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**PREPARED STATEMENT BEFORE THE
JOINT COMMITTEE ON PRINTING
ON
OFFICE OF MANAGEMENT AND BUDGET MEMORANDUM M-02-07**

**"PRINTING AND DUPLICATING THROUGH THE GOVERNMENT PRINTING
OFFICE"
ROOM 301, RUSSELL SENATE OFFICE BUILDING**

WEDNESDAY, JULY 10, 2002 11:00 A.M.

Mr. Chairman and Members of the Joint Committee on Printing (JCP), thank you for inviting me here this morning to present the views of the Government Printing Office (GPO) on Office of Management and Budget (OMB) Memorandum M-02-07, "Printing and Duplicating Through the Government Printing Office," issued May 3, 2002.

Because I'm an appointee of the previous administration, some people might think the position I'm taking today is political. However, my views on OMB's memorandum are no different from the views I expressed in 1994 in hearings before the Senate Committee on Rules and Administration on the Clinton Administration's initiative to "reinvent" Government printing.

This is not a political issue. It's a question of how best to apply the Government's limited, taxpayer-financed resources to achieving the lowest possible cost in printing services and the broadest, most equitable dissemination of Government information to the public.

If I thought that decentralizing authority for printing throughout the executive branch would reduce costs and improve public access to Government information I'd say so, but I firmly believe it won't. Based on my 30 years with GPO, I believe our current system - a system that has functioned in the public's interest for more than a century - is the best way of achieving those objectives.

As you know, our current system is based on section 501 of Title 44, U.S.C., which requires executive branch agencies to obtain their printing from GPO. Relying on GPO limits the need for duplicative and costly production facilities throughout the Government. The concentrated purchasing power of GPO's printing procurement program achieves significant taxpayer savings in one of the Government's most successful small business-oriented procurement programs ever. Finally, GPO ensures comprehensive and equitable access to Government information through a variety of Superintendent of Documents programs, the most prominent of which involves our partnership with a network of hundreds of Federal depository libraries located in virtually every congressional district nationwide. At the bottom line, GPO saves taxpayer money and makes taxpayer-funded Government information broadly and systematically available for use by the public.

Throughout GPO's history, GPO has carried out its mission in a non-partisan, service-oriented environment that emphasizes the primacy of the Government's customer's requirements for timeliness, quality, security, and economy. GPO has a record of providing public access to Government information that is unmatched by any other Federal agency, indeed by few institutions in the world. GPO is a staple of the Federal service, and of the American public's expectation of that service.

OMB's memorandum, by contrast, is an attempt to devolve authority for printing executive branch documents away from GPO and to the agencies themselves, directly contravening current law. In doing so, it lays the groundwork for the emergence of wasteful, duplicative printing operations in every department, agency, and bureau of the far-flung executive branch. Under OMB's memorandum, we would lose our current ability to identify the publications agencies produce and capture them in a systematic way for meaningful access by the millions of students, scientists, businesspersons, and others who use Government information every year.

For those who are interested in history, a decentralized printing system is essentially what existed before GPO was created - in 1860. With Government printing today costing (by OMB's own figures) a billion dollars or more a year, and with public access to Government information more important than ever, this is a policy that the Government and the public can ill afford.

OMB didn't consult us on developing this memorandum, and in fact much of what it contains has been proposed before by the Reagan Administration in 1987 and then again by the Clinton Administration in 1994. Both times, the idea of decentralizing printing authority throughout the executive branch was rejected by Congress - emphatically, through the enactment of annual and then permanent legislation that today is codified as a note to section 501 of Title 44. This legislation was passed to prevent significant cost increases in Federal printing, forestall adverse economic impacts on small business printing contractors, and maintain effective public access to Government information. These same concerns pertain to OMB's memorandum.

OMB's Memorandum. OMB's memorandum authorizes agencies to procure their own printing directly from the private sector, regardless of whether they have the capability of doing so as cost-effectively as GPO. It also authorizes agencies to use in-house printing and duplicating facilities to produce their printing (and presumably to establish such facilities if they do not already have them), as long as they can justify the cost. They would also be authorized to use in-house facilities in other agencies, under so-called "cross-servicing" agreements. Under OMB's memorandum, GPO could be used on an optional basis only. We've also heard that as part of the new printing policy the executive branch intends to stop observing the requirement in section 1121 of Title 44 that agencies in the District of Columbia obtain blank paper and envelopes through GPO, a change that will deprive them of the economies they currently enjoy through GPO's bulk purchasing power.

A final footnote in the memorandum, added almost as an afterthought, reminds agencies they are still obligated to follow statutory requirements on depository library distribution through GPO's Superintendent of Documents. It doesn't inform them, however, that under current law they - not GPO - would then bear the costs of those publications, currently estimated at \$4.2 million annually.

The memorandum hasn't taken effect yet. OMB has asked that the Federal Acquisition Regulation (FAR)- the procurement rules for executive branch agencies - be revised; we hear that the Defense Acquisition Resource Council and the Civilian Agency Acquisition Council, the entities responsible for the revision, are working on the revision.

We have presumed that a FAR revision would be accompanied by a public notice and comment period under the provisions of the Administrative Procedures Act, and we are prepared to submit our comments. For those agencies not covered by the FAR, OMB has indicated a target date of September 1, 2002, for implementation.

OMB has based its memorandum on a 1996 Justice Department opinion regarding the constitutionality of executive agencies using GPO. I've testified on this opinion many times before both House and Senate committees. As I said then, I don't agree with it, but this is neither the time nor the place to argue this matter. In my view, unless or until Congress or a Federal court with appropriate jurisdiction changes Title 44, the law requiring executive agencies to use GPO remains in effect. I think it's simply wrong to undermine the statutorily based management of the Government's printing and documents distribution functions with the issuance of a contradictory administrative regulation in the FAR that is based only on the Justice Department's opinion.

The Myth of a GPO "Monopoly." OMB's memorandum claims GPO is a "monopoly." The fact is that GPO is not the sole provider of printing and dissemination services in the Federal Government. Many executive branch agencies have statutory authority to print their own publications and others have dissemination authority. Throughout the executive branch there are also an untold number of printing and duplicating facilities. At last count, more than 200 of these facilities at one time had been authorized to operate by the JCP, and the last survey of agency printing and duplicating facilities - performed during the Reagan Administration - identified more than 1,000 such operations.

Based on OMB's own budget figures for all Federal printing and reproduction expenses for FY 2001, there's a significant amount of printing going on in the Government that isn't coming through GPO; our assumption is that these facilities are doing it. As previous congressional testimony by GPO and others has pointed out, many of the problems associated with Government printing policy today-the high costs associated with wasteful and duplicative agency printing facilities, the role these facilities play in reducing contract opportunities for private sector printers, and "fugitive documents" - are traceable to the fact that there are too many Government printing facilities, not too few.

Also dispelling the myth that GPO is a "monopoly" is the fact that we actually procure from private sector printers approximately three-quarters of all the printing requisitions we receive. Our printing procurement program subjects these requisitions to the highly competitive economic forces of the marketplace. GPO has been procuring printing since before World War II, and since the 1960's the majority of printing orders have been sent to the private sector.

GPO's Procurement Program: "Government At Its Best." As recently as 1998, a \$1.5 million management audit of GPO by Booz-Allen & Hamilton, Inc., working under contract to

the General Accounting Office (GAO) at the direction of the House and Senate Appropriations Committees, found "universal support" in the executive branch for the GPO's printing procurement program. Booz-Allen had been directed by Congress to consider if there were alternative ways the Government's printing could be managed.

Instead, Booz-Allen said of GPO's executive agency customers, "These agencies viewed this service that GPO provides as an example of 'Government at its best,' and none of them felt that they wanted to or could do this function better than GPO." (The report also recommended areas for improvement at GPO, and in the subsequent years GPO acted on nearly 80% them). The Printing Industries of America, Inc., recently said, "GPO charges fees that most printers would agree are rock-bottom."

Rather than build additional Government plant capacity, GPO's printing procurement program takes advantage of available capacity in the private sector, holding down the Government's costs. We buy openly and competitively from a master bid list of 10,000-12,000 private sector printing firms nationwide, representing about a quarter of the printing industry and as many as 240,000 workers. Most of the companies with whom we do business are classified as small businesses (including small disadvantaged businesses).

This universe of potential vendors results in intense competition for printing jobs, yielding the lowest possible prices. GPO is able to maximize its central buying power under these conditions, grouping together orders for similar products from different agencies under term contracts that are then bid out to the lowest bidder. In FY 2001, GPO contracted with commercial printers to ship nearly 148,000 printing jobs and achieved a 98.2 percent on-time delivery rate. This work represented over \$400 million in contracts. More than 70% of the orders were produced by small business printing firms.

OMB apparently thinks that its memorandum will simply transfer a function now being performed by GPO to the agencies, where it will be performed equally as well. However, buying printing is not like buying paper clips. In an age when Federal procurement policy is increasingly geared to "off-the-shelf" buying, it's easily forgotten that printing is essentially a custom business. Copy preparation, trim size, paper quality, ink colors, run length, due date, distribution plan, and a host of other factors come into play to affect price. Anyone who thinks that getting the best price for printing requires no more than a quick trip to the local copy center is seriously misinformed. Knowledge of and experience with printing requirements and processes are essential to obtain the best possible value. GPO has the knowledge and experience to buy printing economically. As Booz-Allen found, agencies don't have that expertise ("none of them felt that they wanted to or could do this function better than GPO").

GPO's Procurement Fees. While OMB objects to our fee for buying printing, its memorandum is unclear about the extent to which the rush surcharge is applied, doesn't mention anything about the services GPO provides in exchange, significantly overstates the total amount paid by executive branch agencies annually for GPO's procurement service, and implies that somehow the assumption by agencies of their own print buying responsibilities would be cost-free.

In section 309 of Title 44, Congress mandated that GPO charge customer agencies for the cost of services provided. In accordance with the law, and verified by GAO review, we support our procurement program through a surcharge that covers the cost of services provided. When agencies procure printing through us, we add a nominal surcharge of 7% (on amounts up to \$285,715; the surcharge declines thereafter) to the cost of the job. The surcharge is GPO's only source of funds for these services; no funds are appropriated by Congress to support them.

For certain rush jobs, a surcharge of 14% is applied (also up to a ceiling and declining thereafter) instead of the 7% surcharge, but OMB's memorandum fails to report that the rush surcharge is rarely used, principally because generally our procurement turnaround times are very rapid. So quick are turnaround times, in fact, that in FY 2001 the rush surcharge was added to only 2.9% of all procurement job orders. Moreover, our contracting officers report that the rush surcharge was virtually always added at the request of ordering agencies in order to move their jobs to the front of the procurement queue.

GPO's procurement surcharge does not represent profit. It covers the cost of a package of specialized printing procurement support services: GPO reviews requisitions and offers suggestions for economizing; develops specifications; competes, awards, and administers contracts; performs press inspections and other on-site reviews to assure quality; performs post-production quality control reviews utilizing a unique print-quality ranking program that is widely recognized throughout the printing industry; provides voucher examination and payment services; conducts Inspector General audits of any alleged contractor irregularities; and makes available legal advice on contracting as well as a dispute resolution service through GPO's Board of Contract Appeals. A full list of these services is attached.

Agency staffs and program offices are increasingly looking to GPO for help in determining their printing needs, particularly as the executive branch has experienced a high turnover rate in their printing professionals. Agencies know today that GPO provides an extraordinary range of capabilities to handle virtually any Government printing need imaginable. OMB is undoubtedly aware of these capabilities, having relied on them itself just a few months ago in the production and on-time delivery of the *U.S. Budget* for FY 2003.

The Federal entities with which GPO does business are currently represented by approximately 6,300 billing address codes in all three branches of Government, with the preponderant number in the executive branch. For each of these entities to maintain the same universe of contractors and provide the same level of procurement support for printing as GPO would be extraordinarily expensive. If each were to devote just one-tenth of a full-time staff year to these functions would require nearly 630 employees Governmentwide, nearly twice the number of GPO's 330 printing procurement employees.

In addition to the nominal surcharge, for each job we also charge a flat processing fee of \$7.50 (\$15.00 for the rare rush-surcharged order), whether the job is worth \$100 or \$1 million. This fee helps recover procurement costs on small dollar orders. Approximately 85% of all procurement orders in FY 2001 were valued at \$2,500 or less. The total amount of fees collected by our printing procurement program in FY 2001 was \$32.5 million, not \$50 million to \$70 million, as OMB claims.

OMB's memorandum also suggests that our retention of prompt payment discounts is somehow improper. This is an old issue, one that has been resolved repeatedly in GPO's favor by the GAO (Comptroller General Decisions B-238495, B-276509). In FY 2001, GPO earned prompt payment discounts of \$6.6 million (an effective rate of 1.5%, not 5% as OMB claims). We make prompt payments due to our specialization in dealing with private sector printers, using efficient electronic payment systems. We pay contractors promptly upon evidence of performance; the ensuing collection by GPO from the agency sometimes takes longer (in the mid-1990's, for example, the DOD was in arrears on about one-third of its printing payments to GPO, with \$13 million in late payments ranging from 3 to 24 months past due). By making quick payment, GPO keeps printing costs low. Otherwise, delays in payments to printers would increase the cost of future printing orders.

Economies from Using GPO's Procurement Services. OMB apparently hasn't calculated the economies that accrue to agencies from using GPO. For the nominal procurement surcharge, the Government obtains great value, whether on large complex jobs or small orders.

Because of the ceiling on the surcharge, significant economies are achieved on large, highly complex printing jobs. For example, the printing supporting Census 2000 involved more than 80 contracts worth more than \$65 million for short form and long form versions of the mail-out questionnaires, update questionnaires, and enumerator questionnaires, as well as "be counted" questionnaires, advance letters, reminder cards, language assistance guides, and other questionnaires and public use forms. Some of the materials were printed in 6 different languages (English, Korean, Spanish, Vietnamese, Chinese, and Tagalog), and foreign language guides in 49 different languages were produced to assist in filling out other materials. The work was performed by dozens of private sector contractors in 17 states, requiring different due dates and distribution instructions. GPO's total charge for this work was \$587,000, equivalent to a surcharge of less than 1%.

Another example is IRS work. During FY 2001, the GPO made 230 contract awards to private sector printers across the Nation for IRS's special tax program orders. For 124 million notices and self-mailers, GPO's bill to IRS was \$3.3 million; the surcharge was \$34,658, or 1%. For 13.6 million TeleFile Tax packages, GPO's bill was \$1.3 million; the surcharge was \$24,862, or 1.9%. For 17 million Instructions for Estimate Tax, GPO's bill was \$3 million; the surcharge was \$33,517, or 1%.

Last year, for the Health Care Financing Administration (now the Center for Medicare and Medicaid Services), GPO procured more than 19 million Medicare and You 2002 handbooks on three separate rush orders. GPO's bill was about \$5.4 million for the three jobs; the total surcharge was \$190,988, or about 3.5%.

On the smaller jobs that comprise the vast majority of GPO's procurement work, the savings made possible through our program more than offset the cost of the surcharge. For example, an agency recently had been given an estimate of \$20,000 for 2,000 copies of an 8-page, saddle stitched pamphlet, printing 4-color process but using non-standard paper. GPO recommended changing to a standard paper that met their requirements, then procured the job for \$2,650, saving \$17,350, or 86%, from the original estimate. In another example, a quick-turnaround job

for an agency had been bid at \$5,772 and \$6,663 by two local copy shops associated with a national chain. GPO procured the job for delivery within the agency's tight deadline for \$1,938, saving \$3,834, or 66%.

In another, GPO took a requirement for 3 million copies of a 2-sided, 2-color card that had been estimated by the agency at \$25,000 and procured it for \$9,943, saving \$15,057 or 60%. In yet another, GPO suggested splitting a direct mail piece for an agency into two separate jobs, so that each could go to printers best suited to the type of work, saving \$68,309 or nearly 50%. Savings of the magnitude generated by GPO's printing procurement program more than offset the cost of GPO's surcharge to executive branch agencies.

The anecdotal examples of GPO saving significant sums for Federal agencies are abundant, and we'd be pleased to provide more. We don't claim that every job we procure results in savings like these, and in the millions upon millions of procurement jobs we've handled for agencies over the years we readily admit there have been problems, due sometimes to contractors, sometimes to mistakes we have made, and sometimes to customer agencies themselves. However, the proven practice of GPO's procurement program has demonstrated time and again that this program saves money for Federal agencies and the taxpayers.

GPO Savings/Improvements for Customer Agencies. In recent years, productivity increases resulting from technology have enabled us to make substantial reductions in staffing requirements while continuing to improve services. In the mid-1970's, we employed more than 8,200 persons. Today, we have approximately 3,000 employees, fewer than at any time in the past century. Since I became Public Printer in 1993, we have reduced staffing by 38%, resulting in an annual savings equivalent today to \$100.7 million. Staff reductions in our printing procurement area have been even greater: 42%. These savings are passed on to our customers.

We're continuously implementing procurement improvements for our customer agencies. Electronic printing procurement bid solicitations, for example, have been accessible online for several years via our Web site, enabling more contractors to bid on Government printing jobs, increasing competition and lowering procurement costs.

We devised direct deal contracts to provide agencies with greater flexibility in placing their printing orders. A recent innovation to those contracts are simplified purchase agreements, a form of "best value" contracting under which GPO provides agencies with rosters of available vendors in local areas from which agencies may select to obtain specified printing or duplicating needs. We're now developing a Web-enabled capability for these purchase agreements.

We're upgrading our Procurement Information Control System (PICS), which agencies have used for years to track the status of their procurement orders, to a Web-enabled environment. We offer deposit accounts that allow agencies to place funds with GPO and track their printing costs online against them 24 hours a day, 7 days a week, eliminating paperwork and streamlining the billing and collecting process. Today there are about 250 deposit accounts totaling nearly \$46 million, including pilot programs we're currently running for the White House. There's no charge to agencies for using deposit accounts.

Other changes in procurement practices have recently been advocated by the printing industry, such as greater use of "best value" contracting, "bundling" contracts for information services, using Requests for Proposals on large contracts, and contracting for the management of agency printing and duplicating facilities. We certainly are willing to explore alternative contracting options to the extent that they improve services for GPO's customers and do not hinder competitive participation in GPO's printing procurement program.

Cost Impacts from OMB's Memorandum. We have no way of knowing how much executive branch work would be withdrawn from GPO under OMB's policy. If we were to lose all executive branch work, the impacts could be significant. Previous studies by the GAO, the Office of Technology Assessment, the JCP, GPO, and others have found that decentralizing authority for printing among executive branch agencies could lead to significant cost increases in Government printing.

Two months ago, we were asked by the Chairman of the Senate Subcommittee on Legislative Branch Appropriations to prepare a scenario of the cost impact that the OMB memorandum could have on GPO operations. While OMB claims there will be savings from its initiative, our analysis-which is based on the findings of previous studies-shows that the cost to the Government could potentially increase over current levels by some \$230 million to \$330 million in the first year, and from \$150 million to \$250 million annually thereafter:

- The most significant cost increase would occur if agencies decide to produce work that GPO currently contracts out in their own printing and duplicating facilities. Although OMB says this option would be subject to cost-justification, we doubt this will constrain agencies very much. Faced with having to set up print buying systems like GPO's, we think many agencies will simply opt to use their existing facilities instead. Most agency accounting systems are not as sophisticated as GPO's in capturing all the costs associated with printing, and it would be relatively easy for them to justify in-house production of their printing needs.

If agencies use their own printing and duplicating facilities, some previous studies have indicated that it can be as much as 50% more expensive compared to contracting out work through GPO. (On top of the cost of duplicative equipment and facilities, agency facilities tend to be less productive and they generally bear higher employee and overhead costs than do private sector firms.) Based on current procurement costs, executive branch printing costs could increase by more than \$200 million annually if all agency work currently procured by GPO were produced instead in agency printing and duplicating facilities.

- If agencies decide to procure work themselves from the private sector, they will still incur costs. Agencies would be required to perform the same contract-support services that GPO provides. However, without GPO's economies of scale, agency procurement costs are likely to be substantially higher than GPO's. (A 1997 Inspector General review of the National Institutes of Health (NIH), which has its own printing authority by law, disclosed that NIH's procurement costs ran between 10% and 18%, more than double GPO's surcharge.) Agencies are also unlikely to maintain the same universe of

competition among private sector printers that GPO achieves; the resulting decrease in competition would increase prices.

Having to deal with hundreds of entities in the executive branch buying printing would also impose new costs on the printing industry. Printers would have to learn how to deal with a procurement process established by the FAR, under which, among other things, jobs valued at more than \$25,000 would be subjected to competition from NAFTA trading partners (printing procurements under GPO's Printing Procurement Regulation, on the other hand, are subject to the provisions of the Buy America Act). With the loss of GPO's one-stop-shopping alternative for contracts, they would be forced to increase their costs to locate contracting opportunities among the multitude of agencies seeking vendors. In 1994, a coalition of GPO contractors suggested that printing costs could increase by as much as 25%, or more than \$100 million, if agencies attempt to procure work themselves rather than through GPO's system.

- Our review shows that the removal of executive branch revenues from GPO would increase the cost of remaining work. Roughly two-thirds of GPO's revenues today are from executive branch products, including products printed at GPO, those that are procured, and those that are disseminated by the Superintendent of Documents. Losing these revenues, which help to cover GPO's fixed costs, would increase the cost of remaining work—primarily congressional printing—by nearly two-thirds, or nearly \$50 million annually.
- Our review also shows that losing all revenues from executive branch products would impact GPO's employees. Without those revenues, we would be forced to reduce our workforce by approximately 50%, or 1,500 staff. If this reduction had to be achieved rapidly, we would have to implement a combination of buy-outs and a reduction-in-force (RIF), at a one-time cost of nearly \$80 million.

There could be other, non-quantifiable impacts on Government printing under a system of decentralized printing. There would be no central responsibility for applying uniform standards of print quality. There would be no central responsibility for monitoring the application of statutory requirements for the use of recycled paper, alkaline and permanent papers, and vegetable oil-based printing inks. Also, with the prospect of reduced printing jobs flowing to the private sector, or increased costs for those jobs, the financial stability of many small business printing firms could be jeopardized. The majority of jobs (worth \$2,500 or less) could be purchased by agency personnel non-competitively using Government credit cards, a system that OMB itself recently admitted is subject to abuse. Such purchasing could easily lead to increased opportunities for favoritism and corruption in Federal print buying.

Impact on Public Access to Government Information. There would also be a significant impact on public access to Government information. Under the current system, the link between the production and distribution of Government documents in GPO is the source of publications for GPO's Federal Depository Library Program (FDLP), as well as GPO's cataloging and indexing program, statutory distribution program, and international exchange program. Even GPO Access uses the system to monitor for new publications.

Although OMB would require agencies to continue providing publications for depository distribution, we think compliance with this requirement would be low. Publications that belong in the FDLP and related programs but are not included are called "fugitive documents." As the library community knows, this is a longstanding problem. It's extremely difficult to develop an accurate assessment of the extent of fugitive documents. Previous estimates have placed the rate of fugitive documents in the neighborhood of 50%, which corresponds roughly to the amount of Federal printing we estimate does not come through GPO, but no one really knows.

Regardless, there would be strong likelihood for an increase in fugitive documents with the decentralization of printing authority to Federal agencies. Decentralization would depend on the widely varying performance of hundreds of different entities throughout the executive branch to capture documents for the depository program, rather than the simple administrative mechanism of processing publications for printing and distribution through GPO. A 1998 Inspector General review of NIH's conformance with depository requirements-the same requirements under which the OMB memorandum would place all executive agencies-found that 78% of NIH's publications that qualified for depository distribution were not being provided to the Superintendent of Documents as required by law.

The fact that electronic information dissemination is now widespread does not mitigate this concern. There is still a substantial amount of Government information for which no reliable online alternative exists, and problems with ensuring permanence and other issues are still present for many online products. In FY 2001, GPO distributed a total of 5.9 million copies of approximately 14,700 tangible (print, microfiche, CD-ROM) titles from all three branches of the Government to depository libraries.

Breaking the production/distribution link in GPO would also cost the public the convenience of buying their own copies of Government publications, which they currently enjoy through GPO's sales program. (Although the sales program is shrinking as the result of the Internet, it still generates annual sales of approximately \$40 million; nearly 95% of these sales are agency publications.) Unlike the FDLP, there is no requirement in law for agencies that print elsewhere than GPO to supply the Superintendent of Documents with copies for the sales program. Without a system of centralized printing as a source of supply, the sales program would be restricted to sales of legislative branch products, representing about 5% of sales.

Conclusion. Mr. Chairman, GPO provides valuable assistance to executive branch agencies by economically managing their printing and other information products and ensuring that the public has comprehensive, equitable access to Government information. More than a century ago, Congress in its wisdom designed a system in GPO for achieving these important objectives. That system continues to work well today.

Our longstanding record of achievement on behalf of Federal agencies and the public contrasts sharply with the potential problems associated with decentralizing printing throughout the executive branch. If implemented, this policy could lead to significant cost increases in Government printing in both the legislative and executive branches. There are likely to be other impacts on Government printing, as well as economic impacts on the private sector printing industry-particularly the small businesses that currently handle most of the orders procured by

GPO-and GPO's workforce. Finally, there are likely to be adverse impacts on the public's ability to access Government information products.

In the U.S. Budget for FY 2003, OMB says, "at a time of national emergency, it is critical that the [G]overnment operate effectively and spend every taxpayer dollar wisely" (p. 51). I agree. Now is not the time to try implementing a printing policy that is virtually guaranteed to cost more while impairing public access to much-needed Government information.

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

GPO Services Covered by the Printing Procurement Surcharge.

Review requisitions and furnished material for accuracy and completeness and for opportunities for savings through options.

Provide agency cost estimates, consultation, and advice regarding technical specifications, scheduling, quality levels with QATAP guidelines, and procurement method.

Prepare specifications and solicitations.

Maintain the Automated Bid List System (ABLS), a computerized database which is a comprehensive list of 10,000 - 12,000 contractors, including the areas of their production interest as well as a guide to production and quality capability.

Issue Bid/Quotation/Proposal solicitations using the ABLS and including advertisement and public posting of opportunities. Also issuance of solicitation material upon request. Note: use of ABLS allows for solicitations to be issued on a rotating basis to contractors according to their ability to compete for a particular requirement.

Suspend or debar firms or individuals as appropriate after providing for due process.

Create and maintain a list of suspended or debarred contractors or individuals.

Receive and evaluate bids/quotations/proposals.

Award contracts to responsible contractors.

Assure awards are made on the basis of overall low cost to the Government, taking into account quotations, discounts, freight and/or postal rates as applicable, and other identifiable costs.

Determine contractor responsibility by reviewing compliance on previous Government work, quality performance with respect to quality level required, other performance history, and financial capability as required, utilizing an on-site preaward survey as necessary.

Review and take action on protests submitted to GPO.

Maintain the Quality Assurance Through Attributes (QATAP) program, updating QATAP contract terms to provide for new technologies and legal changes. Note: QATAP helps in the provision of exact, objective specifications to assure that the Government does not buy (and pay) in excess of its needs.

Use of QATAP and GPO's Quality Control and Technical Division for inspecting and testing product samples for compliance with technical specifications and quality level requirements.

Provide for contract administration, including routine proof review on one-time jobs.

Take appropriate action under QATAP to resolve quality complaints.

Use QATAP quality performance information in making responsibility and termination determinations.

Provide for transportation and traffic management considerations to assure the most practical and economical means of transportation.

Maintain contract compliance through proper non-responsibility determinations and job tracking, and take appropriate action such as discounts or defaults for delinquent work.

Issue contract modifications covering technical and contractual terms.

Terminate contracts for default or the convenience of the Government, including negotiating equitable adjustments.

Respond to disputes by examination and evaluation of contractor's position/documentation and negotiating settlement when in the best interest of the Government or defending an appeal when necessary and in the best interest of the Government.

Provide due process for disputes, include access to the GPO's Administrative Law Judge.

Provide Inspector General services for appropriate audits of contractor claims and investigations.

Provide legal opinions and services through GPO's General Counsel office in response to agency and/or contracting officer requests.

Administer a Small Disadvantaged Business (SDB) program to satisfy legal requirements for the Department of Defense.

Examine, audit, and pay commercial contractor vouchers.

Provide automated billing as well as requested acquisition statistics by billing address code.

Provide for Superintendent of Documents riders to assure information products are included in the Federal Depository Library Program as required by law and as paid for by funds appropriated to the GPO for this purpose.

Assure that the Superintendent of Documents sales and by-law distribution programs provide public access to information products as mandated by law.

Monitor compliance with laws and regulations with respect to the use of: vegetable oil-based inks, permanent paper, and recycled paper.

GPO Services Not Covered by the Surcharge

Press sheet inspection (travel, per diem, and hours).

Proof review by the GPO Typography and Design (T&D) Division's Technical Review Section for quality level I and II multicolor work, as requested by agency.

Provide typographic and graphic design services and consultation, after an initial interview for which there is no separate charge.

Detail of GPO employees to customer agencies, as requested.