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PUBLIC PRINTER

**PREPARED STATEMENT BEFORE THE
SUBCOMMITTEE ON LEGISLATIVE BRANCH
APPROPRIATIONS
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES
ON
GPO'S APPROPRIATIONS REQUEST FOR
FISCAL YEAR 2000**

WEDNESDAY, FEBRUARY 3, 1999

9:30 A.M.

ROOM H-144, THE CAPITOL

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 2000.

GPO's MISSION: KEEPING AMERICA INFORMED

A commitment to public access to Government information is deeply rooted in our system of Government. GPO is one of the most visible demonstrations of that commitment. For more than a century, our mission under the public printing and documents statutes of Title 44, U.S. Code, has been to fulfill the needs of the Federal Government for information products and to distribute those products to the public.

Formerly, GPO's mission was accomplished through the production and procurement of traditional printing technologies. However, a generation ago we began migrating our processes to electronic technologies, and in 1993 Congress amended Title 44 with the GPO Electronic Information Access Enhancement Act (P.L. 103-40), which requires us to disseminate Government information products online. This Act is the basis of GPO Access, our Internet information service.

Today, GPO is dedicated to producing, procuring, and disseminating Government information products in a wide range of formats-print, CD-ROM, and online. In GPO the Government has a unique asset that combines a comprehensive range of conventional production and electronic processing, procurement facilitation, and multi-format dissemination capabilities to support the information life cycle needs of Congress, Federal agencies, and the public:

- We provide print and electronic information products and services to Congress and Federal agencies through inplant processes and the purchase of information products from the private sector. For Congress, we maintain a capability to fully support the information product needs of the legislative process, working in close cooperation with leadership offices, committees, Members, and staffs in each Chamber.

- We disseminate Government information to the public in print and electronic formats through a low-priced sales program and a reimbursable program, and to Federal depository libraries nationwide where the information may be used by the public free of charge. We provide a number of ancillary dissemination services, including cataloging and indexing Government information products, distribution of Federal information under international exchange agreements, and distribution of Federal documents to recipients designated by law.
- We disseminate a massive volume of information online via the Internet with GPO Access. Between 10 million and 15 million documents are retrieved by the public every month using this system. We strongly support the increased dissemination of Government information in electronic formats, and GPO Access today is one of the leading Federal sites on the Internet. Our home page, at www.access.gpo.gov, provides free public access to more than 70 Federal databases from all three branches of the Government, a growing number of agency Government Information Locator Service (GILS) sites, and associated locator and Pathway aids.

Value of GPO Services.

GPO's value to Congress, Federal agencies, and the public is well established. Our programs reduce the need for duplicative production and procurement facilities throughout the Government. As multiple studies by the General Accounting Office, the Office of Technology Assessment, GPO's Inspector General, and others have shown, GPO achieves significant taxpayer savings through a centralized production and procurement system. Our dissemination programs represent the Government's most comprehensive and effective means for providing public access to Government information, which is increasingly valuable to all Americans in the Information Age.

We provide all of our services in a non-partisan, service-oriented environment that emphasizes the primacy of the customer's requirements for timeliness, quality, security, and economy. We are dedicated to achieving the greatest access and equity in information dissemination through printed publications, CD-ROM, and online information technologies. Our electronic and traditional technologies simultaneously enable us to facilitate the re-engineering of information products to satisfy the Government's changing information requirements, and to preserve and protect public access to Government information for all of our citizens.

Most importantly, GPO's skilled and dedicated employees have a bedrock commitment to serving Congress, Federal agencies, and the public. They demonstrated this once again during the production of the various publications associated with the report of independent counsel Kenneth Starr. These voluminous, high-profile publications were required by Congress under the very demanding circumstances of short turnaround time and tight security constraints. In each case, our employees were able to produce the documents within the required deadlines and provide public access in both print and electronic forms, all in record-breaking time, earning the praise of House Judiciary Committee Chairman Hyde. Under the close direction of the Appropriations Committees, we also produced the Omnibus Appropriations bill at the end of the 105th Congress under tight deadlines. GPO's performance demonstrated once again that our

employees have the skills and the ability to provide for Congress's information needs under virtually any circumstance. They are indeed our greatest and most valuable asset.

More than a century ago, Congress in its wisdom designed a system in GPO for keeping America informed. That system continues to serve a vital purpose today.

FY 2000 APPROPRIATIONS REQUEST

For FY 2000, we are requesting a total of \$128,459,000. The request includes \$82,214,000 for the annual Congressional Printing and Binding Appropriation and \$31,245,000 for the annual Salaries and Expenses Appropriation of the Superintendent of Documents. Our request also includes \$15,000,000 for GPO's revolving fund, to remain available until expended, for extraordinary expenses associated with the replacement of our air-conditioning systems, elevator renovation, and to ensure Year 2000 (Y2K) compliance in our computer systems. As our budget submission shows on pages I-2 and I-3, GPO's appropriations have remained relatively stable over the past decade while declining substantially in real purchasing power.

The Congressional Printing and Binding Appropriation is critical to the maintenance and operation of our inplant 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 1998, more than 1.3 billion copy pages of congressional products were produced at an average cost of about 5 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.

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 distributing 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 entirely by revenues earned and receive no appropriated funds.

CONGRESSIONAL PRINTING AND BINDING APPROPRIATION

The items covered by our request of \$82,214,000 for the Congressional Printing and Binding Appropriations are as follows:

Part of the increase in our appropriations request over the current year is due to changes in product prices. Price increases are anticipated to increase our funding requirements by \$1,899,000 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. We are continuing to work to minimize the impact of these costs.

The majority of the increase in our request, however, is due to projected workload, or volume, increases. An increase of \$5,850,000 over the current year base is required due to anticipated workload increases, based on historical trend data. After a period of reduced workload in the 105th Congress, we anticipate a return to workload levels more consistent with historical trends during the 106th Congress. Most of this increase (\$4,366,000) is projected for the Congressional Record program, including the daily Record, the bound Record, and the Record index. Historical data indicates an increase in Record pages in a second session year. Other increases are projected for bills, resolutions, and amendments; committee reports, miscellaneous printing and binding, business and committee calendars, documents, and committee prints. Partially offsetting workload reductions are projected for miscellaneous publications (since the Congressional Directory is printed in a first session year), details to Congress, and hearings. While these estimates are based on historical factors and represent our best estimates as to the projected workload for the first session of the 106th Congress, actual workload may vary.

Legislative Information Systems. We continue to participate with both the House and the Senate in the development of new legislative information systems that will expand the capability to create and utilize electronic information products in Congress and potentially reduce GPO's printing costs. One objective of these systems is the adoption of Standard Generalized Markup Language (SGML) to permit the submission of machine-readable keystrokes requiring less processing by GPO prior to final production. We are supporting initiatives in both Chambers to facilitate the sharing of information.

Computer-to-Plate Technology. We are acquiring state-of-the-art computer-to-plate (CTP) technology that will reduce costs, improve press-ready plate quality, and expedite the processing of prepress work on many congressional products, including the Congressional Record. The new systems are already in limited operation. CTP technology makes it possible to send electronic text and image files directly to automated platemaking devices, eliminating the need for film negatives and additional labor-intensive manual processes. The acquisition of this equipment means that GPO's prepress processes will be totally electronic from submission of the information to the creation of the offset plate. We are constantly monitoring industry for other technological improvements that can be used in GPO's operations.

SALARIES AND EXPENSES APPROPRIATION

The programs covered by our request of \$31,245,000 for the Salaries and Expenses Appropriation of the Superintendent of Documents are as follows:

Programs	Estimated Requirement
Federal Depository Library Program	\$ 26.8 million
Cataloging and Indexing Program	3.3 million
International Exchange Program	\$.6 million
By-Law Distribution Program	\$.5 million
TOTAL	\$ 31.2 million

Mandatory pay increases and price level changes represent \$842,000 of the requested increase of \$1,981,000. Mandatory pay increases account for \$358,000 of this amount. The majority of the increase, \$484,000, reflects price level changes calculated at the assumed rate of inflation for the year, or 2.3 percent.

FDLP Electronic Collection. A total of \$1,077,000 over the current year base is requested for workload changes, primarily for expenditures associated with managing the Federal Depository Library Program (FDLP) electronic collection. The collection consists of electronic sources that are within the scope of the FDLP and with which GPO has various levels of involvement: (1) core congressional and regulatory products that reside permanently on GPO servers; (2) other remotely accessible products managed by either GPO or by other institutions with which GPO has established formal partnership agreements; (3) remotely accessible electronic Government information products that GPO identifies, describes, and links to, but which remain under the control of the originating agencies; and (4) tangible electronic Government information products distributed to Federal depository libraries. The collection also has defined responsibilities for life cycle management of electronic Government information products to ensure permanent availability, as well as responsibilities for assisting users in locating information resources.

The collection already consists of over 140,000 electronic titles, including over 85,000 titles on GPO Access itself and almost 48,000 additional titles at agency sites that we link to through our electronic locator services. We are beginning to work with agencies, depository libraries, and other partners to ensure permanent access to these products so they can continue to be used by the public well into the future. Projected expenditures associated with this plan include increased server space and connection capacity for agency originated files that GPO archives; data conversion and migratory costs to prevent technological obsolescence; software to improve searching capabilities; and software to manage data archiving for electronic collection titles. We also anticipate personnel costs associated with a collection manager and reimbursement to Production areas for collection support.

An additional \$62,000 increase is required to fund depreciation arising from asset acquisitions, including the establishment of a training center for online access to Government information, new software for the Monthly Catalog of Government Publications, upgrades to the lighted bin system used for distributing publications to the libraries, and other improvements.

We are also requesting an increase in the statutory limitation on travel, from \$150,000 to \$175,000, due primarily to the increasing cost of travel. These funds cover travel by depository library inspectors to libraries around the Nation, travel by GPO staff to attend various library association conferences and meetings, travel of members of the Depository Library Council to Council meetings to serve in an advisory capacity to the Public Printer, and travel by GPO staff nationwide to provide training in the use of GPO Access.

FDLP Transition. The transition to a more electronic FDLP is continuing, as projected in 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. The development of the FDLP electronic collection concept is

an important element of that transition. Approximately 34 percent of all titles disseminated to depository libraries in FY 1998 were in electronic format.

REVOLVING FUND

FY 1998 Performance. After a period of net losses in the early 1990's, GPO completed a second consecutive year of positive bottom line results in FY 1998, generating net income of about \$1,000,000 on total revenues of approximately \$723,000,000. However, losses were sustained in our procurement and sales areas, and we are reviewing options to restore each of these programs to a sound financial basis. During the year, an audit of GPO's financial reports and systems was conducted by KPMG Peat Marwick, Inc., under contract with the General Accounting Office. The audit resulted once again in a clean opinion for GPO.

Infrastructure Costs. Our appropriations request includes a request for \$15,000,000 for the revolving fund, to be available until expended, to cover the cost of necessary improvements to GPO's infrastructure and systems. The request includes \$8,100,000 for reimbursement of extraordinary expenses required to ensure Y2K compliance (including equipment repairs, replacement, testing, and contingency planning); \$6,000,000 for our air conditioning system which is in critical need of replacement; and \$900,000 for necessary elevator renovation. Without a direct appropriation, financing these extraordinary capital expenses through the revolving fund will require us to reimburse the fund through rate adjustments. As these costs are not related to the direct provision of printing and information product services, their 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 1974 was funded by a direct appropriation to the revolving fund, and we request that these extraordinary costs be funded similarly.

FTE Level. We are requesting an increase in the statutory ceiling on employment of full-time equivalents (FTE's) to 3,550, the level established for FY 1998. GPO is now at its lowest employment point in this century. We have reduced employment levels by 33 percent over the past decade, and by more than 25 percent since 1993. Our employment levels are now dangerously low. Overtime utilization has increased by 11 percent in the past year. While we were able to perform the demands placed on us for production of the Starr report and Omnibus Appropriations bill materials, our ability to continue providing this level of service is being jeopardized by continued attrition and reductions in our FTE ceiling.

Due to the age of our workforce, we need to replace essential skills. For example, GPO's prepress area is an area with potentially critical staff shortages. The prepress area is essential to Congress—it is where the Congressional Record, bills, reports, hearings, and all other documents essential to the legislative process are assembled for timely delivery both in print and electronic formats. Critical staffing shortages in these areas threaten GPO's ability to perform its mission. In addition, our expanding electronic mission requires an infusion of new technical skills that are not readily available in-house.

Finally, we need additional staffing to fulfill the recommendations of the Booz-Allen & Hamilton, Inc., management audit of GPO conducted last year at the request of Congress. The

auditors said "[GPO's] Production [Department] must take aggressive action to adequately recruit, train, and retain staff in critical skill areas;" "GPO's information systems security program has been undermined by staff reductions and budget cuts;" GPO's Position Management Branch "lacks effective resources;" and that GPO's aging workforce "leaves the agency at risk of instability." It is becoming increasingly evident that GPO must place more emphasis on maintaining a highly skilled workforce of sufficient size to fulfill the demands placed upon it and to guard against sacrificing the future of the agency as we seek cost savings today. A restoration of our FTE ceiling to 3,550 will provide us with the flexibility we need to make important additions to our workforce.

RETIREMENT INCENTIVE AUTHORITY

The Legislative Branch Appropriation Act, 1999, provides authority for a "buyout" retirement incentive program for GPO. The Act requires GPO to submit a plan to the Joint Committee on Printing (JCP), or any applicable successor committees, by January 15, 1999. We sent a letter to the Chairman of the JCP by that date, stating that GPO will not offer a retirement incentive at this time based on the services required of us and our already reduced workforce. However, the letter also stated that, should this situation change and a retirement incentive is required within the 3-year period authorized by the legislation-particularly to avoid or minimize the need for involuntary separations-we will develop the requisite plan for the approval of the JCP or any applicable successor committee.

STATUS OF Y2K PREPAREDNESS

We have been working closely with the General Accounting Office (GAO), operating under the direction of the Chairman of the Senate Legislative Branch Appropriations Subcommittee, to prepare our computer systems for compliance with Y2K requirements. As stated in our most recent quarterly status report on Y2K preparedness, the software used in processing the Congressional Record was repaired, tested, and verified as Y2K compliant in February 1998. The hardware utilized for Record processing was tested and found to be Y2K compliant. A live system test of the Record and other congressional products will be conducted for Y2K-specific conditions in the presence of representatives from GAO and the legislative branch.

As of earlier this month, all of our mission-critical systems have been assessed, 90 percent have been renovated, and 78 percent have been validated and implemented. We are optimistic that our mission-critical applications will be Y2K-compliant by March 1999. A major concern remains the ongoing drain through attrition of information technology (IT) professionals from GPO who are assisting in the Y2K preparedness effort. We are looking to acquire contracting services for independent validation and verification to supplement the stretched resources of our in-house IT areas.

STATUS REPORT ON MANAGEMENT AUDIT RECOMMENDATIONS

As detailed in the report submitted with our FY 2000 appropriations justification, the Booz-Allen & Hamilton report, "Management Audit of the Government Printing Office" (May 21, 1998) contained 95 recommendations for action affecting 7 GPO areas: Overall (3); Marketing, Sales,

and Distribution (27); Procured Printing Services (8); In-Plant Production (13); Human Resources (24); Financial Management (12); and Information Technology (8). Implementation action in the various affected GPO areas has been classified according to "action planned," "action ongoing," "action completed," "action deferred," "action taken as needed," or "no action currently planned."

In formal comments on the Booz-Allen & Hamilton Management Audit, GPO stated that "GPO management is currently reviewing all of the recommendations and will take action to address them as it deems necessary." Of the 95 recommendations, action is being taken in a total of 71 cases: action is either planned (8 cases), ongoing (60 cases), or completed (3 cases). This means that GPO either plans to act, is currently acting, or has acted affirmatively on approximately 75 percent of the recommendations contained in the Booz-Allen & Hamilton, Inc., final report. These include recommendations on planning, program modernization, ensuring financial stability, promoting intra-agency communications, and improving information technology capabilities as well as ensuring preparedness for Y2K. Many of the recommendations for which action is "ongoing" are essentially open-ended and would not be expected to reach a formal "completion" stage.

On the remaining recommendations, action has been deferred in 3 cases; in 15 cases action will be taken as necessary; and in 7 cases no action is currently planned (on one recommendation under Sales, Marketing, and Distribution there have been two actions). The recommendations for which no action is currently planned include those to which we objected in our formal comments.

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