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**PREPARED STATEMENT BEFORE THE
SUBCOMMITTEE ON LEGISLATIVE
APPROPRIATIONS
COMMITTEE ON APPROPRIATIONS
U.S. SENATE
ON
APPROPRIATIONS REQUEST FOR FISCAL YEAR
2001**

TUESDAY, FEBRUARY 22, 2000
9:30 A.M.
ROOM 116, DIRKSEN SENATE OFFICE BUILDING

Mr. Chairman and Members of the Subcommittee, I am pleased to be here to present the appropriations request of the Government Printing Office (GPO) for FY 2001.

FY 2001 APPROPRIATIONS REQUEST

For FY 2001, we are requesting a total of \$121,251,000. The request includes \$80,800,000 for the annual Congressional Printing and Binding Appropriation and \$34,451,000 for the annual Salaries and Expenses Appropriation of the Superintendent of Documents. It also includes \$6,000,000 for GPO's revolving fund, to remain available until expended, for extraordinary expenses associated with the replacement of our air-conditioning system.

The Congressional Printing and Binding Appropriation is critical to the maintenance and operation of our in-plant capacity, which is structured to serve Congress's information product needs. This appropriation covers the costs of congressional printing such as the Congressional Record, bills, reports, hearings, documents, and other products. Each year, a substantial volume of this work is requisitioned. In FY 1999, more than 800 million copy pages of congressional products were produced at an average cost of about 7.4 cents per page, inclusive of all prepress work, printing, binding, and delivery. This appropriation also covers database preparation work on congressional publications disseminated online via GPO Access, our Internet information service.

The majority of the Superintendent of Documents Salaries and Expenses Appropriation is for the Federal Depository Library Program (FDLP). While some of the funding for this program is for salaries and benefits, most is for printing and disseminating publications (including publications in CD-ROM and online formats) to depository libraries. This appropriation also covers other statutory distribution responsibilities, such as cataloging and indexing and international exchange distribution of U.S. Government publications, and provides the majority of funding for the operation of GPO Access. GPO's other major distribution functions, the sales program and agency distribution services, are funded by revenues earned and receive no appropriated funds.

CONGRESSIONAL PRINTING AND BINDING APPROPRIATION

The items covered by our request of \$80,800,000 for the Congressional Printing and Binding Appropriation are as follows:

Category	Estimated Requirement
Committee Hearings	\$ 17.8 million
Congressional Record (including the online Record, the Index, and the bound Record)	\$ 16.9 million
Miscellaneous Printing and Binding (including letterheads, envelopes, blank paper, and other products)	\$ 15.8 million
Bills, Resolutions, Amendments	\$ 10.3 million
Miscellaneous Publications (including Congressional, Directory and serial sets)	\$ 6.8 million
Committee Reports	\$ 4.1 million
Documents	\$ 2.2 million
Committee Prints	\$ 1.8 million
Details to Congress	\$ 2.3 million
Business and Committee Calendars	\$ 1.8 million
Document Envelopes and Franks	\$ 1.0 million
TOTAL	\$ 80.8 million

Part of the increase in our request over the current year is due to changes in product prices. Price increases are anticipated to increase our funding requirements by \$2,283,000 over the current year base, due to the increased costs of employee compensation and benefits (based on existing wage contracts), utilities, maintenance, materials, and supplies.

The majority of the increase in our request is due to projected workload, or volume, increases. An increase of \$5,220,000 over the current year base is required due to anticipated workload increases, based on historical trend data. Most of this increase, or \$2,880,000, is projected for miscellaneous publications due primarily to the reprinting of the U.S. Code, which is done every six years under the provisions of Title 1, U.S.C., section 202. In addition, there is an increase of \$1,045,000 in miscellaneous printing and binding to provide for the restoration of projected workload to a level requisite to meet historical demands. Based on historical data, we also project increased workloads for bills, resolutions, and amendments, hearings, committee reports, documents, details to Congress, and committee prints. A partially offsetting workload reduction is projected for business and committee calendars. While these estimates are based on historical factors and represent our best estimates as to the projected workload for the first session of the 107th Congress, actual workload may vary.

SALARIES AND EXPENSES APPROPRIATION

The programs covered by our request of \$34,451,000 for the Salaries and Expenses Appropriation of the Superintendent of Documents are as follows:

Programs	Estimated Requirement
Federal Depository Library Program	\$ 29.8 million
Cataloging and Indexing Program	\$ 3.3 million
International Exchange Program	\$.9 million
By-Law Distribution Program	\$.5 million
TOTAL	\$ 34.5 million

Mandatory pay increases and price level changes represent \$926,000 of the total requested increase. Mandatory pay increases account for \$403,000 of this amount. We are requesting \$523,000 to cover price level changes calculated at the assumed rate of inflation for the year, or 2.1 percent.

A total of \$3,409,000 over the current year base is requested for workload changes, primarily for expenditures associated with the FDLP. Of this amount, \$1,624,000 is requested under miscellaneous services to fund expenses primarily associated with GPO Access operating and hardware costs, resulting from the continuing addition of new products and capacity to GPO Access as well as ensuring permanent public access to the FDLP electronic collection. A total of \$1,029,000 is requested under depository and international exchange printing to fund increases in depository printing expenses, as the result of the reprinting and distribution of the U.S. Code. An increase of \$582,000 is requested under personnel compensation and benefits to fund 5 additional depository library program positions (3 for GPO Access support, development, and new product outreach; 1 for library inspections; and 1 for FDLP electronic collection development), and 4 additional catalogers in the cataloging and indexing program. The balance of the requested workload increase, or \$214,000 less anticipated offsetting reductions of \$40,000 in travel and transportation costs, is for materials and supplies, primarily to support the continuing expansion of GPO Access.

We are also requesting an increase of \$244,000 in depreciation due to an increase in asset acquisitions, again primarily in support of GPO Access.

Transition to More Electronic Dissemination. The transition to a more electronic FDLP is continuing, as projected in the Study to Identify Measures Necessary for a Successful Transition to a More Electronic Federal Depository Library Program (June 1996), as required by Congress in the Legislative Appropriations Act for FY 1996. In FY 1999, 46 percent of the new titles made available were disseminated electronically. So far in FY 2000, 67 percent of the new titles available to the public through the FDLP have been online. Because of electronic information dissemination, the FDLP now delivers more products than ever before. In FY 1999, 70,340 new titles were disseminated through the FDLP. That was the second highest amount ever, and there is no end in sight to the potential program growth of electronic titles.

Status Report on GPO Access. We recently submitted the second Biennial Report to Congress on the Status of GPO Access, as required by section 4103 of Title 44, U.S.C. As the report notes, GPO Access now serves as one of the leading online sources of free, official Government information for the public. Its resources, covering all three branches of the Federal Government, provide public access to more than 104,000 titles on GPO servers and an additional 62,000 titles on Federal agency web sites. The public currently uses GPO Access to retrieve approximately 21 million Federal documents each month, and user feedback is highly positive. Moreover, the cost to operate this system has been significantly less than was originally projected. Overall, GPO Access has been a highly successful undertaking, and promises to continue serving as one of the public's primary sources for electronic access to Government information.

REVOLVING FUND

FY 1999 Performance. After two consecutive years of year-end net income, GPO completed FY 1999 with an under-recovery of \$5 million on \$765 million in total revenues, a margin of approximately six-tenths of one percent. The under-recovery was financed by retained earnings and did not place GPO in an anti-deficiency position or require additional appropriations.

The primary cause of the under-recovery was in our sales program, which is funded entirely by revenues earned on sales of publications. The free availability of publications on GPO Access and other Government web sites has contributed to reduced sales of printed products, although other factors, including reduced agency publishing and competition from other sales organizations, both public and private, are also contributory factors. We also experienced an under-recovery in our printing procurement program. We have made price adjustments in both programs to increase cost recovery in the future, and we are reviewing additional options to restore the sales program to a sound financial basis. During the year, an audit of GPO's financial reports and systems for FY 1998 was conducted by KPMG Peat Marwick, Inc., under contract with the General Accounting Office. The audit resulted in a clean opinion for GPO.

Air Conditioning System. Our appropriations submission includes a request for \$6,000,000 for the revolving fund, to be available until expended, to cover the cost of necessary improvements to GPO's air conditioning system, which is in critical need of replacement. Without a direct appropriation, financing this extraordinary capital expense through the revolving fund will require us to reimburse the fund through rate adjustments. As this expense is not directly related to the provision of printing and information product services, its impact on our rate structure will be detrimental to our ability to carry out our mission to provide cost-effective and economical products and services. The installation of our air conditioning system in the early 1970's was funded by direct appropriations to the revolving fund, and we request that this extraordinary cost be funded similarly. I note that the Senate included funding for this system last year and hope you do again for FY 2001.

FTE Level. We are requesting a statutory ceiling on employment of full-time equivalents (FTE's) of 3,285. This FTE level will allow us to hire for essential positions. GPO is now at its lowest employment point in the past century, principally due to our use of technology.

For the record, Mr. Chairman, I would like to state that with GPO's utilization of technology improvements, we have made major contributions to the reduction in total legislative branch employment since FY 1990. The Statistical Abstract of the United States 1999 reports that total legislative branch employment between FY 1990 and FY 1998 fell from 37,495 to 30,474, a decline of 7,021, or about 19 percent (table no. 566, p. 363). In the same period, total GPO employment declined from 5,049 to 3,435, a reduction of 1,614, or 32 percent. The reduction in GPO employment represented 23 percent of the total reduction in legislative branch employment during the FY 90-98 period, yet as of September 30, 1998, total GPO employment of 3,435 represented slightly more than 11 percent of overall legislative branch employment.

Y2K Preparedness. I am pleased to report that, under the leadership of Chairman Bennett, we managed the transition to the Year 2000 successfully, with no disruptions to the essential systems supporting Congress's information products. We worked with the Senate and the House of Representatives, as well as the GAO oversight team, to prepare for the transition, and staffed these systems on New Years Eve to monitor the transition.

GPO had 40 systems designated as mission-critical. Following New Years, we experienced minor roll-over anomalies in 3 of these systems, 2 of which support the Superintendent of Documents sales of publications program and one which supports the Federal Depository Library Program. However, each of these was repaired in a matter of hours with no adverse effect on GPO's customers or operations. An additional system, the Superintendent of Documents refund check processing system, which was not designated as mission-critical, experienced roll-over anomalies as a result of contractor failure to deliver a Y2K-compliant version before New Years. It subsequently underwent Y2K remediation in-house and is operational. These issues were reported to the GAO.

ADDITIONAL ISSUES

Legislative Changes. We are requesting two legislative changes to Title 44, U.S.C., as part of our appropriations submission.

We are requesting a change to section 303 of Title 44, regarding the pay of the Public Printer and the Deputy Public Printer, to maintain pay parity with other comparable legislative branch officials as well as appropriate comparability with senior congressional staff. We have provided information on this matter to our legislative oversight committees, although I note that changes in the pay levels for the Public Printer and Deputy Public Printer typically have been provided through the appropriations process, as they last were in the early 1990's.

We are also requesting a change in section 1708 of Title 44, regarding the pricing of sales publications, to provide us with greater flexibility in pricing documents for sale, including the setting of sales discounts at rates comparable to the private sector in order to attract greater commercial interest in the resale of Government publications. We are in the process of providing information on this change to our legislative oversight committees and will provide the same information to this Subcommittee.

Strategic Plan. At the request of the Chairman of the Joint Committee on Printing, we have prepared a strategic plan for GPO. It has been transmitted to the Joint Committee as well as to Members of this Subcommittee and the House Subcommittee on Legislative Appropriations, and to GPO's legislative oversight committees, the Senate Committee on Rules and Administration and the House Committee on House Administration.

The strategic plan charts our course for providing information reproduction and dissemination services to the Government and the public over the next five years, from FY 2001 to FY 2005. Although GPO is not covered by the Government Performance and Results Act, our plan has been designed, to the maximum extent possible, consistent with the requirements for strategic plans contained in that Act and in Office of Management and Budget Circular No. A-11, section 210, Preparation and Submission of Strategic Plans. We consulted with staff of the Joint Committee on Printing in the development of the plan.

From our perspective, GPO currently plays-and will continue to fulfill-the Government's leading role in the provision of information products and services. The 1998 management audit by Booz-Allen & Hamilton, Inc., found strong support in Congress for GPO's in-house production operations for congressional printing, "universal support" among executive branch agencies for GPO's printing procurement program, and strong support for the FDLP. In addition, the audit recommended that GPO make an increasing amount of government information available electronically, free of charge, over the Internet.

Our strategic plan is based on our assessment of the future of the Federal information product environment, an environment once dominated by traditional printing and information reproduction processes but now changing rapidly and forever from the impact of e-information technologies, especially the Internet. GPO is already a major player in this environment with GPO Access and related e-information capabilities. We will continue to fulfill a leadership role in the Government in the provision of innovative, efficient, and effective e-information products and services.

At the same time, GPO will continue to meet the ongoing needs of the Government and the public for information products and services in traditional formats. Over the next six years, the Government will produce more than \$1 billion annually in printing and reproduction services. Printing continues to serve as an effective safeguard for ensuring that those without access to computers can still use Government information, and for guaranteeing both the authenticity of official Government information as well as permanence. While we envision a gradual decline in GPO's size as the mix of electronic and traditional work we produce changes over time, maintaining a well-equipped and expertly staffed printing and dissemination capability for the foreseeable future will give us an important tool to manage this transition.

Audit Recommendations Status Report. Consistent with the requirement contained in House Report 105-734, accompanying H.R. 4112, the Legislative Branch Appropriations Act for Fiscal Year 1999, we have submitted the second annual report on the status of actions to implement the recommendations contained in the management audit of GPO, conducted in 1998 by Booz-Allen & Hamilton, Inc.

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Mr. Chairman and Members of the Subcommittee, this concludes my prepared statement. I would be pleased to answer any questions you may have.