals.	09/30/07									On Target	04/01/02	09/30/07	1%	On-going process to improve budget submissions each year.
<b>Action Plan 4.4.2: Assess the financial management organization's current role in meeting mission objectives &amp; organize financial management to add value.</b> Action Plan Owner: Tim Macdonald														
AOC's Office of the Chief Financial Officer (OCFO) revises its internal Operating Plan										On Target	02/15/04	09/30/04	10%	OCFO has a draft plan that needs to be updated. We have a new contract for financial management advice and assistance. This is one of the tasks of that contract to update the draft.
Milestone: AOC's Office of the Chief Financial Officer (OCFO) releases its internal Operating Plan	09/30/04									On Target	02/15/04	09/30/04	10%	OCFO has a draft plan that needs to be updated. We have a new contract for financial management advice and assistance. This is one of the tasks of that contract to update the draft.
OCFO develops long-term workforce strategy to ensure financial managers have the skills to analyze financial data										On Target	02/15/00	09/30/05	5%	OCFO has a core competency matrix that needs to be updated for AOC.
Implement long-term workforce strategy to ensure financial managers have the skills to analyze financial data	FY05									On Target	06/01/04	09/30/05	0%	This task will be worked after the competency matrix has been worked longer.

March 2004 Report															
AOC Strategic Objective 4.4 - Objective Owner - Edgar Bennett															
Institutionalize financial management best practices that support the effective delivery of programs and services.															
Action Plan	Milestone Date	Revised Date	FY04				FY05				Status	Start Date	Completion Date	Comments/Issues	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
Milestone: OCFO issues long-term workforce strategy to ensure financial managers have the skills to analyze financial data	09/30/05										On Target	06/15/04	09/30/05	0%	CFO has a draft competency model that needs to be updated. We have a new contract for financial management advice and assistance. This is one of the tasks of that contract to update the CFO.
OCFO identifies high-volume processes or transactions that do not directly support AOC's mission											On Target	09/30/02	09/30/05	5%	CFO has already initiated improvements on training forms, travel forms, inventory, and funds movement documents. Efforts are on going in looking at bill payment improvements and 62 tracking.
OCFO benchmarks processes against industry leaders and other federal agencies											On Target	06/01/04	09/30/05	0%	CFO will have contract support do a comparison look at a later date.
Milestone: OCFO issues Benchmark Report	09/30/05										On Target	04/15/05	09/30/05	0%	Future Task.
OCFO Eliminates, streamlines, or reengineers costly, inefficient processes	FY06										On Target	09/30/02	09/30/06	5%	Future Task. CFO has already initiated some improvements.
Action Plan 4.4.3: Improve forward looking analysis, train managers in understanding how to use financial information, and improve the partnership between financial management and operations.															
OCFO establishes the expectation and procedures for conducting annual program reviews											On Target	01/01/03	09/30/04	50%	First annual review conducted in SB and HB for program group Facilities Maintenance as part of the FY 2005 budget submission. Questions released to all jurisdictions on a zero based review. Still need work to get common understanding across. AOC CFO has put forth the requirement for a project by project review by the seniors.
Implement procedures for conducting annual program reviews											On Target	10/01/04	06/30/05	0%	Future task.
AOC integrates its financial & operating systems and equips decision-makers with relevant information & tools to perform ad hoc analysis											On Target	10/01/98	ongoing	ongoing	This is an ongoing process. Maximo CAFM integration analysis to be performed in August 2004. PIC and FMS have been integrated for 2004 projects. Implemented Monthly Management Level Status of Funds report. Implemented monthly overtime hours report. Implemented inventory statistics report.
Milestone: First annual program review conducted	09/30/04										Complete	01/01/03	06/01/03	100%	Completed. See FY2005 budget supplemental submitted to Appropriations Committee
Managers trained on how to use financial information to improve operational planning and decision-making											Complete	01/01/03	02/15/04	100%	Completed. Managers trained in Appropriations Law.

March 2004 Report													
AOC Strategic Objective 4.4 - Objective Owner - Edgar Bennett													
Institutionalize financial management best practices that support the effective delivery of programs and services.													
Action Plan	Milestone Date	Reviewed Date	FY04			FY05			Status	Start Date	Completion Date	STATUS as of March 15, 2004	
			Q1	Q2	Q3	Q4	Q1	Q2				Percent Complete	Comments/Issue
Milestone: OCFO provides initial letters of authority to properly trained managers authorizing them to conduct various financial activities	09/30/04							◆	Complete	01/01/03	12/31/03	100%	CFO has signed out letters of authority. This will be an ongoing program that will be updated as personnel change.
<b>Cost Accounting</b>													
Identify desired results and determine basic approach for performing cost accounting at the AOC	FY05								Ahead of scheduled	02/01/04	09/30/05	20%	In process - Contractor (Bradson) performing initial analysis. Feasibility Report was due to Approp committees on 4/1/04.
Issue report basic approach and desired results for performing cost accounting at the AOC	09/30/05								On Target	04/01/05	09/30/05	0%	Future task
Perform detailed analysis and recommendation for performing cost accounting at the AOC. Identify system/procedural changes required to implement approach	FY06								On Target	10/01/05	09/30/06	0%	Future Task
Issue report of analysis, recommendations, and system/procedural changes required to implement and performing cost accounting at the AOC	09/30/06								On Target	10/01/05	09/30/06	0%	Future Task
Implement procedural and system changes required to begin capturing data required for cost accounting	FY07								On Target	10/01/06	09/30/07	0%	Future task
Procedure and System changes in place	09/30/07								On Target	10/01/06	09/30/07	0%	Future Task
Configure, test and implement the Cost Allocation module in FMS to meet the desired results	FY07								On Target	10/01/06	09/30/07	0%	Future Task
FMS Cost Allocation module in place	10/31/07								On Target	10/01/07	10/31/07	0%	Future task
Processes developed to involve key program/business managers in driving financial improvements									On Target	01/01/03	09/30/06	35%	BFA's are now with CVC, Supreme Court, CPP, SB, HB, CMD and security projects are reviewing applications for BFA's now. CB and LOC requests did not make the FY05 budget review process. BFA's for BG, CP, and CG still being reviewed - programs may be too small to warrant.
Implement processes to involve key program/business managers in driving financial improvements	FY08								On Target	01/01/03	09/30/06	10%	Funds Control Administration Order has been signed. With delegation of authority the initial step in implementing processes is underway.

March 2004 Report														
AOC Strategic Objective 4.4 - Objective Owner - Edgar Bennett														
Institutionalize financial management best practices that support the effective delivery of programs and services.														
Action Plan	Milestone Due	Revised Date	FY04				FY05				STATUS as of March 15, 2004			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Start Date	Completion Date	Percent Complete	Comments/Issue
Milestone: Business Finance Managers in Jurisdictions	09/30/06										01/01/03	09/30/06	35%	BFA's are now with CVG, Supreme Court, CPP, SB, HB, CHD and other agencies. Applications for BFAs now. CB and LOC requests did not make the FY05 budget review process. BFAs for BG, CP, and CG still being reviewed - programs may be too small to warrant.
Financial management system stabilized and major release held for the entire FY07											10/01/03	09/30/07	8%	Upgrade to Momentum release 5.1 scheduled for 7/30/04. Implementation of Contracting module scheduled for 11/1/04. Upgrade to Momentum release 6.0 tentatively scheduled for 2/1/05. Implementation of inventory system scheduled for 2/1/05.
Milestone: Long-term operating plan developed	08/30/07										10/01/03	09/30/07	5%	Future Task. Annual operating plans are currently issued. We are still working as an Agency to meet annual budget submissions. The goal is to have a POM type process to have a future look. The CIP process has started this but still needs work. The FTE management piece will happen after decisions on FTE management are resolved and are working.
<b>Other Issues of Concern:</b>														

## INFORMATION TECHNOLOGY PROJECT MANAGEMENT

*Question.* AOC had identified a software package that would produce a unified schedule and show staff resources that would allow it to better manage its projects. Has AOC obtained such a capability? If so how is it working?

*Answer.* This software package has been received from the supplier and the workstation components have been loaded on 2 personal computers. The preparation of the work “templates” is currently being developed to tie the software to AOC processes for projects. The vendor representatives are scheduled to configure the server portion of the software along with assisting us in refining use practices/definitions.

## WORKER SAFETY

*Question.* Efforts to improve worker safety and create a world class occupational health and safety program will require full involvement and cooperation from jurisdictions—what steps has AOC taken to solicit buy-in from the jurisdictions and to hold jurisdictions accountable for their responsibilities in helping to transform AOC’s occupational health and safety program? Besides injuries and illness rates, what other key measures are you using to assess your overall performance in moving towards a culture of safety at the AOC?

*Answer.* The AOC has involved key jurisdiction personnel in developing safety policy requirements, identifying resource requirements, and establishing goals and planning documents. In addition, ad-hoc working groups comprised of central office safety staff and jurisdiction staff have been utilized to examine specific issues and develop recommended solutions.

For each safety policy, a jurisdiction is assigned to serve as lead. As a policy is developed, central safety staff and the safety specialist from the lead jurisdiction provide input into the policy’s requirements. The draft policy is then distributed to various central and jurisdictional personnel for review; this includes safety professionals, management, Jurisdiction Occupational Safety & Health Committee (JOSH) representatives, and union representatives. Each comment submitted is addressed and documented, with the final draft submitted to Senior Policy Committee for review and approval.

The AOC has also drafted an Occupational Safety & Health Program Plan (OSHPP) to guide the Agency through the policy implementation process and undertake other safety-related initiatives. The initial goals and objectives were developed during a Senior Leadership Safety Workshop facilitated by DuPont Safety Resources. This was used as the framework for drafting the OSHPP. Further development of the OSHPP included a review and input process similar to the one followed for policy development.

Ad-hoc working groups and steering teams have been used to focus on specific issues and provide recommendations to management. Some of the issues these groups have addressed include: assessing workload impacts of implementing and maintaining safety policies, reviewing safety training requirements, and developing a safety communications plan.

Accountability for the jurisdictions begins with a clear delineation of responsibilities in each of the safety policies and the OSHPP. Software—such as the Facility Management Assistant (FMA) used to track safety inspection findings, and the Incident Analysis Module (IAM) used to investigate injuries—provides the AOC with tools to monitor progress on improving safety and providing feedback on performance. For individual employees, the AOC’s Performance Communication and Evaluation System includes safety as one of the four performance evaluation criteria for non-supervisory employees, and as one of five criteria for supervisors and managers. In a similar manner, performance requirements for exempt personnel are addressed by the AOC’s Performance Review Plan, which includes safety as one of five performance evaluation criteria.

While injury and illness statistics have served as a key indicator of safety performance for the AOC—with our rate dropping from 17.90 in fiscal year 2000 to 7.91 in fiscal year 2003—it is not the only measurement used. The OSHPP establishes a number of performance milestones against which success is measured.

## INFORMATION TECHNOLOGY

*Question.* AOC has developed version 1 of its existing and target enterprise architectures and a transition plan to move the agency to the target. What steps is AOC taking to ensure that proposed systems and systems under development will be aligned with the agency’s architecture?

Answer. The AOC/OIRM Business Systems Modernization Office (BSMO) has established procedures to ensure that new IT proposals are aligned with the AOC's Enterprise Architecture (EA). All proposals for new technologies are presented in a business case format to BSMO for review and approval. No project can be initiated or funded without approval.

For projects under development, BSMO periodically reviews them in the capacity of the Project Management Board to ensure they remain in alignment with the architecture as well as meet project milestones.

BSMO operates under the guidelines of our Information Technology investment management process of which alignment with the EA is a critical piece.

Annual reviews of the architecture are scheduled and releases of the baseline EA, target EA and sequencing plan follow such reviews. This is another way in which BSMO reviews systems in development and in operation and assesses their continued alignment with the AOC's target EA.

*Question.* AOC contracted for a new information technology system life-cycle methodology, due for delivery on January 31, 2004, and planned a two-month pilot to refine the methodology for implementation as an agency-wide standard by March 31, 2004. Was the methodology delivered, and did AOC conduct the planned pilot? Has the methodology been implemented as an agency standard, and how many projects are now being managed using the new methodology?

Answer. Systems Development Life Cycle (SDLC) guidelines and procedures were delivered on schedule on January 31, 2004. The methodology is aligned with the Capability Maturity Model Integrated (CMMI) as recommended by GAO in their latest audit findings. The SDLC guidelines address configuration management, risk management, requirements management, acquisition management, test management, and quality assurance throughout the life cycle of a project from inception to implementation.

A pilot was conducted from February 1 to March 31, 2004, with projects for facilities management systems, web-based systems, hardware acquisitions, and information technology (IT) support systems. The guidelines were revised based on lessons learned during this pilot.

The methodology was implemented on April 1, 2004, and the guidelines are now available Agency-wide on the AOC intranet. Quality Assurance oversight procedures are being implemented to ensure that projects are managed in accordance with these established guidelines. These procedures will include audits to determine if proper procedures are being used and supporting documentation is present, as well as document review, management systems review, systems monitoring, data analysis, and participation in the deployment of new and modified systems.

Quality Assurance oversight procedures will determine the number of systems that are being managed using the new methodology. At this point, few projects other than the 10 that were piloted are currently using the methodology due to the brief time it has been available. This number is expected to increase over time to include all major projects within AOC as the methodology becomes institutionalized.

*Question.* AOC's plans include revising its comprehensive information technology security plan by June 2004 and then implementing the plan's elements. Currently, AOC plans to contract for an independent security audit of AOC systems by September 30, 2004. In the interim, what steps has AOC taken or does it plan to take to ensure the security of the agency's systems is not being compromised?

Answer. AOC's mission critical systems have already undergone two significant Information Technology Security audits. The first assessment was performed by a vendor contracted by AOC. They provided a "pre-audit" review to identify conditions within the AOC's information systems that would have resulted in findings during future compliancy audits. Forty-four findings resulted in the vendor's assessment. The vendor's findings were codified and incorporated into a risk mitigation plan.

The second assessment was a financial audit, performed by a vendor contracted by the AOC Inspector General. The financial auditors reviewed AOC's current security posture to include people, processes, and technology, as well as the previous 44 findings. The financial audit resulted in 20 additional findings.

OIRM developed a risk mitigation plan to address the 64 findings and any future findings. The 64 findings were incorporated into the Chief Information Security Officer's Plans of Action and Milestone schedule. The status of the Plans of Action and Milestone schedule is monitored by the OIRM Director. On a monthly basis, the Chief Information Security Officer and the OIRM Director report on the status to the Deputy Chief of Staff and the AOC Inspector General. To date, 93 percent of the 44 findings from the first assessment have been mitigated. Of the 20 findings that resulted from the financial audit, 50 percent have been mitigated. The Inspector General is seeking contractor support to independently verify and validate the work already performed to mitigate the 64 findings.

The AOC is in the process of selecting a vendor for the purpose of performing a risk assessment on the applications currently in production. Where the previous risk assessments concentrated on IT infrastructure, policies, and processes, this third assessment will focus on mission critical and mission essential applications and databases. Any findings that result from the next round of assessments will be incorporated into the Chief Information Security Officer's Plans of Action and Milestone program and the mitigation of the findings will be tracked accordingly.

The net effect of the financial audit and the two risk assessments will place the AOC in a better position for the upcoming external audit in September 2004. It also ensures that the security of the Agency's systems are not compromised in the interim. We have a plan in place to identify risk and to effectively mitigate those risks in a determined and positive direction.

#### CONCLUSION OF HEARINGS

Senator CAMPBELL. Thank you for your testimony. I appreciate your being here.

Mr. HANTMAN. Thank you.

Senator CAMPBELL. With that, the hearing is recessed.

[Whereupon, at 11:55 a.m., Thursday, April 8, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]



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