February 27, 2017

The Honorable Davita Vance-Cooks
Director
U.S. Government Publishing Office
732 North Capitol Street N.W.
Washington, D.C. 20401

Dear Director Vance-Cooks,

Thank you for testifying during the Committee on House Administration’s February 6, 2017 hearing entitled, “Priorities of the House Officers and Legislative Branch Entities for FY 2018 and Beyond”. The Committee requests you respond to additional questions that will be made part of the hearing record. Please provide your responses to the following questions to the Legislative Clerk, Maggie Moore (Maggie.Moore@mail.house.gov), with the Committee by Monday, March 13, 2017 at 5:00pm.

Questions from the Majority:

1. Director Vance-Cooks, on February 5, 2017, you testified about utilizing the zero-make-ready press in order to reduce the Government Publishing Office (GPO)’s printing costs. In fact, you testified this type of printing has enabled GPO to reduce its printing rates by as much as seven percent. Please share GPO’s current page rate for printing reports, hearings, bills, and the Congressional Record. In addition, please share with the Committee any additional strategies GPO intends to employ in order to reduce costs.

2. What are GPO’s physical space needs – particularly in a digital environment? Has GPO studied the potential cost savings associated with relocating its operations? What percentage of building space does GPO occupy? Does GPO make any unoccupied space available to other entities? With respect to the unoccupied space, is GPO equipped to handle the responsibilities associated with being a property owner? Would the Architect of the Capitol be better suited to handle these responsibilities?

3. Director Vance-Cooks, the Committee is interested in learning more about the partnership GPO has with the private sector with respect to government printing. Please describe for the Committee how GPO utilizes public-private partnerships.

On average, what is the cost savings realized by private sector partnerships? How does GPO determine work done in-house and work completed by the private sector?
4. Please describe your strategic plan to continue modernizing the GPO’s printing responsibilities. For example, how often does GPO review government documents to determine whether the documents are convertible to an electronic format? What are the cost savings associated with moving GPO printing responsibilities to an electronic format? Does GPO perform any cost analyses before printing? If so, is this something that GPO shares with the customer in cases where you are printing beyond statutory requirements? Please list GPO’s current statutory and regulatory printing requirements.

5. Director Vance-Cooks, in your testimony, you highlighted GPO’s production of the 114th Congressional Directory. Please expand on the production costs associated with the Congressional Directory. Please identify the direct costs associated with producing the Congressional Directory. How much staff time did GPO utilize in the production of the Congressional Directory? Please identify any other resources GPO utilized to produce the Congressional Directory? Given the constant change in content associated with the Congressional Directory, did GPO contemplate or conduct a cost-benefit analysis on producing a digital version? Did GPO consider any lower cost alternative to the Congressional Directory?

Questions from the Minority:
1. In addition to the suggestions you offer in your testimony, are there any additional reforms to Title 44 that you would like us to consider?

2. Please describe the greatest challenges to expanding your secured document printing service?

3. Are you intending to participate in the migration to the Redstone Turner Data Center and if so, when?

If you have any questions concerning this matter, please feel free to contact the Legislative Clerk, Maggie Moore at (202) 225-8281. Thank you again for your testimony. We look forward to hearing from you.

Sincerely,

Gregg Harper
Chairman
Committee on House Administration
Questions for the Record

1. Director Vance-Cooks, on February 5, 2017, you testified about utilizing the zero-make-ready press in order to reduce the Government Publishing Office (GPO)’s printing costs. In fact, you testified this type of printing has enabled GPO to reduce its printing rates by as much as seven percent. Please share GPO’s current page rate for printing reports, hearings, bills, and the Congressional Record. In addition, please share with the Committee any additional strategies GPO intends to employ in order to reduce costs.

Response: GPO constantly utilizes technology improvements and related strategies to reduce printing costs, as demonstrated by changes in the value of our Congressional Publishing Appropriation over the years.

As discussed in my prepared statement, the use of computerized information technologies by GPO over the past generation has been the principal contributor to lowering the cost, in real economic terms, of congressional information products by more than 70%. Since FY 2014, funding for the Congressional Publishing Appropriation has been flat, which is unprecedented for any period since 1980.

GPO is not funded primarily by appropriation, like most Federal agencies, but instead finances its operations on a business-like basis through its Business Operations Revolving Fund. Our printing rates, by legislative design, recover our costs through reimbursement for all direct and indirect costs of production, including the costs of prepress work (formatting, pagination, proofing, etc.), presswork, binding, and delivery, as well as overhead.

Overhead is distributed to all of GPO’s revenue-generating operations in accordance with generally accepted accounting principles and recovers not only utility and related production support costs but a share of the total costs of operating GPO as a Federal agency. These include several that would not ordinarily be found in a private sector printing plant, such as costs for GPO’s Office of Inspector General, our police force, IT and cybersecurity, facilities maintenance and repair, etc.

Overhead currently accounts for approximately 34% of the per-page or unit cost for work performed in GPO’s plant. Controlling GPO’s overhead costs is an important part of controlling printing costs per page. In FY 2016 these costs were approximately 5% lower than in FY 2010, and as my prepared statement notes, they grew just 1.6% over the preceding year. GPO has not increased its plant printing rates since FY 2015.

Hearings are billed at one of three page rates (a page rate covers not only development of the first page but all additional copy-pages in a press run), depending on the method of copy submission: digital $65, camera-ready copy $69, and manuscript $113. After overhead, the balance of these rates are divided between prepress costs and printing and binding costs. For digital submission, the prepress costs are just 32%, while they are 40% for camera-ready copy and 60% for manuscript, which requires the most work by GPO.
In addition to the rate reduction for hearings we have achieved through use of the zero make-ready (ZMR) press, we are also working to implement a new method for producing House hearings based on a design pioneered by staff of the House Administration Committee and Office of the Clerk. This system is expected to further reduce hearing production costs.

Reports are also produced on our ZMR press. However, they are not billed by a page rate but by the accumulated costs of production of each specific report. For budget estimating purposes, the average per-page cost for reports is $74 for FY 2017. The balance of the cost after overhead is 51% for prepress and 49% for printing and binding. Production of reports on the ZMR press is resulting in savings vs. production on the previous equipment.

Bills are produced on different equipment due to their size. The vast majority are produced in our Digital Production Center (DPC) on high-speed copying equipment; generally, press production is used only if the page count is over 250-300, and/or the copy count is over 500. Like reports, bills are not charged at a page rate but by accumulated cost. For budget estimating purposes, the per (original) page cost for bills is $37 for FY 2017. After the factor for overhead, the cost of bills is 25% prepress (since bills are set in the House and Senate Offices of Legislative Counsel) and 75% printing and binding.

As my prepared statement notes, we are developing a new XML-based automated composition system to replace our aging proprietary system. We have just introduced this system in beta mode for the composition of bills coincident with the opening of the 115th Congress. This system will allow GPO to compose bills natively in XML for print production and digital dissemination, which will lead to reduced costs and improved throughput.

The Congressional Record is printed on high-speed newspaper presses designed for that purpose. The page rate is $803, including the factor for overhead. The division between prepress and printing and binding costs is 67% and 33%, respectively, in view of the amount of work GPO performs to assemble this unique document every night Congress is in session.

With the reduction in the print run for the Record, the current equipment is planned for replacement by a more efficient alternative that is currently under consideration. The introduction of this equipment will reduce the printing and binding cost for the Record. The balance of the rate associated with the unique prepress costs of making the Record available, including digital dissemination and storage, will continue to be incurred even if no Congressional Record issues were printed.

As my prepared statement also notes, in 2016 we installed the first of two new adhesive binding lines, which will be used to bind printed copies of the Congressional Record and congressional hearings and reports, along with other documents. The new high efficiency Muller Martini “Bolero” equipment will replace 3 binding lines installed more than 30 years ago, reducing costs, increasing productivity, and freeing up plant production space for other uses. The second line will be installed by the spring of 2017.

2. What are GPO’s physical space needs – particularly in a digital environment? Has GPO studied the potential cost savings associated with relocating its operations? What
percentage of building space does GPO occupy? Does GPO make any unoccupied space available to other entities? With respect to the unoccupied space, is GPO equipped to handle the responsibilities associated with being a property owner? Would the Architect of the Capitol be better suited to handle these responsibilities?

Response: GPO is housed in 4 interconnected buildings. Over time, these buildings have been modified to meet changing technology requirements. Today, they represent a significant investment in terms of the infrastructure they provide for GPO’s digital as well as conventional print operations. Their physical location adjacent to our primary customer, Congress, facilitates and supports the daily and often hourly interactions we experience in carrying out our congressional support mission. Previous efforts to relocate GPO have not been successful due to a variety of factors including the daunting budget score (approximately $400 million) that would be imposed on the annual Legislative Branch Appropriations bill as a result of trying to replicate elsewhere the investment that exists in GPO’s infrastructure today.

As reported by the National Academy of Public Administration in its congressionally-mandated 2013 study, Rebooting the Government Printing Office: Keeping America Informed in the Digital Age, “GPO has...a highly promising program aimed at reducing its facilities footprint coupled with increasing leasing of unused building space as a means of reducing and recovering costs of operation.” GPO’s Buildings 1-3 measure about 1.25 million square feet altogether, but total usable space is about 825,000 square feet (of which about 91,000 square feet is the unfinished basement, used for storage).

Of the remaining 733,000 square feet, about 94,300 square feet of office, industrial, and storage space (or 13%) plus several parking spaces are currently assigned to continuing space leasing arrangements with the Architect of the Capitol, the U.S. Capitol Police, the Senate Sergeant at Arms, and the U.S. Commission for International Religious Freedom. These generate annual revenues to GPO of nearly $2 million. (GPO leases another 4,000 square feet of space to the USCP every 4 years to support the Presidential Inauguration, and small packages of space plus limited parking are available for assignment to meet other temporary legislative branch needs). In the Spring of 2017, the Office of the Federal Register will relocate into 17,000 square feet of reconditioned office space in GPO’s Building 1, a move that will generate an additional $600,000 in annual revenue.

GPO’s Building 4 has a gross area of approximately 170,000 square feet, of which about 30,000 square feet is not used for GPO operations. This space, along with about 25,000 square feet in GPO’s Building 1, will be configured by the National Archives and Records Administration to serve as its congressional archives space, a project that has the support of the offices of the Clerk of the House and the Secretary of the Senate.

Because of our long history of managing our buildings ourselves, GPO has experienced no problems with establishing and administering these space sharing agreements that would lead us to seek outside assistance.

In its 2013 report, the Academy also observed that “as GPO continues to modernize plant operations, introduce more compact and efficient equipment, and downsize production space
requirements, additional facilities savings and leasing appear to be possible.” However, since then GPO’s operational space requirements have expanded significantly with the introduction of equipment and necessary facilities modifications required to support production of the next generation passport, a project that has entailed the investment of an estimated $100 million over the past 5 years, and which has involved improving more than 60,000 square feet of space for production and storage in areas where space was previously underutilized.

3. Director Vance-Cooks, the Committee is interested in learning more about the partnership GPO has with the private sector with respect to Government printing. Please describe for the Committee how GPO utilizes public-private partnerships. On average, what is the cost savings realized by private sector partnerships? How does GPO determine work done in-house and work completed by the private sector?

GPO has a unique and highly successful partnership with the American printing industry that is a model of service provision. The competition for Government printing contracts by thousands of printers ensures taxpayer savings while generating job opportunities nationwide, especially in the small business sector. The percentage of private sector printing could potentially increase as GPO demonstrates the savings that Federal agencies can achieve in their printing and publishing programs by increasing their use of GPO’s print procurement program.

With the Federal Government confronting the need to reduce its spending, GPO’s print procurement program deserves a closer look by Federal agencies looking for ways to increase savings in meeting their requirements for printing, and by a Congress committed to reducing the costs of Government operations. For a Congress and an Administration that want to stimulate job growth in the private sector, GPO’s print procurement program can help.

GPO provides centralized operations for the procurement of information products for the entire Government, purchasing last year $360 million from private sector vendors nationwide for our agency customers. Other than congressional and inherently governmental work such as the Federal Register, the Budget, and security and intelligent documents, GPO regularly procures approximately 75% of all the orders we receive. All products procured by GPO comply with the Government’s requirements for recycled paper and vegetable oil-based inks. Our contracts are awarded on a purely competitive basis: there are no set-asides or preferences of any kind allowed other than what is in law and regulation such as the provision for Buy American. With competition keen for Federal printing contracts, GPO’s print procurement program maximizes the value of the taxpayers’ Federal printing dollars, frequently procuring work for little more than the cost of materials.

The vast majority of the firms we deal with are small businesses, many with 20 employees or fewer. We annually award contracts to more than 2,500 – 3,000 vendors nationwide, supporting potentially 50,000 – 60,000 private sector jobs. The total number of contractors registered to do business with us is around 9,000, representing potentially 180,000 jobs. In addition to the procurements we make out of our central office in Washington, DC, we have regional and satellite procurement offices to work with Federal agencies and the printing industry nationwide, located in Atlanta, Boston, Charleston SC, Chicago, Dallas, Denver, Virginia Beach VA, New York, Oklahoma City, Philadelphia, San Diego, San Francisco, and Seattle. Surveys of our
Federal agency customers in recent years have consistently reported high rates of satisfaction with our print procurement program. One of our objectives for FY 2017 and beyond is to develop and implement a new print procurement service that provides a seamless mechanism for digitally ordering and placing work through this program.

One of the reasons for customer satisfaction is the broad variety of contracting vehicles we have developed for Federal agencies to use in obtaining their print and information product needs, including the GPOExpress program. GPOExpress has handled more than 145,000 orders since our partnership with FedEx Office began a decade ago. The program provides Federal agencies with discounted services to meet their small and short turnaround printing and binding needs. By enrolling in the program, Federal agency employees receive a GPOExpress card that allows them to take advantage of pre-negotiated prices that are substantially below FedEx Office retail rates.

GPOExpress currently has more than 3,000 Federal Government employees enrolled, including employees at the Department of Defense, the Department of Transportation, the Department of Interior, the National Aeronautics and Space Administration, and the Department of Homeland Security. The program has also been used to support publishing activities of the Committee on House Administration. The program utilizes the FedEx Office network of more than 1,800 locations nationwide to provide Federal agencies with convenient, low-cost professional services, including printing, binding, and finishing; banner and sign production; and direct mail services. The new contract provides cardholders with improved online print ordering and document management tools including a no-cost online catalog where documents can be accessed and printed on demand by authorized users.

It has long been clear to us that there is a significant amount of Government printing being performed by the Government that does not come through GPO. Most likely this work is being performed in number of Federal plants. In 2013, the Government Accountability Office conducted a study at the request of the Joint Committee on Printing that identified approximately 80 Federal printing plants in operation Government-wide (www.gao.gov/assets/660/655936.pdf).

As multiple studies in the past have shown, the production of Government printing by Federal agency plants is costly, in some cases as much as 50% more than the cost of procured work, and it also impairs other goals of Federal printing policy. We realize that some of the work produced by Federal agency plants is quick turnaround printing for administrative or purely internal needs, which is why most of them were established in the first place, and GPO has no interest in taking that capability away. What we are interested in is the amount of work that could be procured via GPO’s partnership with the private sector printing and information product industry, which can generate substantial savings for taxpayers.

4. Please describe your strategic plan to continue modernizing the GPO’s printing responsibilities. For example, how often does GPO review government documents to determine whether the documents are convertible to an electronic format? What are the cost savings associated with moving GPO printing responsibilities to an electronic format? Does GPO perform any cost analyses before printing? If so, is this something
that GPO shares with the customer in cases where you are printing beyond statutory requirements? Please list GPO’s current statutory and regulatory printing requirements.

Response: GPO’s strategic plan is to transition its operations from a print-centric to a content-centric capability, so that we are positioned to provide that content in the forms and formats that Congress and Federal agencies need.

Virtually all Government documents today, including congressional documents, are born digital, and are capable of being processed by GPO’s digital and print systems on that basis. Virtually all congressional documents that are printed are also placed online on GPO’s FDsys and its successor system, govinfo, for free, permanent public access. For those documents that are not born digital – principally historical documents – GPO has a program to digitize them via scanning and develop the necessary metadata for searchability, preservation, and other features. We have done this for a number of historical documents on FDsys/govinfo and are currently working to digitize the entire collection of the permanent edition of the Congressional Record dating to 1873, as well as the entire collection of the Federal Register dating to 1936.

The cost savings from increased digitization are significant. As I discussed in my prepared testimony, GPO has reduced the expense of congressional information products by more than 70% through computerization of its operations and products. Likewise, GPO’s Federal Depository Library Program has been transitioned to a predominantly digital basis, yielding similar cost reductions in that program and expanding the availability of information access exponentially.

Decisions to print or not are made by the ordering agency, not GPO, which does not have that authority except where the dissemination of publications through the Federal Depository Library Program (FDLP) and our sales program is concerned. GPO provides information such as cost estimates so that the decision is an informed one. An order to GPO to produce a product, accompanied by the statutorily-required certification of availability of funds, obligates GPO to fulfill the order. Likewise, GPO has no authority to go “beyond” statutory printing requirements, or to print more than is required to fulfill the order, other than for additional copies ordered by agencies, for the Federal Depository Library Program, or for our sales program. Congress and Federal agencies are well aware of GPO’s capabilities: our online dissemination system began more than 2 decades ago, and today GPO works with Congress and Federal agencies to pioneer new digital capabilities, such as the development of bulk data downloads in XML, the development of e-Books, the production of smart card secure documents, and related products.

Over the years, as the move to increased digitization has accelerated, some Government publications, such as tax forms, effectively have been replaced by digital alternatives. More common has been the trend to reduce printing where a digital replica is also made available, so that printing becomes a complementary function that serves the needs of those without computers and/or to meet legal or preservation requirements. As a result of this trend, though print has not disappeared entirely, print volumes have decreased significantly while the use of digital equivalents has grown.
The statutory requirements for GPO’s print and digital responsibilities are contained in the public printing and documents chapters of Title 44, U.S.C.

5. Director Vance-Cooks, in your testimony, you highlighted GPO’s production of the 114th Congressional Directory. Please expand on the production costs associated with the Congressional Directory. Please identify the direct costs associated with producing the Congressional Directory. How much staff time did GPO utilize in the production of the Congressional Directory? Please identify any other resources GPO utilized to produce the Congressional Directory? Given the constant change in content associated with the Congressional Directory, did GPO contemplate or conduct a cost-benefit analysis on producing a digital version? Did GPO consider any lower cost alternative to the Congressional Directory?

Response: The Congressional Directory for the 114th Congress was produced as a Senate publication. Both case-bound and paperback copies were produced. The requisition was for approximately 5,000 copies for distribution to Members of Congress and to other statutory recipients. An additional 1,600 “rider” copies were produced to fulfill orders supplied by Federal agencies and GPO’s FDLP and sales programs. The Directory was also made available digitally and free of charge on GPO’s FDsys and its successor system, govinfo.

The primary cost of this document was the labor required to assemble the data for the Directory from both Congress and Federal agencies and perform the necessary prepress work (data input, formatting, pagination, proofreading, etc.) ($340,000). This work would be required regardless of whether there were any print copies produced. Paper, ink, and press and binding work totaled $104,000. Additional charges incurred included the cover design ($2,900) and GPO’s surcharge ($87,700). The total billing to the Congressional Publishing Appropriation was $507,400, with additional billings to Federal agencies and other programs for the “rider” copies at $27,200.

The Congressional Directory follows an established design that includes detailed information on Members of Congress and congressional committees, historical information on the U.S. Capitol and sessions of Congress, and detailed information on the departments and agencies of the executive branch and on the U.S. Courts. To the best of our knowledge, there is no other document like it. Additionally, it is the only document published by the Congress which officially details the organization of each Congress.

Questions from the Minority

1. In addition to the suggestions you offer in your testimony, are there any additional reforms to Title 44 that you would like us to consider?

Response: My view is that Title 44 generally provides a sufficient basis for GPO’s operations as it currently stands. However, we may approach the Committee at a later date with recommendations for revising chapter 19 of Title 44, which governs the operation of the Federal Depository Library Program. Enacted in 1962, the current statute provides a “one-size-fits-all” design for the program that could be reshaped to provide participating libraries with greater flexibility to manage their print collections in this digital era. GPO has attempted to provide
some of this flexibility in changes to the program that have been approved by the Joint Committee on Printing, but there may be additional legislative remedies that would help libraries without undermining the basis of the program.

2. Please describe the greatest challenges to expanding your secured document printing service?

GPO has produced the U.S. passport for the State Department since the 1920’s, giving us extensive experience in the field of secure credentials. More than a decade ago we worked with the Department to re-engineer and develop the e-passport. Since then, we have produced over 100 million e-passports that are in use by the American public today.

Based on this experience, in 2007 the Joint Committee on Printing approved our request to begin producing secure credentials for Federal agencies that were asking us for these solutions. In 2012, the JCP approved our request to establish a continuity of operations site for secure credential production at our facility in Stennis, MS. The JCP has overseen and approved funding for this program throughout its existence.

To date, we have produced over 9 million secure credential cards across 15 different product lines. Among these are the Trusted Traveler Family of border crossing cards – NEXUS, SENTRI, FAST, and Global Entry – for the Department of Homeland Security. We produce a Border Crossing Card that is issued by the State Department for travel across the Mexican border.

Our secure credential program has been validated by the Government Accountability Office and the National Academy of Public Administration. It is overseen by our legislative and appropriations committees. It is also subject to audit and investigation by our Inspector General.

Our program is a government-to-government solution, backed by robust partnerships with nearly 3 dozen private sector companies. We produce secure credentials using qualified expert staff working in an ISO 9001-certified manufacturing operation, backed by a COOP facility, and supported by a secure supply chain. We have access to both Federal and commercial experts in fraudulent document testing and forensic laboratories.

We serve as a printer and card integrator. We work closely with the secure credential industry for consulting, design, equipment, fabrication, materials, and supplies. Through our outsourcing initiatives, we have access to cutting edge security technologies. We leverage “the best of the best” rather than being limited to a proprietary system. Our partnerships put business and jobs into the private sector economy nationwide.

Our secure credentials program is well-established and well-known among Federal agencies that need these products. Our program is an option—a choice—for Federal agencies and we do not require them to use us. However, the agencies that have chosen to use our program are highly satisfied with GPO’s product performance, reliability, security, and pricing. Our employees are committed to providing quality products to help secure our borders and protect our government.
facilities. As Federal agencies continue to requisition these products from us, we will adjust our capabilities to meet their needs.

3. Are you intending to participate in the migration to the Redstone Turner Data Center and if so, when?

GPO’s FY 2013 annual spending plan submitted to the Joint Committee on Printing for approval included $2.5 million to modernize the GPO data center environments currently located in GPO’s Washington, DC, buildings to meet current and future technology needs. In approving the spending plan, the JCP commended our modernization efforts and agreed that GPO’s data center must meet current and future needs with operations protected from harm or disaster. However, the Committee requested GPO to establish a comprehensive long term plan detailing where the funds will be spent and submit it to the JCP for consideration. The Committee also asked that the final plan be coordinated with the results of the Legislative Branch Data Center Study, which was expected to be released in February 2013. Subsequently, GPO’s plan was submitted to the JCP in July 2013 and was approved.

The plan envisions migrating GPO’s primary data facility to the Legislative Branch Alternate Computer Facility (ACF). GPO’s Chief Information Officer is carrying out the data center migration effort. When completed, the migration effort will provide a state-of-the-art multisite, fully mirrored resilient data processing and hosting operation that meets the requirements of GPO stakeholders and also provides options for future expansion. To date approximately 60% of our legacy servers and storage systems have been migrated to the ACF. The projected completion date is September 2018. At this time we have no plans to migrate our systems to the Redstone Facility, but can conduct a cost/benefit survey if the Committee requests.