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**PUBLIC PRINTER  
PREPARED STATEMENT BEFORE THE**

**SUBCOMMITTEE ON LEGISLATIVE APPROPRIATIONS  
COMMITTEE ON APPROPRIATIONS  
HOUSE OF REPRESENTATIVES  
ON  
APPROPRIATIONS ESTIMATES FOR FISCAL YEAR 1996**

WEDNESDAY, FEBRUARY 22, 1995  
9:30 A.M.

Mr. Chairman and Members of the Subcommittee, I am pleased to present the funding requirements of the Government Printing Office (GPO) for FY 1996.

### **FY 1996 APPROPRIATIONS REQUEST**

For FY 1996, I am requesting \$121.9 million for those programs that require annual appropriations directly to GPO, and \$15.4 million for capital expenditures to improve GPO buildings over the next five years. While the total request of \$137.3 million is an increase of 13 percent over the funding approved for FY 1995, the increase is solely for building improvements due to environmental and safety requirements. The overall request for programs funded through GPO's two annual appropriations is the same level that was approved for the current year.

### **CONGRESSIONAL PRINTING AND BINDING APPROPRIATION**

GPO's FY 1996 request for the Congressional Printing and Binding Appropriation is \$91.6 million, an increase of \$1.9 million, or 2.1 percent, over the level approved for FY 1995. The increase is necessary due to the cost of pay raises, employee benefits, paper, and utilities over a five-year period. Paper prices have been increasing sharply as a result of world-wide supply and demand factors. Over the past nine months, the prices GPO pays for paper have increased an average of 57 percent.

Rate changes projected for FY 1996 vary by category of work. Factors affecting the rates include work procedures, labor and equipment efficiency, number of copies per page, and the cost of paper. The daily *Congressional Record* rate is projected to decline by about 8.5 percent due to increased input of electronic copy, upgrades in GPO's Electronic Photocomposition Division, and new and more efficient presses.

While GPO manages the personnel, equipment, and work processes necessary to provide printing and related services to Congress in support of the legislative process, it does not control the demand for congressional printing. GPO must respond to all congressional printing demand and

fulfill all congressional orders. Consequently, there have been occasions in the past when requirements exceeded the amounts appropriated, resulting in a budget shortfall. However, due to the unusually low volume of printing in FY 1994, \$8.5 million in FY 1994 funds was made available to completely pay off the prior year shortfall.

In FY 1996, Congressional volume is projected to increase, based on historical data. For example, an increase is expected in *Congressional Record* pages, which is typical in second sessions of Congress.

The improved management of GPO details to Congress continues to achieve significant cost savings. Over the past two years, total hours worked declined by 24 percent, resulting in a cost avoidance of about \$1.2 million. While some of this was due to reduced Congressional workload, it was also due to retirements, electronics, and improved procedures. Continued reductions in the hours worked are projected.

Full-text electronic data bases of the *Congressional Record*, congressional bills, and the *U.S. Code* are available through the [GPO Access](#) system. Eventually, all major congressional publications will be made available online. The *Congressional Record* is currently being transferred to Standard Generalized Markup Language (SGML) in order to facilitate improved electronic search and retrieval routines.

## **SALARIES AND EXPENSES APPROPRIATION**

The FY 1996 request for the Salaries and Expenses Appropriation of the Superintendent of Documents is \$30.3 million, a decrease of \$1.9 million, or 5.9 percent, from FY 1995. This request is sufficient to maintain our program responsibilities while also managing the transition to the appropriate use of electronic media. The request includes \$25.6 million for distribution of publications to depository libraries; \$3.3 million for cataloging and indexing Government publications; \$599,000 for distributing publications to international exchange libraries; and \$836,000 for distributing copies of publications to recipients designated by law.

The request includes \$15.5 million for printing and reproduction costs of information products to be distributed to depository libraries. This workload emanates from publishing activities outside of GPO. GPO exercises little control over the volume of incoming work, but performs a primarily ministerial role in distributing copies of publications to depository libraries. The request is a reduction of approximately \$2.4 million, or 13.4 percent, from the amount approved for FY 1995. It includes \$2.2 for online access provided to depository libraries by the **GPO Access** service, and \$13.3 million for the production of paper, microfiche, and CD-ROM publications. The distribution of electronic copies has been steadily increasing, with about 454,000 copies projected for FY 1996, a 50-percent increase over FY 1995.

## **APPROPRIATION FOR NECESSARY CAPITAL IMPROVEMENTS**

The appropriations request includes \$15.4 million, to be available until expended, for capital improvements to GPO's buildings. These funds will be used for the replacement of air conditioning chillers as the result of Environmental Protection Agency requirements, the replacement of electrical switchgear to meet current safety codes, and the replacement of aging elevator equipment. We are requesting these funds as a separate appropriation for capital expenses in order to avoid the necessity to recover these essential expenditures through GPO's printing rates. This is the first request for an appropriation for capital improvements that GPO has made since 1974, which involved a request for funds to upgrade our air conditioning systems.

A total of \$8 million will be required to replace the chillers and control systems in GPO's main air conditioning system and to replace and upgrade air conditioning systems in GPO's Building 4 warehouse. This equipment uses chlorofluorocarbons (CFC's). CFC's will no longer be manufactured after 1995 due to Environmental Protection Agency regulations designed to protect the atmosphere. The chillers will have to be phased out and replaced. A total of \$6.5 million will be required to replace low voltage electrical switchgear. GPO's electrical distribution system consists of six low voltage switchgears and circuit breakers which are now underrated for current service. Replacement of this equipment is required to comply with the National Electrical Code for the safety and protection of personnel and Government property and equipment.

A total of \$920,000 is requested for the renovation of elevators in Building 2, which are 55 years old and have reached the end of their serviceable life. This is the first phase of a five-year plan to renovate 12 of GPO's 42 elevators.

## **OVERVIEW OF GPO OPERATIONS**

Mr. Chairman, I am devoting the majority of my prepared statement to an overview of GPO and its operations. As demonstrated by the joint hearing conducted on February 2, 1995, the Senate Subcommittee on Legislative Branch Appropriations and this Subcommittee have undertaken a wide-ranging review of all legislative branch activities, including GPO. I understand the dimension of this Subcommittee's concerns, which range from reducing costs and providing improved information services for Congress to the privatization of GPO. To assist you in your consideration of these issues, I am providing the Subcommittee with background information on GPO in order to establish the historical, legal, financial, and operational context in which GPO currently functions. My staff and I are also prepared to fully cooperate and provide you and the Members of this Subcommittee with any additional assistance and information you deem necessary in the conduct of the Subcommittee's review of GPO.

## **GPO'S MISSION**

The public printing and documents chapters of Title 44 of the *United States Code* require GPO to fulfill the printing needs of the Federal Government and distribute Government publications to

the public. GPO does not create the demand for the work it performs, but instead is required by law to fulfill all requisitions for printing that it receives. GPO serves not only as the Government's printer but provides public access to Government information, both through its sales program, which receives no appropriated funds, and through distribution of publications to depository libraries, whereby GPO's workload is controlled by the publishing activities of Congress and Federal agencies. Publications distribution activities were placed by Congress in GPO to create an economical link between those operations and GPO's production activities. The link between production and distribution in GPO also ensures that the most comprehensive range of publications possible is made available for dissemination to the public. The establishment of a single dissemination entity in GPO's Superintendent of Documents provides the public with a central, visible, and convenient point of access to the myriad Government publications produced each year. GPO is located in the legislative branch not only to provide for direct oversight by Congress of its own printing, but to facilitate direct control of the Government's primary information dissemination programs by the elected representatives of the people.

To broaden and modernize GPO's public access role, in 1993 Congress enacted an amendment to Title 44, P.L. 103-40, which requires GPO to provide a number of dissemination services in electronic online format. This action reflects the broader mission that GPO now performs: assisting Congress and Federal agencies in managing the life cycle cost of information products and services and providing the public with an expanding range of access to those products and services. While the foundation of GPO's mission remains the same, new techniques and strategies have emerged to capitalize on modern information technologies. GPO's vision for the future is predicated on these technologies, and on providing value-added information services to Congress, Federal agencies, and the public. GPO's future role will include new emphasis on standardization to achieve savings and improve service, the development of comprehensive gateway and locator services to promote public access, and the continued development of information offerings in multiple formats.

**Printing and Procurement.** Section 501 of Title 44 requires all Federal printing to be performed at GPO, except for printing authorized by the Joint Committee on Printing to be done elsewhere. As the history of Federal printing indicates, the rationale for this provision was not to confer a monopoly on GPO, but establish a concentration of printing expertise and capability so that the Government could achieve the greatest possible economy and efficiency in fulfilling its printing needs.

GPO discharges its printing responsibility by producing publications inplant or procuring them from private sector printers, as provided in sections 501 and 502 of Title 44. Printing production and procurement activities are performed at a central office plant in Washington, DC, and by 5 regional printing plants, 14 regional procurement offices, and 6 smaller satellite procurement facilities around the Nation.

**GPO is not the Government's Sole Printer.** Although Title 44 requires all Government printing to go through GPO, it also provides for the operation of printing facilities in Federal agencies. In addition, other statutes authorize specific agencies, such as the national security agencies and others, to operate their own inhouse printing operations. As a consequence, only about half of all budgeted Federal printing goes through GPO. According to the Office of

Management and Budget, the total amount budgeted for printing and reproduction by the Government for FY 1996 is approximately \$1.4 billion. The total value of GPO's printing and procurement activities for FY 1996 is projected to be \$707 million, or just 51 percent of the total budgeted amount. That amount will cover all congressional printing, at an estimated \$91.6 million, and an additional \$617 million for budgeted executive branch work, the vast majority of which will be procured from the private sector. By contrast, an estimated \$670 million in Federal printing is not going through GPO, but instead is most likely being produced in agency printing plants that cost more than GPO's printing procurement operation.

**Documents Distribution.** GPO's documents distribution activities are overseen by the Superintendent of Documents. They include sales of publications, distribution to depository libraries, distribution to recipients designated by law and recipients identified by publishing agencies, cataloging and indexing, and distribution conducted pursuant to international treaty to foreign libraries which send copies of their official publications to the United States. These activities are performed from centrally located operations in Washington, DC; distribution centers in Laurel, MD, and Pueblo, CO; and from 23 GPO bookstores nationwide.

**Work Produced by GPO is in the Public Domain.** The work produced and procured by GPO is in the public domain and cannot be copyrighted (except for proprietary work used with permission by the Government). The public domain concept extends to reproducibles produced or procured by GPO, including negatives and databases. Under Title 44, the public is entitled to purchase reproducibles from GPO and generate publications from them. In recent years, many firms have purchased GPO's databases on magnetic tape, including the *Congressional Record*. The public domain concept of the tools GPO uses to produce and procure Government publications provides increased opportunities for widespread dissemination of Government information through non-Governmental mechanisms.

## **GPO FINANCING**

All GPO activities are financed through a business-like revolving fund, which is reimbursed by payments from customer agencies, sales to the public, and transfers from GPO's annual appropriations.

**Appropriated Funds.** As indicated by our appropriations request, GPO has two annual appropriations. The Congressional Printing and Binding Appropriation is used to reimburse GPO for costs incurred in performing congressional printing. The Salaries and Expenses Appropriation of the Superintendent of Documents is used to pay for the costs associated with depository distribution, cataloging and indexing, distribution to recipients designated by law, and international exchange distribution to foreign libraries.

As stated, GPO's appropriations are for work that GPO itself does not control. The Congressional Printing and Binding Appropriation in effect is an appropriation by Congress to itself to cover the costs of its printing. GPO bills this appropriation whenever it performs congressional printing. GPO does not control the volume or nature of work requisitioned by Congress, but instead must fulfill all congressional printing requisitions.

Likewise, the Salaries and Expenses Appropriation of the Superintendent of Documents is primarily to fund the distribution of documents to depository libraries. As long as Federal publications meet the requirements for depository distribution established by law, copies are required to be distributed to the depositories. The volume of this work, therefore, is determined by the publishing activities of Federal agencies and Congress. The funding provided by Congress for this activity is used by GPO primarily in a ministerial role to ensure that distribution is made as required by law.

**Budget.** For FY 1994, the total operating expenses charged against GPO's budget were \$816.2 million. Appropriated funds from Congress provided a total of \$117.5 million of this amount, or about 14 percent. They included \$88.4 million for the Congressional Printing and Binding Appropriation and \$29.1 million for the Salaries and Expenses Appropriation of the Superintendent of Documents. All other GPO activities, including inplant and procured printing, sales of publications, agency distribution services, and all administrative support functions, are financed through GPO's revolving fund by revenues generated by payments from agencies and sales to the public.

The largest single component of GPO's annual expenses is in reality a pass-through cost for procured printing. GPO procures printing on behalf of Federal agencies. The agencies pay GPO for the cost of the printing and GPO subsequently uses those funds to pay the printing contractors. In FY 1994, the cost of procured printing in GPO's budget was \$469.4 million, or about 58 percent of GPO's total budget. The second largest component is personnel compensation and benefits. In FY 1994, these totaled \$227.8 million, or about 28 percent of total expenses.

**Printing Rates.** GPO recovers the majority of its costs through its printing rates. These rates recover the costs of labor, machine time, and overhead--the costs of direct production support as well as general and administrative support costs--into standard rates for each production operation. Section 309 of Title 44 requires that GPO recover the cost of all of its operations. Thus, the rates also have to recover the costs of operations that do not bear directly on printing, but which are mandated by Congress, such as GPO's Inspector General function, or are otherwise necessary to the operation of a Government agency.

GPO generates other revenues from the prices of publications sold to the public, and from a surcharge on procured printing (currently approximately 6 percent).

**Recent GPO Financial Results.** Since 1991, GPO has sustained yearend losses. These losses have been marginal when compared to total revenues; for example, the total loss of \$21.7 million sustained in FY 1994 was against \$803.1 million in revenues, or 2.7 percent. However, GPO is required by law to be reimbursed for the cost of services performed, so the losses cannot continue to be sustained. In 1994, the Joint Committee on Printing passed a resolution requiring GPO to break even in FY 1995, but without increasing its printing rates.

The losses are the result of GPO under-recovering its costs through its printing rates. The printing rates have not been adjusted since January 1990. In the interim, there have been cost increases due to mandatory and negotiated pay increases, as well as in the cost of utilities and

other materials and supplies. Most importantly, a decline in printing volume was sustained in FY 1993 and FY 1994, which reduced revenues. As a result, the rates are now approximately 10 percent below full recovery levels. GPO has attempted to maintain the 1990 rate structure to avoid passing on cost increases to Congress and customer agencies. Instead of increasing the rates, the objective has been to decrease costs. This program has resulted in substantial cost reductions to GPO operations. Yet cost increases due principally to reductions in volume have more than offset the cost reductions achieved, resulting in losses.

The ability to maintain the freeze on rates since FY 1991 has been made possible by working capital in the revolving fund in excess of requirements. GPO's strong balance sheet position was the result of small annual earnings since the fund's inception in 1954, much of which were retained in the fund, and by improved management of working capital. By not increasing prices to reflect true cost, GPO essentially has been subsidizing the difference with revolving fund working capital.

## **GPO EMPLOYMENT**

In FY 1994, GPO utilized 4,364 full-time equivalents (FTEs), compared with the congressionally authorized level of 4,493. At present, there are less than 4,250 employees on board. GPO's objective is to utilize less than 4,200 FTEs in FY 1995, compared with the authorized level of 4,293.

**Downsizing Personnel.** Because of the introduction of automated typesetting and other technologies since the 1970's, as well as the increased use of procurement to obtain the Government's printing needs, GPO has downsized its workforce by approximately 50 percent from its 1975 level of 8,500.

Since February 1993, total GPO employment has fallen by 13 percent, from 4,893 to 4,250 today, a reduction of 646 positions which has resulted in a cost savings of \$32 million for this fiscal year alone. Most of this reduction was achieved as a result of GPO's retirement incentive program, which was authorized by law. The program resulted in the reduction of 357 positions, or about 7 percent of GPO's workforce. The program was targeted primarily at managers and supervisors. Since early 1993, the number of managers and supervisors at GPO has been reduced by 110, or 17 percent of the total. As a result, the ratio of supervisors to employees at GPO has improved above Government-wide levels. GPO's objective is to remove as many hierarchical levels of management and supervision as possible, flattening the organization to reduce costs and provide for greater innovation and decisionmaking at the employee level.

**Pay Rates.** Since 1924, GPO has negotiated wages for employees represented by bargaining units, in accordance with section 305 of Title 44, known as the Kiess Act. Today, the pay rates for craft employees are generally in line with comparable printing operations. For example, GPO's journeyman compositor rates for day and night work together are comparable to those paid for similar work at the Washington Post. Non-craft employees and non-bargaining unit employees are currently paid at rates that are below those for comparable positions in the executive branch.

Payroll expenses comprise the single greatest controllable expense at GPO. To hold the line on costs, GPO management and labor agreed last fall to open wage negotiations in advance of the June 1995 date for the expiration of the current crafts wage contract. The parties agreed to no wage increase for the upcoming year and to increase the work day by one-half hour through the relinquishment of the paid lunch period. This agreement was turned down by a vote of the union membership, however. The parties will meet again to renegotiate a new agreement. At the same time, no pay increases have been approved for non-bargaining unit employees, despite the pay increase approved for comparable positions in the executive branch.

## **GPO SPACE**

GPO's central office plant facility is located in 4 Government-owned buildings on North Capitol Street in Washington, DC. Three of these buildings are connected, and were constructed in 1903, 1930, and 1940. Together they comprise 1.3 million square feet of industrial and office space. Another building comprising 179,000 square feet serves as a paper warehouse and includes some industrial space for passport and postal card production. GPO also owns and leases approximately 515,000 square feet of parking space near the central office plant, and leases warehouse space in Laurel, MD, for documents distribution and space in Springfield, VA, for paper warehousing.

Unlike the buildings in which most commercial printers are housed, GPO's buildings were constructed specifically for printing production. In 1988, the Office of Technology Assessment, in its congressionally-requested review of GPO and Federal information dissemination policy, assessed GPO's buildings and equipment and found "that there is no need for a new plant" and that "the GPO main plant is equal to most commercial printing facilities handling a comparable volume of work."

**Space Conversion and Consolidation.** Space conversion and consolidation of operations to improve cost-effectiveness have been undertaken in recent years. In the past five years, industrial space in GPO's central office has been decreased by over 33,000 square feet, reducing the assignment of overhead costs to printing production operations based on the distribution of occupied square footage. The majority of this conversion was to consolidate all Superintendent of Documents headquarters functions in owned space. The transfer saved substantial lease costs that previously were being paid.

GPO also recently cancelled an agreement of sale with the District of Columbia Redevelopment Land Agency to purchase a parcel of land adjacent to the central office bordering Massachusetts Avenue, NW. The cancellation avoided a cash outlay of the \$9.5 million purchase price.

Other space reduction actions have been taken. In 1992, GPO closed the printing production operations at its Rapid Response Center located at the Washington, DC, Navy Yard. The operation and equipment were transferred to the central office. In late 1994, we also closed the Seattle regional printing office.



In recent years GPO has worked with the General Services Administration to relocate bookstores to more attractive, easily accessible space. The result of this effort has been several years of strong bookstore performance, in terms of both number of customers served and revenues earned.

## **GPO OPERATIONS AND PROGRAMS**

**Congressional and Inplant Printing.** All congressional printing is performed in GPO's central office plant in order to provide Congress with immediate service in a work environment that is under its direct control. Before GPO was established in 1860, Congress experimented with a variety of systems of contract printing. These systems were widely acknowledged as failures, in some cases for their frequent inability to perform the work, in others for the corruption and graft that were often associated with obtaining congressional printing contracts. In addition, the contract systems were inordinately expensive. To remedy these problems, Congress established the closely-supervised system of printing in GPO that continues today. Under this system, GPO works closely with a number of congressional offices to ensure that all congressional printing is done promptly, uniformly, and economically and is delivered in a timely manner to ensure the order conduct of legislative business.

The information needs of Congress are enormous, and congressional information priorities change on a daily, and sometimes an hourly, basis. In the conduct of its day-to-day work, GPO works directly with the staffs of the leadership of each House of Congress, as well as the Joint Committee on Printing, the Office of the Secretary of the Senate, the Office of the Clerk of the House, the Senate Committee on Rules and Administration and the House Committee on House Administration, other congressional committees (especially the Appropriations Committees), and individual Senators and Members, to ensure that printing is produced and delivered in accordance with frequently changing legislative schedules. GPO's Office of Congressional Printing Management is the nerve center of this liaison with Congress.

In FY 1994, GPO's central office plant produced \$174.3 million in printing, of which \$88.4 million, or 51 percent, was printing for Congress. Other major inplant printing products include the *Federal Register*, the *Code of Federal Regulations*, the *U.S. Budget*, passports, postal cards, and other executive and judicial branch work (primarily books, pamphlets, and forms).

The production of non-congressional work in the plant is done both to ensure economy and in certain cases security in the production of sensitive products, such as the *U.S. Budget* and U.S. passports. The original congressional proposal for GPO was to establish a plant "which should execute the work of Congress while in session, and that of the various departments during the recess..." The current system ensures that the Government's investment in plant and equipment for its primary product--congressional printing--is kept operating efficiently during periods of reduced demand for that printing. It also ensures that the Government takes maximum advantage of its equipment investment. For example, the *Federal Register* is run on the same equipment as the *Congressional Record*. These two measures help reduce the costs charged to Congress for maintaining the necessary production capacity for its printing work.

***Congressional Record.*** The principal product for Congress is the *Congressional Record*, which is printed overnight and delivered the next morning every day Congress is in session. The printing and distribution of the *Record* are required by chapter 9 of Title 44, which states, in part, that the "public proceedings of each House of Congress shall be printed in the *Congressional Record*, which shall be issued in daily form during each session." The law further provides that the *Record* shall also contain "the legislative program for the day, a list of congressional committee meetings and hearings and the place of meeting and subject matter...[and] a brief resume of congressional activities for the previous day."

Section 906 of Title 44 establishes the distribution of the *Record*. Currently, GPO prints approximately 18,000 copies of the *Record* daily. About 12,500 copies are paid for by the Congressional Printing and Binding Appropriation and distributed to statutory recipients who have requisitioned the *Record* in accordance with the law. About 2,000 copies are requisitioned by Federal agencies. Another 800 copies are distributed to depository libraries and paid for by the Salaries and Expenses Appropriation of the Superintendent of Documents. Approximately 2,700 copies are purchased by the Superintendent of Documents Sales Program, most for subscribers, although single copies are also offered for sale.

**Online Dissemination of the *Record*.** GPO uses the automated database developed for printing the *Record* as the database for online dissemination of the *Record*. This capability provided a significant savings to the Government in the development of an online *Record*. The *Record* is disseminated via the Internet on GPO's *Access* service, established pursuant to P.L. 103-40 (other *Access* services include a locator service and an offsite electronic information storage facility). The public can use the *Access* service free of charge onsite in depository libraries. Currently, there are 434 depository libraries nationwide that receive the *Record* online from GPO. The public can also access the *Record* free of charge offsite through electronic gateways established in cooperation with depository libraries. There are five such gateways currently in operation in Missouri, Washington, Alaska, Georgia, and Pennsylvania. Others are under development. GPO was requested by the leadership of the House to provide the *Record* database to the Library of Congress for dissemination via the THOMAS information service. The leadership also requested GPO to provide THOMAS with the congressional bills database developed by GPO. This database has also been available since last fall on the ***GPO Access*** service.

**Substitution of Online for Printed Version of the *Record*.** If there were not overnight demand for the printed *Record*, the production costs for the *Record* would decrease, but not by much. Costs would still be incurred for gathering all of the information required to be produced in the *Record* for the *Record* database. Currently, the production of the *Record* database for printing comprises about two-thirds of the cost of printing the *Record*. This work includes keying-in manuscript received from Congress, proofing and revising the work, creating pagination, assembling the GPO-keyed work with work generated electronically by Congress, and all related measures. By delaying the printing of the *Record* until later, some savings would be generated from press and binding work by transferring the work from nights to days (although there would still be an expenditure, so the savings would be less than one-third of the current cost of the *Record* that is attributable to paper, presswork, and binding). The bulk of the cost of the *Record* would continue to be incurred for database construction. Moreover, this work would continue to

be required overnight in order to have the *Record* database available electronically by the next morning.

**Other Congressional Products.** Other major congressional products include bills, resolutions, and amendments; hearings; business and committee calendars; committee reports; committee prints; documents; miscellaneous publications, such as the *Congressional Directory*; miscellaneous printing and binding, such as letterheads; and document envelopes and document franks. GPO also details printers to Congress to assist in preparing congressional products for printing. Altogether, GPO produced and delivered 2.3 billion units of congressional work to Congress and Federal agencies which requisitioned copies of it in FY 1994. The availability of private sector contractors to produce this product mix in a similar volume and under comparable time constraints is unknown.

**Product Standardization, On-Demand Printing, and Electronic Document Preparation.**

One way to reduce the costs of congressional printing products is to move to greater standardization of products in terms of size. This would reduce the need for different kinds of equipment to handle products with different dimensions. In recent years, GPO has discussed product size standardization with the Office of the Secretary of the Senate and the Clerk of the House, and these discussions need to continue. Increased product standardization would allow GPO to reduce and consolidate its core production capabilities into a more efficient equipment configuration.

Another cost-saving measure can be developed with the increased use of on-demand printing technologies for short-run congressional products. GPO has acquired this technology for the central office plant and currently operates other equipment for the Senate. Discussions are ongoing to acquire and operate this equipment for the House.

As Congress increasingly utilizes electronic information technologies onsite, the potential for the increased submission of electronic documents to GPO will increase. This would enable reductions in the size of GPO's prepress operation, but only as long as electronic document submissions to GPO can be accomplished without the need for subsequent GPO intervention to proofread, correct, and perform other necessary functions prior to printing. GPO already offers financial incentives to Federal agencies to submit "verified" electronic documents--or electronic copy submissions requiring a minimum or no intervention by GPO prepress operations prior to printing. With the increasing use of electronic capabilities by Congress, a similar program could be established for congressional documents to achieve savings.

**GPO's Printing Procurement Program.** In FY 1994, approximately 75 percent of all printing processed by GPO was procured from the private sector. The vast majority of that work is procured for executive branch agencies.

There are two primary values served by conducting printing procurement through GPO. First, printing procurement provides GPO with the flexibility it needs to manage its inplant operation efficiently. When congressional demand for core inplant work is low, work from Federal agencies can be processed on available equipment capacity to keep the plant operating efficiently. When the plant is fully loaded with core work, the agency work can be procured from

the private sector. (In actual practice, the sheer volume of agency work coming to GPO for the past 50 years has ensured that the bulk of it will be procured.) The procurement capability is a critical instrument for assuring the economical operation of GPO's essential inplant printing capacity.

Second, procuring printing through GPO ensures that the publications in the procurement stream will be made available to GPO's Superintendent of Documents distribution operations. If these two operations were not connected, there would be increased administrative costs to gather publications for distribution, and increased risk that many publications would be lost to the distribution system.

For procurable work, contracting work out to the private sector is a sound policy. In the United States today, according to industry estimates, there are more than 42,000 printing firms employing over 800,000 workers. At an average of 20 employees per establishment, the printing industry is one of the most important components of the Nation's small business sector. With an industry this large and diverse, there is an enormous amount of printing capacity. It makes more sense for the Government to utilize this capacity on a competitive basis for its procurable printing needs than to invest in additional Government-owned and operated capacity.

The work going into the private sector generates employment, tax revenues, and a broad variety of other economic and social benefits nationwide. Most importantly, it saves money for the taxpayers. GPO's Printing Procurement Program operates on a highly competitive basis--far more so than in the executive branch--which drives prices down. Approximately 12,000 firms, or more than a quarter of the industry, representing nearly 240,000 employees, are registered on GPO's Master Bid List according to their equipment, staffing, and production capabilities. About 3,600 of these firms do business with GPO on a regular basis, ensuring intense competition for Government printing contracts. Studies by the General Accounting Office, GPO's Inspector General, and the Office of Technology Assessment have shown that it is less expensive to procure printing through GPO than to produce it in agency plants. Some studies have indicated a savings of up to 50 percent by procuring through GPO.

GPO's centralized printing procurement authority provides a number of advantages to Federal agencies. For example, it would be very difficult for every entity in the Government (represented by approximately 4,500 billing address codes distributed among more than 135 different departments, bureaus, and agencies) to maintain individual printing procurement systems large enough and sophisticated enough to obtain the same level of competitive printing procurement that GPO achieves. Moreover, in a decentralized system of procurement, the Government would lose the ability to gang together orders for similar products from different sources to achieve better prices.

By consolidating the Government's specialized printing procurement skills and resources in GPO, agencies save money in their printing programs, and they achieve these savings without giving up essential controls. Most of GPO's printing procurements are conducted through direct deal term contracts, permitting agencies to place their printing orders directly with the contractor. Thus, GPO's centralized program utilizes a decentralized service infrastructure that allows agencies to directly control the vast majority of their printing needs from the point of origination.

**Procurement through GPO vs. Production in Agency Plants.** At the joint hearing on February 2, the witnesses discussed a 1983 study of agency printing plants conducted by the Office of Management and Budget and the Joint Committee on Printing. This study disclosed the operation of hundreds of agency printing and duplicating operations nationwide. Following the study, the objective was to downgrade, consolidate, and close as many of these operations as possible and turn over their work to GPO for procurement from the private sector. The witnesses acknowledged that the planned actions were not fully carried out. As indicated, there is approximately \$670 million in Federal printing that currently is not going through GPO. This printing continues to offer the opportunity for significant annual savings for the taxpayers if it can be procured through GPO.

In 1994, Congress enacted permanent language in GPO's appropriations act requiring agencies to procure printing through GPO, with few exceptions, and defining printing to include duplicating. GPO maintains a number of direct deal term contracts for duplicating services that enable Federal agencies to obtain duplicating work at the lowest possible cost. This amendment also helps ensure that Federal printing produced by duplicating processes that meets the requirements for depository distribution is made available for the Depository Library Program.

**Liaison with Customer Agencies.** GPO works closely with Federal agencies in both producing and procuring printing. GPO has a network of interaction with agency publishers, printing officers, and financial offices in the conduct of day-to-day business. This network is characterized by partnership arrangements between agency publishers and printing officers on the one hand, and, on the other, GPO marketing specialists, designers, contracting officers, electronics specialists, printers, librarians, and distribution experts. Together, these various disciplines are routinely brought to bear on managing the life cycle of thousands of congressional and agency information products every year, from their inception through production and distribution.

GPO meets regularly with the Federal Publishers Committee, a Governmentwide organization of agency publishers, and the Interagency Council on Printing and Publishing Services, a Governmentwide organization of agency printing officers, to gather advice and resolve problems. GPO also provides training in printing and publishing services to Federal agencies through its Institute of Federal Printing and Publishing.

**Electronic Products for Customer Agencies.** In addition to printed products, GPO has been providing a wide range of electronic products for Federal agencies for the past several years. GPO is an acknowledged leader in the Government in CD-ROM technology. In 1992, GPO won the annual CD-ROM award from the Special Interest Group for CD-ROM Applications and Technology, the largest CD-ROM user group in the world. In 1993, the General Accounting Office reported that GPO's sales prices for CD-ROM products are among the lowest in the Government.

GPO's *Access* service provides online electronic access to the *Federal Register* in addition to congressional information products. In 1994, the *Access* service was one of the winners of the Federal Technology Leadership Awards, made jointly by Government Executive Magazine and the Office of Management and Budget.

**Recycled Paper.** In providing printing services for Congress and Federal agencies, GPO ensures that the printing conforms to related Federal statutes and policies. For example, GPO is the Government's largest single consumer of recycled paper products. Because of its buying power, GPO can procure adequate supplies of recycled paper at costs equivalent to the cost of virgin paper. Both the *Congressional Record* and the *Federal Register* are printed on 100 percent recycled newsprint, and for the past several years all products printed inplant, as well as most procured products, have been produced on recycled paper meeting the guidelines established by the Environmental Protection Agency pursuant to the Resource Conservation and Recovery Act. GPO also ensures that printed products meet the recycled guidelines contained in the President's Executive Order on recycling issued in late 1993.

**Alkaline Paper.** Congressional concern over the self-destruction of Government documents with enduring research and educational value due to printing on acid-based paper led in 1990 to the enactment of a policy requiring printing, when appropriate, on alkaline and permanent papers. The conduct of this policy was delegated to GPO, the Library of Congress, and the Archives. Since the late 1980's, GPO has ensured adequate supplies of alkaline and permanent papers for printing documents with enduring research and educational value.

**Vegetable Oil-based Inks.** Due to increased concerns about reducing dependence on foreign oil, utilizing a domestic renewable resource, and decreasing toxic emissions from petroleum-based inks, in 1994 Congress passed an act to require that all Federal lithographic printing utilize vegetable oil-based inks, including soy inks. The conduct of this policy was made the responsibility of GPO. When GPO's new offset web presses become operational, both the *Congressional Record* and the *Federal Register* will be printed with vegetable oil-based inks.

**Superintendent of Documents Distribution Programs.** Congress linked the Superintendent of Documents' publications distribution function with GPO's production function to ensure that the most comprehensive body of publications possible is made available for distribution to the public. Although electronic information dissemination is expanding, and while GPO is a part of the growing use of electronic dissemination, printed publications still comprise a major means of public access to Government information. GPO distributes approximately 100 million printed publications each year through its various distribution programs.

**Sales Program.** The Sales Program is the Superintendent of Documents' largest operation. In FY 1994, the program generated \$81.9 million in revenues, yielding a net income of \$6.2 million. This program employs approximately 625 FTEs. No appropriated funds are used in the operation of this program.

Publications are offered for sale by the Superintendent of Documents based on a pricing formula established by section 1708 of Title 44. Approximately 12,000 titles are offered for sale, and the program includes both print and electronic formats such as CD-ROM and online dissemination. Major bestsellers include the *U.S. Budget*, the *Dictionary of Occupational Titles*, the *Statistical Abstract*, the *Government Manual*, the *Economic Report of the President*, and the *Federal Register*. Most sales are made via GPO's mail order operation, but bookstores around the Nation generate millions in sales annually. The typical publication ranges in price from 50 cents to \$17,

with the average price of \$11. This compares favorably with the average prices for similar books in the private sector bookdealing industry.

**Depository Library Program.** The Depository Library Program is one of the Government's oldest programs for providing the public with access to Government information. Its antecedents date to 1813 when Congress ordered the distribution of congressional publications to State historical and antiquarian societies. As codified in chapter 19 of Title 44, today the Program distributes Government publications to Federal depositories in approximately 1,400 public, academic, law, and Federal agency libraries nationwide. Funding for this program in FY 1994 totaled \$24.5 million from the Salaries and Expenses Appropriation of the Superintendent of Documents.

Libraries are designated as Federal depositories by Senators and Representatives as well as by law. GPO sends the libraries copies of all Government publications that are not purely of an administrative nature, cooperatively sponsored, or classified for reasons of national security. The majority of the depository libraries are selective depositories which tailor their Government publications acquisitions to local needs, choosing from among 7,000 organizational and series categories. Fifty-three libraries, or roughly one per State, are regional depositories and receive every publication distributed by the Program. These libraries also provide inter-library loan and related services to other depositories in their regions. More than 167,000 persons utilize Federal depository library collections nationwide each week.

The linkage between production and distribution that resides in GPO is especially critical where the Depository Library Program is concerned. The comprehensiveness of selections for the program is guaranteed by that linkage. Without it, the likelihood would increase that publications which belong in depository libraries would be lost to the program. Currently, such a problem already exists with "fugitive" documents, documents which belong in the program but which are excluded because they are printed elsewhere than GPO.

The publications printed for depository libraries are paid for by the Salaries and Expenses Appropriation. The appropriation also covers the cost of distributing the publications, as well as all administrative costs associated with program operations. The average cost of printing, cataloging, and distributing each publication shipped to depositories is approximately \$1.00, a cost made possible by the volume of publications distributed in microfiche. The libraries that receive the publications are required to make them available for the free use of the public, ensuring equitable access to Government information.

**Impact of Electronics on Depository Distribution.** As an increasing amount of Government information is converted to electronic formats, the Depository Library Program is changing to meet the requirements of electronic dissemination. Already, GPO's *Access* service is providing depository library users nationwide with online *Access* to the *Congressional Record*, the *Federal Register*, congressional bills, and the *U.S. Code*.

With the establishment of locally-configured electronic depository gateways nationwide, the *Access* service is being structured in accordance with the decentralized, distributed nature of the Depository Library Program. The essential concept of the Depository Library Program is to

allow libraries nationwide to develop their Government information collections in accordance with the information needs of their local communities. The establishment of depository gateways nationwide allows this locally-driven program to add electronic online services to its information offerings, rather than requiring all information offerings to be dictated by a centralized service based in Washington.

The role of the Depository Library Program will be enhanced as the program makes the transition from dissemination of Government information in paper and microfiche formats to a system of electronic on-demand delivery of the information. Such delivery, in either image or full-text format, offers potential future economies for both libraries and the Government. With the increased dissemination of Government information in electronic formats, depository libraries will also act in new roles, serving as intermediaries helping their local publics find paths to Federal electronic information.

Depository libraries must also continue to service the historical paper and microfiche collections of Government documents while expanding their capability to handle electronic information. Depositories should be able to offer users access to work stations with a choice of a text-based or graphical user interface, CD-ROM capability, Internet connections, and the ability to print or download extensive documents. A recent survey of the electronic capabilities of depository libraries showed that the vast majority now have personal computers, CD-ROM capability, and access to the Internet. Eventually, these capabilities will allow anyone to connect from classroom, home, or office to GPO's *Access* service databases, the storage facility, or the electronic locator via a depository gateway.

Of particular significance to Congress today is the concept of near-term investment for future savings. While depository distribution funded by the Salaries and Expenses Appropriation now includes funding to provide information to depository libraries in both hard copy and electronic formats, this expense will be recovered through savings expected when electronic on demand delivery can replace print or microfiche copies. The savings and cost-avoidance from the use of electronic publishing and dissemination is currently estimated at \$1.8 million per year, a figure which will increase as more titles traditionally distributed in print formats are converted to electronic media.

**Other Distribution Programs.** The Superintendent of Documents is required by sections 1710 and 1711 of Title 44 to index and classify Government publications and prepare the *Monthly Catalog of U.S. Government Publications*, which contains authoritative descriptions of Government documents. Access to the comprehensive body of publications printed by GPO is especially important to the fulfillment of this mission. This program is funded by the Salaries and Expenses Appropriation. Funding in FY 1994 was \$3.2 million.

Under various sections of Title 44, the Superintendent of Documents is required to distribute certain publications free of charge to recipients designated by law. These include the *Congressional Record* (the Congressional Printing and Binding Appropriation pays for the cost of printing copies of the *Congressional Record* for official recipients and the Salaries and Expenses Appropriation pays for distributing them). This program is also funded by the Salaries and Expenses Appropriation. Funding in FY 1994 was \$629,000.



Under international treaties, which were subsequently codified in section 1719 of Title 44, U.S. Government publications such as the *Congressional Record* are distributed to foreign libraries in exchange for publications produced by their governments, which are shipped to the Library of Congress. The Library administers this program and GPO distributes the publications. This program is funded by the Salaries and Expenses Appropriation. FY 1994 funding was \$712,000.

Section 1701 of Title 44 authorizes the Superintendent of Documents to distribute publications on behalf of Federal agencies to recipients designated by those agencies. This is a reimbursable operation; GPO provides the service and is paid by the publishing agencies. There is no direct appropriation to GPO for this program. The largest reimbursable operation is the Consumer Information Center in Pueblo, CO, which is run by GPO on behalf of the General Services Administration. The Center distributes free and low cost consumer-oriented publications. In FY 1994, GPO generated total revenues of \$5.6 million from reimbursable distribution activities, yielding a net income of \$250,000.

Mr. Chairman and Members of the Subcommittee, this concludes my prepared statement. I trust this information will be helpful to the Subcommittee in its consideration of GPO. Again, my staff and I are prepared to cooperate with and assist the Subcommittee, and I would be pleased to answer any questions you may have.