

# LEGISLATIVE BRANCH APPROPRIATIONS FOR 2016

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## HEARINGS BEFORE THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED FOURTEENTH CONGRESS FIRST SESSION

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### SUBCOMMITTEE ON LEGISLATIVE BRANCH

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DEBBIE WASSERMAN SCHULTZ, Florida

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NOTE: Under Committee Rules, Mr. Rogers, as Chairman of the Full Committee, and Mrs. Lowey, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

ELIZABETH C. DAWSON, *Clerk*

JENNIFER PANONE, *Professional Staff*

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## PART 2

### FISCAL YEAR 2016 LEGISLATIVE BRANCH APPROPRIATIONS REQUESTS



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# LEGISLATIVE BRANCH APPROPRIATIONS FOR 2016

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WEDNESDAY, FEBRUARY 25, 2015.

## U.S. HOUSE OF REPRESENTATIVES

### WITNESSES

**HON. KAREN L. HAAS, CLERK**  
**HON. ED CASSIDY, CHIEF ADMINISTRATIVE OFFICER**  
**HON. PAUL D. IRVING, SERGEANT AT ARMS**

### OPENING STATEMENT OF CHAIRMAN GRAVES

Mr. GRAVES. Well, we will bring the Subcommittee to order.  
Welcome. Thank you for joining us.

Today we are going to begin our first hearing of this cycle and hear testimony on the different budget requests. And, we are glad you are joining us.

As members of our Subcommittee are aware, the request of the Legislative Branch agencies are included in the budget request of the President that was received by Congress earlier this month. The requests that we will consider were transmitted to the Office of Budget and Management and, as customary, have been included in the President's request as submitted by the agencies of the Legislative Branch.

Currently, as I think we all know, our Nation is dealing with a national debt of over \$18 trillion, so it is going to be difficult to maintain current levels, and providing every increase requested will certainly be near impossible. But, as always, we will do our work to show that we can lead by example in the House, and we will continue the tradition of addressing life-safety issues as our first priority.

I am sure that all the members of the Subcommittee will work together as a team as we review, consider and ultimately produce a bill to be presented to the entire House. I look forward to working with our returning Ranking Member, Ms. Debbie Wasserman Schultz, who is not only the returning Ranking Member but also a previous chairman of this Committee.

I want to also welcome the other members of the Committee. Some will be here in just a minute. Our Vice Chairman, Mr. Amodei from Nevada, is the only returning member from the Republican side, but we also have Mr. Rigell of Virginia, who will be here in just a minute.

And, Mr. Young of Iowa is down here, Mr. Jenkins of West Virginia, Mr. Farr of California, and another returning member, Ms. McCollum of Minnesota.

I want to thank each of you for being here, and I look forward to working with each and every one of you.

The budget that this Subcommittee will consider, not including the Senate and the joint items under the Architect of the Capitol, is going to be \$3.5 billion. And, when you include the Senate requests, it is a total of \$4.5 billion.

Now, the first agency appearing before us this afternoon will be the House of Representatives. And, we have with us the Officers of the House: the Honorable Karen Haas, the Clerk of the House, the Honorable Paul Irving, the Sergeant at Arms; the Honorable Ed Cassidy, our Chief Administrative Officer.

Also in attendance are Mr. Kircher, the General Counsel; Ms. Strokoff, the Legislative Counsel; Mr. Seep, Law Revision Counsel; and Mr. Ptasienski, the Deputy Inspector General for Advisory and Administrative Services; and Ms. Hunter, the Deputy Inspector General for Audits and Investigations.

We are pleased to welcome each of you here today and thank each of you and your employees for your dedication and service to the House.

The fiscal year 2016 budget request of the House is \$1.2 billion, the same as the current level. This will be the third year in a row that the budget for the House has remained exactly the same from the high of \$1.3 billion in fiscal year 2010. The efforts of this continued reduction are in no small part a result of the fine work of the Officers of the House. We want to thank you for that—and your respective organizations.

So, on behalf of the Committee, we thank all of you for your dedication, as we move through this hearing today, and I am looking forward to highlighting past efforts and focusing on where we go in the future.

And, at this time, I would like to yield to the ranking member, Ms. Wasserman Schultz, for any opening remarks that she may have.

#### OPENING STATEMENT OF RANKING MEMBER WASSERMAN SCHULTZ

Ms. WASSERMAN SCHULTZ. Thank you, Mr. Chairman. And congratulations, and welcome to the Committee. And, I look forward to working with you. I had a good opportunity to spend some time with you earlier today and look forward to the work ahead.

I also want to welcome Mr. Farr and Ms. McCollum, both of whom are ranking members of the Agriculture and Interior Committees, respectively. So, from our side of the aisle, we have a significant amount of seniority, represented here on this Committee, which is always helpful to the Subcommittee that is focused the most on the institution, and that is what our responsibility is here at the Legislative Branch.

And, I am starting to feel like I am getting long in the tooth because I appear to be the constant on the Leg Branch Committee. As people come and go, I am still here. But I always, love interacting and welcoming new members to the Committee, because the more institutionalists, the more people committed to making sure that not only our infrastructure has the foundation and the strength that it needs but also the way we operate will help us serve our constituents better, which is what this institution is all

about, and that we can be reflective of what we are, which is the greatest democracy the world has ever known.

So I have some remarks, which I know—I am sure you do, as well—when we get to each of the agencies that are here before us, I will make those as each take their turn. So I don't know at what point you want—

#### CHAIRMAN OUTLINES PROCEEDINGS

Mr. GRAVES. This would be a good time, given that we have votes. And, if you would like to go ahead and give some remarks ahead of the House of Representatives officers, and then we will listen to maybe abbreviated remarks, and then we will take the rest of your remarks for the record and then move into questions.

#### MS. WASSERMAN SCHULTZ REMARKS FOR THE RECORD

Ms. WASSERMAN SCHULTZ. Great. That would be wonderful. Thank you.

I am confident that we will be able to work together. And, I want to join you in welcoming our witnesses, who are really remarkable public servants, who do a fantastic job both assisting Members of the House as well as making sure that we can do our jobs and serve our constituents.

So to Ed Cassidy, Karen Haas, and Paul Irving, thanks to each of you.

The request, Mr. Chairman, before us maintains the status quo without many new initiatives or relief from the cuts that have been sustained by this institution. And, even though our offices, through our MRAs, have absorbed these cuts, we really should be under no illusion that congressional operations have not suffered as a result. Several of our colleagues have told me that they have been forced to rely on temporary staffing solutions, such as the use of fellows, to keep their legislative and constituent operations afloat.

A Congressional Research Service study released in November examined 12 positions in the House. The overall pay for staff in 12 out of the 13 positions declined, with caseworkers as the lone exception. The report indicated that our legislative assistants, one of the most critical positions in a congressional office—and I might add that I began my own life in public service in the legislature as a legislative assistant, so you never know what can happen to a legislative assistant eventually—but they were being paid \$6,000 less, on average, in 2013 than in 2009 when adjusted for inflation.

Over the last few years, members of this Subcommittee have anticipated that cuts to the MRA would have this impact, and now we have proof. It is my hope that in this fiscal year we can reevaluate our investment in our staffs so that Members can more effectively serve their constituents.

And before I conclude, I want to thank Ed Cassidy, our CAO—I know, surprise—for taking to heart the feedback that you got from this Subcommittee Hearing last year, working with the food services contractor to find an alternative packaging that we could use to serve food in our cafeterias. Styrofoam is officially a thing of the past, and we were able to find a reasonably priced replacement. We have enough to haggle over without worrying about what

our food containers are made of, but we also don't have to contribute to the additional piles in landfills of materials that don't deteriorate. And I am glad that we were able to put what shouldn't have been a divisive issue in the first place from years ago and put that on the ash bin of history.

So I know we have three panels, Mr. Chairman, and I look forward to hearing their testimony. Thank you very much.

#### CHAIRMAN ACKNOWLEDGES HOUSE OFFICERS FOR ABBREVIATED STATEMENTS FOR THE RECORD

Mr. GRAVES. Thank you. Thank you. And, likewise, I look forward to working with you and your side, and I know that we will work together to put together a good product.

And so, at this time, I think each of you know, your entire statement will be submitted for the record. And because of time constraints and nothing that you have done but only because of the votes schedule, I certainly would welcome your remarks in an abbreviated form, 2 to 3 minutes, if you would like.

I know you have prepared for this, but I know there are questions from the committee that would like to be asked, as well. So if there is something you would like to share with us verbally that you think is really important to get out early on, we would love to hear from you. And once you have concluded, then we will move right to questions.

#### CLERK OF THE HOUSE ABBREVIATED TESTIMONY

So we are going to start with the Clerk, if you don't mind—  
Ms. HAAS. Sure.

Mr. GRAVES [continuing]. And then we will just move right across the panel here to Mr. Cassidy and then Mr. Irving.

Ms. HAAS. Okay.

Thank you, Chairman Graves and Ranking Member Wasserman Schultz and Members of the Subcommittee, for the opportunity to testify before you regarding the operations of the Office of the Clerk and our fiscal year 2016 budget request.

#### THE OFFICE OF THE CLERK DUTIES AND RESPONSIBILITIES

With the resources and directions provided by this Subcommittee, we continue to carry out our duties and responsibilities for the legislative and institutional operations of the House. Thank you for your support.

It has been a busy time in our offices as we closed the 113th Congress and prepared for the 114th Congress. We provided incoming Members with information on services we offer, including archival services, to set up their new offices.

With the assistance of our partners, we continue to make legislative information more transparent and accessible. At [docs.house.gov](http://docs.house.gov), you can find measures scheduled for floor consideration as well as the committee repository. It provides the daily schedule for all committee hearings, markup notices, witness lists, testimony, and other documents.

The Bulk Data Task Force, established at the direction of this Subcommittee, helped facilitate the availability of bills, bill summaries, and bill status statements for bulk data download.

Our efforts will continue, with the redesign of the Clerk Website, to enhance the availability of information.

The Clerk's Office plays a major role in providing public disclosure information. As part of this responsibility, we have reviewed several of our legacy systems and anticipate upgrades will be needed to keep pace with technological improvements.

We expect growing demands for the services provided by our office. Our staff is ready to meet those challenges.

Thank you for your time, and I would be happy to answer any questions that you have.

Mr. GRAVES. Thank you.

[The prepared statement of Karen Haas follows:]



OFFICE OF THE CLERK  
UNITED STATES HOUSE OF REPRESENTATIVES

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**THE HONORABLE KAREN L. HAAS**  
CLERK OF THE HOUSE OF REPRESENTATIVES

**STATEMENT BEFORE THE HOUSE APPROPRIATIONS  
SUBCOMMITTEE ON THE LEGISLATIVE BRANCH  
ON THE OFFICE OF THE CLERK, FY2016**

FEBRUARY 25, 2015

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Chairman Graves and Ranking Member Wasserman Schultz, I appreciate the opportunity to testify before the Subcommittee regarding the operations of the Office of the Clerk. As you know, the Clerk's Office supports the core legislative operations of the House of Representatives and its committees. Nearly every step of the legislative process involves the Clerk's Office in some way, from the introduction of new bills on the House Floor to the presentment of enrolled bills to the White House for signature by the President. The Clerk's Office ensures the integrity of the legislative process while making technological progress to improve the transparency of legislative operations for the American people.

## **HOUSE LEGISLATIVE OPERATIONS**

### ***Support for House Floor Operations***

On the House Floor, the Clerk's Office is responsible for supporting the legislative process in its many dimensions, as required by statute and the *Rules of the House of Representatives*. Our bill clerks process all newly introduced bills and their accompanying Constitutional Authority Statements. Tally clerks record all votes cast in the House through the Electronic Voting System or manually in the House Well. They also create the official House Calendar and process all committee reports filed in the House. Our journal clerks produce the constitutionally mandated *Journal of the House of Representatives* and handle all Presidential Messages received by the House. As bills pass in the House, our enrolling clerks prepare the official text for transmission to the Senate or the White House. Our reading clerks deliver bills and messages to the Senate in addition to their duties of announcing pending business on the House Floor. Whenever the House is in session, day or night, our staff is hard at work supporting Floor operations.

### ***Enhancing Transparency and Accessibility of House Floor Proceedings***

While supporting these key aspects of the legislative process, the Clerk's Office is also responsible for making House Floor proceedings transparent and accessible to the public. To that end, the Clerk's Office hosts the official online repository, Bills to be Considered on the House Floor, which is publicly available at [docs.house.gov](https://docs.house.gov). This online repository provides the text of measures scheduled for Floor consideration each week.

Our Floor staff also maintain and update the online summary of Floor activities, which tracks daily Floor proceedings, available on the Clerk's website. This online summary includes information on pending legislation and votes taken throughout the legislative day. The Clerk's Office also provides the public with live and archived video streaming of all House Floor proceedings through [HouseLive.gov](https://www.house.gov/live). In order to make Floor proceedings



accessible to the deaf or hard of hearing, the Clerk's Office provides closed-captioning services as well. Additionally, our official reporters transcribe House Floor debate, gavel-to-gavel, which is publicly available the next day through the online version of the Congressional Record. Finally, as legislation progresses through the legislative process, our staff makes daily updates to the bill summary information available on Congress.gov.

### ***Support for Committee Operations***

In addition to its support for legislative operations on the House Floor, the Clerk's Office provides a number of services to assist House committees in fulfilling their legislative responsibilities. Our official reporters provide reporting services for all committee hearings, depositions, and markups. Our House librarians provide research services for committees and offer regular training through the House Learning Center to assist legislative staff with their research needs. Our professional archivists provide regular consultations and assistance to committee staff in complying with their archival obligations under House Rules. Additionally, they oversee all committee records that are maintained at the National Archives and Records Administration and assist committees in recalling their archived records as needed.

### ***Enhancing Transparency and Accessibility of Committee Proceedings***

One of the major tasks assigned to the Clerk's Office over the past four years has been to improve the transparency of the committee process by providing a centralized online portal for the general public to track House committee activities. In response, the Clerk's Office developed the Committee Repository website ([docs.house.gov](http://docs.house.gov)). The public can now find an online calendar with a daily schedule of all committee hearings and markups. Committee documents related to those hearings and markups can also be viewed and downloaded, including: hearing and meeting notices; witness lists, testimony, and truth-in-testimony disclosure forms; opening statements; legislative text for markup and amendments offered in committee; and tally sheets for recorded votes. The House has made significant progress in just a few years to improve committee transparency, and the Clerk's Office is proud to support that effort.

### ***Legislative Documents***

Finally, the Clerk's Office continues to chair the Bulk Data Task Force, which was established at the direction of this Subcommittee in 2012. The Task Force, which includes representatives from the Senate, Library of Congress, Congressional Research Service,



Government Publishing Office, and other interested stakeholders, seeks to coordinate and improve public accessibility of legislative documents. Recently, the Senate announced it will join the House in making its bills, bill summaries, and bill status documents available via bulk data download. With the inclusion of the Senate, the Government Publishing Office has completed the groundwork to make all congressional bills and bill summaries available in bulk data format beginning this year. We thank this Subcommittee for taking the lead in initiating this effort, and we will continue to keep you updated on our progress.

**ARCHIVES, ART, AND HISTORY OF THE HOUSE: PRESERVATION AND PUBLIC ACCESS RESPONSIBILITIES**

***Public Access to Archived House Records***

The House has assigned the Clerk’s Office the important work of preserving its archived records. To do so, our professional archivists provide all House committees and Officers with ongoing training and consultation for proper records management. As required by House Rules, each committee transfers its noncurrent records to the Clerk’s Office at the end of each Congress. Our office in turn transfers those records to the National Archives and Records Administration’s (NARA) Center for Legislative Archives where they are professionally maintained and made publicly available in accordance with House Rules. The Center for Legislative Archives works hard to ensure House records are properly preserved in an accessible format, especially as the type of electronic records received constantly evolves with new and emerging technology.

Last year I was honored to chair the Advisory Committee on the Records of Congress, which is co-chaired by the Secretary of the Senate and includes the Archivist of the United States, House and Senate Historians, and other congressional officials and Leadership appointees. I am pleased to report that we made progress in making Congressional records more readily accessible to the public by providing online finding aids that assist researchers in locating potentially relevant records for their important work. I want to especially thank NARA’s Center for Legislative Archives for working with the Clerk’s Office to make this important step in improving the transparency of archived House records. We also continue to work with NARA on its space management challenges in order to develop a viable long-term plan for the preservation of legislative records in Washington.

***Art and History***

Along with our efforts to make House records open and accessible to the public, the Clerk’s Office continues to make the art and history of the House publicly accessible in a variety of



formats. Our curatorial staff is responsible for the day-to-day preservation of the historical art and artifacts in the House Collection. As part of their work, they continue to digitize images of the House Collection and make those images publicly available through our History, Art & Archives website ([history.house.gov](http://history.house.gov)). With content provided by the House's art and history staff, this website provides citizens immediate access to a wealth of information about the House of Representatives. This resource is heavily used by educators for teaching purposes. Last year, the website hosted over 1.5 million visitors with over 4 million page visits. We continue to expand the dynamic content available to the public online.

Working with the House Historian, our archival, curatorial, and communications staff significantly contributed to the recent electronic publication (eBook) of *Hispanic Americans in Congress, 1822–2012*, which was commissioned by the House. This resource is now widely available to the public for free download through our website. The Clerk's Office is also continuing to support the House Historian, who has been commissioned by the House to compile oral histories from current and former House Members involved in the historic and annual marches from Selma to Montgomery, Alabama, as well as the civil rights movement in general. Those oral histories will be made available as part of "The House and Civil Rights" online exhibit on [history.house.gov](http://history.house.gov).

## **PUBLIC DISCLOSURE RESPONSIBILITIES**

In addition to its work supporting the legislative operations of the House and preserving its records, art, and history, the Clerk's Office plays a major role in providing public disclosure information as required by law and the Rules of the House.

### ***Financial Disclosure***

The Clerk's Office manages the filing and public disclosure process for all financial disclosure forms filed by House Members, candidates, Officers, and employees, as well as disclosures filed by employees of the U.S. Capitol Police, the Library of Congress, the Government Publishing Office, the U.S. Botanic Garden, and the Congressional Budget Office. When Congress passed the STOCK Act of 2013, it required the Clerk's Office to develop an online filing system for financial disclosure reports. Working closely with the Ethics Committee and the legislative branch agencies that file with the Clerk's Office, we deployed that new online system last year. In our first year, more than 70 percent of filers used the new online tool. We continue to work with the Ethics Committee to make upgrades to this new system for the upcoming filing season.



**Other Public Disclosure Services**

In addition to financial disclosure information, the Clerk's Office processes all official foreign travel and gift travel disclosure filings and post-employment lobbying restriction notices and makes that information available online. Our Legislative Resource Center also makes a variety of other filings publicly available, including legal expense fund disclosures and Franking Commission files.

**Lobbying Disclosure**

The Clerk's Office also continues its efforts to enhance its lobbying disclosure filing system in coordination with the Secretary of the Senate, who shares responsibility for administering the filing requirements of the Lobbying Disclosure Act. Last year, the Clerk's Office processed a combined total of over 90,000 lobbying disclosure registrations, quarterly activity reports, and semi-annual contribution reports and made those filings available online in a searchable, sortable, downloadable format. This year we will begin to mandate that filers use our online filing system, replacing older IBM forms. These lobbying disclosure efforts are intended to "increase public confidence in the integrity of Government," one of the primary goals identified by Congress when it passed the Lobbying Disclosure Act.

**PLANNING AND BUDGET REQUEST FOR FY 2016**

The Clerk's Office seeks to carry out all of its legislative, preservation, and public disclosure responsibilities in an efficient and cost-effective manner. The Office is currently operating 22 percent below its peak budget. Even so, we anticipate growing demand for the services provided by the Clerk's Office, especially our efforts to further enhance the transparency of the House's legislative operations and the accessibility of its legislative documents, official records, and public disclosure filings.

For example, in the rules package that passed in the House last month, the House charged the Clerk's Office to "continue efforts to broaden the availability of legislative documents in machine readable formats ... in furtherance of the institutional priority of improving public availability and use of legislative information produced by the House and its committees." Working with our partners in the legislative branch, we will continue to make this a priority. Additionally, we plan to make upgrades and improvements to our financial and lobbying disclosure systems.

We are fortunate to have a loyal team of employees who carry out their duties to the House with dedication and professionalism. We continue to focus on making training and



STATEMENT BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE  
ON THE LEGISLATIVE BRANCH ON THE OFFICE OF THE CLERK, FY2016

professional development opportunities available to our staff. I was very proud of the work our staff did this past year to ensure the smooth relocation of a number of our divisions as a result of the Cannon renewal project. We were able to relocate a large number of employees with little to no disruption in our services to the House community and general public.

We appreciate the Subcommittee's ongoing support for the operations of the Office of the Clerk. For the upcoming fiscal year, we respectfully request \$24.98 million to carry out our ongoing and new responsibilities to the House. Thank you, again, for the opportunity to testify.



CHIEF ADMINISTRATIVE OFFICER'S ABBREVIATED STATEMENT FOR THE  
RECORD

Mr. GRAVES. Mr. Cassidy.

Mr. CASSIDY. Mr. Chairman, thank you very much, Ranking Member Wasserman Schultz, Members of the Committee, particularly the new members of the Subcommittee. We look forward to collaborating with you on this budget to tackle the many challenges and issues facing Congress in fiscal year 2016.

It is a pleasure to be here on behalf of the entire team of dedicated men and women who serve the House in the Office of the Chief Administrative Officer. It has been my pleasure now to work with this Subcommittee for nearly 9 years, and I have always appreciated its strong support—your strong support, for the House officers as well as the other institutional offices and entities that serve the House.

THE OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER DUTIES AND  
RESPONSIBILITIES

As the principal manager of House finances, information technology, physical property and equipment, and a wide range of administrative and support services, the Chief Administrative Office continually strives to carry out its responsibilities effectively and efficiently.

And that imperative will grow even more compelling this year, as the CAO launches costly yet critically important initiatives in the areas of risk management, cybersecurity, internal controls, and inventory modernization, to name just a few. In order to free up funds needed to execute those, we will simply have no choice but to work smarter and cheaper whenever and wherever we can; wherever we can do so, that is, without compromising essential levels of support to the House.

THE FY2016 CAO BUDGET REQUEST

The Subcommittee is familiar with the particulars of our budget request, so I won't take time now, except to note that we have requested a modest increase, roughly \$4 million, 3.6 percent, the bulk of which represents personnel costs reflecting the 2016 COLA, longevities and overtime. Plus, \$1.5 million of that increase would pay for a once-every-5-years license renewal for the software platform that supports virtually all the systems in the House. It is a periodic expense that we incur, but it is not in our base budget, so it has been included in the FY16 request.

Rather than touch now on any of our key initiatives, I would simply point out that a number of them are highlighted in my prepared testimony, and we would be more than willing, if time permits today, to discuss those. Or, I would be happy to discuss them in more depth with the committee staff at its convenience.

Thanks very much.

Mr. GRAVES. Thank you, Mr. Cassidy.

[The prepared statement of Ed Cassidy follows:]

Statement of  
The Honorable Ed Cassidy  
Chief Administrative Officer  
United States House of Representatives  
Before the  
House Appropriations Subcommittee on Legislative Branch  
February 25, 2015

Chairman Graves, Ranking Member Wasserman Schultz and members of the subcommittee, I appreciate the opportunity to appear before you today on behalf of the entire team of outstanding men and women who serve the House in the office of the Chief Administrative Officer.

We look forward to collaborating with you on this budget request in order to tackle the many issues and challenges facing us in fiscal year 2016.

It has been my pleasure to work closely with this subcommittee in various capacities for many years, and I have always appreciated your strong support for the House officers and other institutional entities that serve the House.

As the principal manager of House finances, information technology, physical property and a wide range of administrative and support services, the Chief Administrative Office continually strives to carry out its responsibilities as efficiently and effectually as possible.

That imperative will grow even more compelling this year as the CAO launches costly – but absolutely essential – initiatives in enterprise risk management, internal controls, cyber security, and inventory modernization, among others.

In order to free up funds needed to execute these high priority initiatives during an era of limited resources, we in the CAO have no choice but to work smarter and cheaper whenever and wherever we can do so without compromising essential levels of support to the House.

The Chief Administrative Officer's FY 2016 budget request is \$117,165,000 which is \$4,065,000 or 3.6% above the Consolidated and Further Continuing Appropriations Act, 2015 per Public Law 113-235. An increase of \$2,155,000 or 3.4% in personnel reflects the FY 2016 COLA, longevities and overtime. A proposed increase of \$2,301,000 in non-personnel costs would fully fund annual maintenance and licensing costs including the VMware Renewal, contractor support for Internal Controls and Privacy and Safety programs, House-wide subscriptions, and other key projects such as the Identity Access Management (IAM). These increases are partially offset by \$391,000 in savings on the purchase and storage of office furniture.

## ANNUAL FINANCIAL AUDIT

Mr. Chairman, before highlighting briefly a number of ongoing and planned activities, I am pleased to report that shortly after last year's hearing before this subcommittee the CAO received its 16<sup>th</sup> consecutive clean audit opinion on the House's financial accounts for the fiscal year ending September 30, 2013. We welcome the opportunity that annual, independent audits conducted by outside accounting firms offer for the House's financial managers to measure themselves against established standards and guidelines for financial reporting.

Each year we gain valuable insight from these audits and have incorporated numerous "lessons learned" into our procedures going forward. During the past year, for example, we have automated four key financial statements (replacing manual spreadsheets), and added enhanced reporting and analytical tools to PeopleSoft in order to address previous audit findings.

## FINANCIAL MANAGEMENT

### Inventory Reform

Late last spring, the CAO began the first top-to-bottom review of its inventory procedures in decades. First, a private contractor independently inventoried all CAO equipment assets. Then, fourteen different inventory processes used in various CAO units were evaluated and will be replaced by five standardized processes to be implemented uniformly across the CAO in 2015. Once functioning successfully within the CAO, the new processes will be made available to the rest of the House officers and institutional support entities in 2016 - and then eventually rolled out to all Member, Committee and Leadership offices for use in the 115<sup>th</sup> Congress.

### Budget Planning and Execution

With this Subcommittee's support, the CAO has purchased the Hyperion Budget and Planning suite of software to work in concert with the House's primary financial application, PeopleSoft. Once implemented, Hyperion will offer the House community a faster, more efficient tool to plan office budgets with real-time numbers that can easily be adjusted to an office's changing circumstances. It features web-based planning, budgeting and forecasting functionality that integrates planning processes, reduces cycle time, improves predictability and allows for scenario-based analyses.

The delivery of the Hyperion Budget and Planning module will be rolled out in phases, starting with the CAO's Office of Budget Policy and Planning, and all House Fiscal Year offices. Phase 2 will be an expanded rollout which will enable Member, Committee and Leadership offices and other non-CAO offices to replace their existing Congressional Accounting and Personnel System (CAPS) budgeting functionality with a far superior online tool.

### Procurement Processes

At the CAO's request, the Inspector General is currently conducting a comprehensive review of our procurement policies, processes, practices and resources. The IG's advisory should be complete by early spring and we will move quickly to implement any recommendations resulting from this timely review. We will also select a new Chief Procurement Officer shortly, and award a competitively bid contract for a cradle-to-grave automated contract management system to replace outdated manual processes. Each of these efforts will help ensure the Chief Administrative Office maximizes value received while minimizing transaction costs and facilitating fair and open competition among those seeking to do business with the House.

### Official Expense Reimbursement

In 2014, the E-Voucher pilot program was opened up to all Member, Committee and Leadership offices, and several hundred are now participating. This program has helped the CAO reduce average processing time for expense reimbursements to an all-time best of less than three business days.

### Payroll Processing

In an effort to strengthen financial management while also strengthening House security, the CAO recently began requiring House offices hiring new employees to submit Payroll Action Forms at least two business days prior to an employee's first day of work. In addition to reducing payroll errors, this change has also made it possible for the first time to hold off on processing requests for House ID's, phone numbers, parking permits, etc., until the issuing office confirms a new employee's payroll status with the Payroll and Benefits office.

## INFORMATION TECHNOLOGY

### Strengthened Management

Late in 2014, the CAO established the new position of Deputy Chief Information Officer (DCIO) to serve as day-to-day chief operating officer of House Information Resources (HIR), and appointed to the post a proven IT senior executive with extensive private sector and governmental experience in enterprise architecture, change management, applications development and end-user service delivery.

### Risk Management

The CAO has directed the development of a National Institute of Standards and Technology (NIST)-based approach to enterprise risk management that will be used to assess and authorize

(A&A) major technology-based systems and processes going forward. Standing up this capability will require a significant culture change within our organization while also consuming considerable time, effort, energy and financial resources across the CAO. But a commitment to rigorous risk management is absolutely essential to ensuring that our critical systems are chosen, designed and operated with the controls necessary to protect the confidentiality, integrity, and availability of House systems and data. Moreover, this high priority effort should enable the CAO to address numerous outstanding findings of the Inspector General, the House's outside auditors and the CAO's Office of Internal Controls.

### Cyber Security

We are continually evaluating cyber security threats and risks to the House network as both the quantity and sophistication of intrusion attempts and spyware detected by the CAO's Information Systems Security Office continue to grow.

The CAO's House Information Security program (INFOSEC) provides two types of services: back office and customer facing. Back office services include firewall protection, intrusion detection, malware threat mitigation, web filters, patch management, technology review and evaluation, compliance and audits, and incident management. Customer facing services include security and awareness training; SecurID services; foreign travel mobile device scanning; and defining, publishing and communicating policies and standards.

Information Security systems address an ever changing threat environment and therefore must be updated constantly to ensure continued secure operations of the House network. Additional funds are requested for on-going Information Security support for the coordination of required certification and accreditation (C&A) activities related to applications and general support systems, system security plan updates, increasing cyber security demands, and forensics requirements.

Because we recognize that effective cyber defense depends to a large degree on end-users knowing what they can/must do to help - and then doing those things consistently - in collaboration with the Committee on House Administration we have taken several steps recently to increase the overall security posture of the House:

- A new password policy has been put in place to further strengthen our network authentication process by requiring stronger passwords that must be changed more frequently.
- We have expanded the CAO's security awareness program and will now require all new staff to complete mandatory training within 60 days of hire to supplement the annual refresher training required of all staff once per calendar year.

- We have extended the reach of our secure configuration management program allowing us to ensure that all systems connected to the House network operate in a manner consistent with security best practices.
- We have hired a full-time cyber communications professional to make our cyber training materials and programs even more effective.

### Data Storage

In 2014 the CAO awarded multi-million dollar competitively-bid contracts to replace the primary servers used to store most House data and applications. The new servers will be House equipment, located in House facilities.

Concurrently, at the request of the Subcommittee – and with the next round of data storage replacements in mind – we also issued a Request for Proposal seeking industry bids to provide large-scale, off-site data center capacity for a potential legislative branch consolidated data center. We share the Subcommittee’s view that eliminating the need to sporadically invest enormous sums expanding/modernizing individual agency data centers could create a more predictable and sustainable appropriations trajectory while enabling participating agencies to pay only for the capacity they need at any given time.

An independent study the CAO commissioned at the Subcommittee’s direction in 2013 determined that data centers supporting Legislative Branch entities such as the House, Library of Congress, Government Printing Office, Government Accountability Office, Architect of the Capitol, and the Congressional Budget Office were at significant risk due to aged and inadequately maintained critical infrastructure. The study also estimated the cost of improving and maintaining legislative branch agency facilities at current industry standards to be more than two billion dollars over a 20 year period. That study and a subsequent Request for Information (RFI) estimated that leasing data center facilities could potentially save taxpayers in excess of one billion dollars over the same 20 year period.

As the Subcommittee is aware, government agencies as well as private enterprises are rapidly moving applications and data from traditional facilities to cloud services in an effort to reduce the costs of meeting ever-increasing capacity requirements. Accordingly, as we work to develop the future data center models and recommendations you have requested, the CAO is actively considering the potential role that cloud-based storage solutions could play given the particular legal and technical challenges associated with maintaining so much House data.

### VMware Renewal

Among the largest increases requested in the CAO’s FY 2016 Budget Request is \$1.5 million to fund the renewal of the House’s VMware Enterprise License Agreement (ELA), which will expire

and must be renewed in September, 2016. The VMware ELA is funded every five years. This license was last renewed at a cost of (\$1.591M) during FY 2011.

The VMware licensing agreement covers licensing for all CAO virtual servers which host the vast majority of 1,400 House managed Windows and Linux servers and provides all House offices with servers for business critical files, CMS operations, websites, as well as Microsoft Exchange and AirWatch services that support email and mobile access for House offices.

## LOGISTICS

### Cannon Renewal/O'Neill Occupancy

In preparation for a top-to-bottom renovation of Cannon over the next decade, the CAO has now moved more than 200 committee and institutional support staff from offices in the Cannon, Longworth and Rayburn buildings into the Thomas P. O'Neill, Jr. Federal Building. Another four hundred or more staffers will follow later this year and next, as their former office spaces are converted to three room suites to be occupied by Members displaced during each phase of the Cannon renewal.

### Transition/NMO

As 2014 drew to a close, many CAO units were tasked with supporting the recent transition from the 113<sup>th</sup> Congress to the 114<sup>th</sup>, and ensuring that newly arrived freshman Members got up and running as quickly and smoothly as possible. For example, Payroll and Benefits on-boarded nearly one thousand new staff members, Logistics moved 189 Member offices in just a few weeks, while the CAO's Office of Administrative Counsel reviewed and approved more than 900 district office leases.

### Hearing Room Upgrades

All Members appreciate that much of the most important work of the House is done by its committees. With strong support from this Subcommittee as well as the Committee on House Administration, the CAO and the House Superintendent (AOC) worked together in 2014 to step up the replacement of obsolete and malfunctioning audio/visual equipment in committee hearing rooms and heavily-used larger meeting spaces in the House office buildings. Those projects frequently include related work to abate asbestos and/or ensure compliance with the Americans with Disabilities Act. With the Subcommittee's continued support, we anticipate completing several more much-needed hearing room upgrades in FY 16.

## INTERNAL CAO MANAGEMENT

### Privacy Program

In 2014, the CAO established a new Director of Privacy position and named a veteran House attorney to the post. We now have a senior-level official focused exclusively on ensuring that appropriate safeguards are developed and function effectively across the wide range of CAO programs and systems that handle personally identifiable information (PII) of Members, staff, constituents and vendors.

In addition, we have worked with industry leading providers to ensure that credit monitoring and identity theft protection can be provided timely to Members and staff in the event their PII is compromised in a breach of House systems.

### Leave Management

With the assistance of HIR, our Human Resources team recently developed and rolled out the CAO's first automated leave management (request/approval/tracking) system. The new system replaces the paper files, manual spreadsheets and thousands of e-mails previously required to manage annual leave, sick leave and overtime for more than 600 employees in dozens of CAO offices and work units. By making it easier to track leave requests and access personal leave balances quickly and accurately, it's not surprising the automated system has been well received by managers and employees alike.

## CLOSING REMARKS

Mr. Chairman and Ranking Member Wasserman Schultz, thank you again for the opportunity to testify today. Please be assured that our entire CAO team remains committed to providing House Members and staff the tools and resources they need to work efficiently, effectively and securely.

I look forward to working with the Committee and would be pleased to answer any questions you may have.

## SERGEANT AT ARMS' ABBREVIATED STATEMENT FOR THE RECORD

Mr. GRAVES. Mr. Irving, thank you.

Mr. IRVING. Good afternoon, Mr. Chairman, Ms. Wasserman Schultz, members of the Committee. I appreciate the opportunity to appear before you today and present the Sergeant at Arms budget request for fiscal year 2016. My full testimony, which I have submitted for the record, contains the full fiscal year budget request.

THE OFFICE OF THE SERGEANT AT ARMS DUTIES AND  
RESPONSIBILITIES

The Office of the Sergeant at Arms provides security, safety, and protocol services to Members, committees, and staff who serve them. To accomplish this diverse mission, we have an extremely dedicated staff, a team that works within several divisions. We have Police Services and Law Enforcement, Protocol and Chamber Security, Parking, House Security, Information and Identification Services, and Emergency Management.

I wish to take this opportunity to acknowledge the tremendous work that this dedicated staff accomplishes each and every day.

I would like to thank the Committee once again for the opportunity to appear before you. I am grateful for the continued support.

I want to assure you of my deep commitment and that of my entire office to provide the highest quality services for the House of Representatives while maintaining the safest and most secure environment possible. All of us remain committed, focused on security and preparedness, while continuing to maintain the strict level of fiscal responsibility demanded by the House of Representatives.

With that, I will continue to keep the committee posted, and I am happy to answer any questions you may have.

Mr. GRAVES. Thank you.

[The prepared statement of Paul Irving follows:]

**Office of the Sergeant at Arms  
Fiscal Year 2016 Budget Submission**

**Statement of the Honorable Paul D. Irving  
Sergeant at Arms  
U.S. House of Representatives  
Before  
The Subcommittee on Legislative Branch  
Committee on Appropriations**

Good morning Mr. Chairman, Ms. Wasserman Schultz, and members of the Committee. I appreciate the opportunity to appear before you to present the Sergeant at Arms budget request for fiscal year 2016. Before beginning, I would like to say that as the Sergeant at Arms, it is an honor to have an opportunity to serve this institution and I look forward to continuing to work with you and the other members of this committee as we begin the 114<sup>th</sup> Congress.

The Office of the Sergeant at Arms provides security, safety and protocol services to Members, committees and the staff who serve them. To accomplish this diverse mission, we have an extremely dedicated team who work in several divisions which include Police Services and Law Enforcement, Protocol and Chamber Operations, Parking Security, House Security, Information and Identification Services, and Emergency Management.

As Sergeant at Arms, I am responsible for directing security matters which relate to the House of Representatives. I serve as a member of the U.S. Capitol Police Board which establishes policies and guidelines to safeguard the Capitol complex and its occupants. I also serve as a member of the oversight board of the Office of Congressional Accessibility Services. This small – essential – office provides and coordinates accessibility services for individuals with disabilities, including Members of Congress, officers and employees of the House of Representatives, and visitors to the Capitol complex.

The Office of the Sergeant at Arms is involved in a number of important ongoing projects and initiatives that I would like to call to your attention.

### **Opening of the 114<sup>th</sup> Congress**

All divisions of the Sergeant at Arms coordinated in a team effort to effect a smooth transition to the 114<sup>th</sup> Congress. This included distribution of all Member pins, Spouse pins, and license plates. Identification Services is currently in the process of issuing new identification badges to the entire House community, including permanent and temporary House staff, vendors and contractor badges, Architect of the Capitol staff and contractor badges, as well as all liaison badges. Parking Security is also in the process of issuing 114<sup>th</sup> Congress parking permits throughout the Capitol complex.

### **Garage Security Enhancement Project**

The garage security enhancement project is designed to address existing vulnerabilities and will provide a greatly enhanced level of security in the House Office Buildings. This project will move the entire Capitol complex far closer to 100% screening. The Office of the Sergeant at Arms is working in conjunction with the Architect of the Capitol and the U.S. Capitol Police to conduct a design and feasibility study for this continuing initiative.

### **Capitol Complex Screening**

Installation of enhanced screening portals within House Sergeant at Arms space in the Capitol Visitor Center would provide an additional layer of security to the galleries of the House of Representatives. Visitors will be screened for powders, liquids and other non-metallic objects prior to entering the House galleries. Currently, these items are not detectable by more traditional screening methods and could be used to disrupt a session of Congress.

### **Sergeant at Arms Server Infrastructure Upgrade/Replacement**

The upgrade of a new server infrastructure will provide modernization and complete replacement of file servers currently in use within the Sergeant at Arms organization. Current physical servers are aging and in need of replacement. The new specialized hardware will provide for “virtual

machines” (multiple server instances running in memory) that provide ease of management, redundancy, and processing speed optimization. This includes a primary system installed in the Ford HOB, and a redundant system being replicated to the alternate computing facility for failover purposes.

### **District Office Security**

In partnership with U.S. Capitol Police, we continue a strong, effective outreach program with Member offices regarding District Office security. We offer guidance on best practices, providing information on how to obtain a thorough security review, and how to coordinate security surveys when requested. We will continue to provide this essential service to offices, while remaining mindful of the need to provide cost effective recommendations as well as solutions.

### **Mail Hood Initiative**

The mail hood initiative closes an existing gap in House secure mail procedures and protocols. We are in the process of purchasing mail hoods to deploy to Member district offices where mail does not undergo prior security screening. As a result of this initiative, Member district office staff will be able to open mail in a safe and secure environment.

### **Law Enforcement Coordinator Program (LEC)**

The Law Enforcement Coordinator Program (LEC) remains of significant focus – something that should be an integral part of every District Office Security plan. As you know, LECs can and do provide an essential link to the local law enforcement community, enabling effective liaison and personal rapport with local and state law enforcement. The LEC program has clearly demonstrated its benefit to the institution, in a cost-effective manner and we will continue to focus our efforts on this critical initiative during the current and future Congresses.

### **Emergency Management Program**

In partnership with the Chief Administrative Officer, the Clerk of the House, the U.S. Capitol Police, the Architect of the Capitol, the Attending Physician, and peer organizations in the

Senate, the Sergeant at Arms implements a comprehensive Emergency Management Program for the House of Representatives, ensuring the Continuity of Operations of the House and the safety of House Members, staff, employees, and visitors during emergencies. As part of a comprehensive emergency preparedness strategy, we are committed to enhancing the emergency management program for every Member, Committee, and support office. For example, we place continued emphasis on the implementation of the Office Emergency Coordinator (OEC) program, an initiative designed to facilitate emergency planning and information sharing for all House offices.

The Emergency Management Division continues to oversee emergency planning, training, and exercises including notifications, evacuations, and shelter-in-place activities to ensure readiness to respond to any emergency affecting the U.S. House of Representatives.

### **Special Events**

Employees of the Sergeant at Arms have supported numerous special events, including the Opening Session of the 114<sup>th</sup> Congress and the annual State of the Union Address by the President. Support was also provided off-site to several issues retreats. There are a number of very large events this year for which planning is currently underway, perhaps the largest being an invitation extended by the Speaker to the Pope to address a Joint Meeting of Congress on September 24. This will be the first such address delivered by a pontiff before Congress.

The FY 2016 Sergeant at Arms budget request has been prepared in the spirit of zero-based budgeting – without jeopardizing mission critical services provided to the House community. In order to fund on-going efforts, the Office of the Sergeant at Arms requests **\$14,827,120** for fiscal year 2016. This includes **\$9,687,372** for personnel expenses and **\$5,139,748** for non-personnel items.

### **Personnel Expenses**

As always, the employees in the Sergeant at Arms organization are our most important assets and have a shared responsibility in fulfilling the Sergeant at Arms mission. While we are authorized

for 132 FTE in fiscal year 2016, we are requesting funds for 128 mission critical positions in Office of the Sergeant at Arms.

**Non-personnel Expenses**

Non-personnel expenses for fiscal year 2016 will support *Travel, Telecommunications, Printing, Other Services, Supplies and Materials, and Equipment*, as follows:

*Travel funding* is primarily required for the advance and support of large scale off-campus events involving Members of Congress – in particular, the 2016 Presidential election conventions. *Telecommunications funding* will support telephone, cell phone, air cards and wireless service for all divisions of the Sergeant at Arms. Funding requested for *Printing* includes general printing needs as well as the preparation of emergency training materials. Funding requested for *Other Services* includes job specific training for Sergeant at Arms staff. Additional funding is requested for contractual services in the areas of threat mitigation, force protection, counterterrorism, emergency preparedness, response and recovery, and Chamber and Gallery operations. Funding for *Supplies and Materials* is requested to purchase general office supplies, ID supplies, and miscellaneous supplies which include the life-cycle replacement of Parking Security uniforms, and the lifecycle replacement of wireless devices, cellphones, and air-cards. This funding will also provide for the procurement of Member and spouse identification pins, license plates, and parking permits for the 115<sup>th</sup> Congress. Funding for *Equipment* is requested to support hardware/software needs throughout all divisions, as well as required maintenance. Some highlights covered in this request include:

- Sergeant at Arms server infrastructure upgrade/replacement
- Lifecycle replacement of PCs, laptops and other office equipment
- Purchase of equipment to support deployed House operations
- Purchase of equipment and annual maintenance and upgrades to several emergency planning software systems to be used in support of continuity of operations

In closing, I would like to thank the Committee once again for the opportunity to appear before you. I am grateful for your continued support and I want to assure you of my deep commitment – and that of my entire office – to provide the highest quality services for the House of Representatives while maintaining the safest and most secure environment possible. All of us will remain focused on security and preparedness, while continuing to maintain the strict level of fiscal responsibility demanded by the House of Representatives.

I will continue to keep the Committee informed of my activities and will be happy to answer any questions you may have.

## QUESTIONS FOR THE GENERAL COUNSEL

Mr. GRAVES. Thank you for all you do for us.

I guess, for the Committee's sake, just to let you know, we have a pretty robust schedule today. And, I know there is a lot of interest, a lot of questions, so, for the sake of time, I am going to forgo asking any questions at this moment and turn to the Ranking Member.

Ms. WASSERMAN SCHULTZ. Thank you.

Mr. GRAVES. And, we will look at the 5-minute rule, but I also respect that you are seeking answers to some queries you have, as well.

Ms. WASSERMAN SCHULTZ. Thank you. I appreciate it, Mr. Chairman. And you just give me the sign when you want me to wind down. I don't expect to go very long, but I do have some questions for each of the officers here.

Actually, Mr. Chairman, my first question is of Mr. Kircher, the General Counsel. So, if we could ask him to join the table, that would be fantastic.

Mr. KIRCHER. Would you like me to sit at the table?

Ms. WASSERMAN SCHULTZ. Yes, please.

Mr. GRAVES. Please.

Ms. WASSERMAN SCHULTZ. Mr. Kircher, welcome back to the Subcommittee.

Mr. KIRCHER. It is nice to be back, Congresswoman.

Ms. WASSERMAN SCHULTZ. I know. You look overjoyed, as I would expect.

## AFFORDABLE CARE ACT

Mr. Kircher, we have talked a lot about the costs of the Defense of Marriage Act lawsuits that were pursued by House Republicans at past hearings. Those costs reached more than \$2 million. And so I am glad we have moved past that unsuccessful lawsuit.

Now, unfortunately, the next page is dealing with the next lawsuit, where the House is suing the Executive Branch, challenging the Affordable Care Act.

Now, we obviously have a mechanism to deal with unanticipated expenses, but this would not be one of those. You long ago announced that you were pursuing this lawsuit. House Administration is supposed to submit amounts expended by the Office of General Counsel on outside counsel now at least on a quarterly basis so we have some measure of transparency, but that is after the fact and after it was already spent.

So that is certainly an improvement over the DOMA lawsuit process, but your office has only requested \$31,000 more than fiscal year 2015 for legal representation. I don't understand why the cost of the current lawsuit has not been requested in your budget request by your office.

The leadership professes to be supportive of budget transparency and making sure that we can see what we are spending. And, you certainly had time before the budget justifications were submitted to give us at least an estimate of what your legal budgetary requirements were, including this lawsuit.

So, why did you not include the costs of the lawsuit in your budget request?

Mr. KIRCHER. We have adequate funds to pay the contract through the end of 2015, pursuant to the contract with the outside counsel.

The simple fact is I do not know what the costs will be in 2016. I do not have a way to estimate those costs in 2016; because, I do not know where the lawsuit will be in that fiscal year. I certainly could come in and put money in the budget, but I would have no justification for it. And, that is the principal reason why it has been done the way it is.

Now, if the Subcommittee wants to put an extra \$300,000 or \$400,000 or \$500,000 in my budget for 2016, I will not object to that, but I cannot justify that at this point; because, I simply do not know where the lawsuit will be in the next fiscal year.

Ms. WASSERMAN SCHULTZ. I mean, Mr. Chairman, if I might, generally, we don't approve open-ended budget requests, where you have no ability to predict how much is going to be spent.

Setting aside the difference of opinion on the subject matter of the lawsuit, with outside counsel you do have the ability to sit down with your outside counsel and get a sense—of the steps of the process that the lawsuit will go through. While you can't predict with pinpoint accuracy how many billable hours are going to be logged and how much you will owe, it is certainly more than \$31,000.

And, you know, since we have an opportunity, unlike the DOMA lawsuit—because that was not filed well enough before budget justifications, but this one is. So, you have the ability to ballpark it with legitimate, factual backup by communicating with your outside counsel, who can give you an estimate. I know you might not be able to predict it, but you could certainly check with them, and they could.

Mr. KIRCHER. With all due respect, Congresswoman, that is not right. The fact is this case is in the District Court now. A motion to dismiss has been filed. We are filing a response this week. I simply can't predict how that motion is going to play out, and how long that motion will take. It might be resolved in a matter of months; it might take a year.

You know, I have litigated enough to say with a fair amount of certainty that I cannot predict how the district court is going to rule. I don't know what happens after the district court rules. I don't know how much time we will need from outside counsel if, for example, the case goes up on appeal very promptly.

I simply can't predict. I mean, again, I could put a number in there, but I could not justify it.

Ms. WASSERMAN SCHULTZ. But would you be able to predict with a fair amount of certainty, to use your expression, that it is going to be more than \$31,000?

Mr. KIRCHER. In 2016?

Ms. WASSERMAN SCHULTZ. In 2015 and 2016. I mean, you have asked in this fiscal year for an additional \$31,000.

Mr. KIRCHER. For 2015, we are obviously already funded for 2015, so that is really not an issue.

2016, I don't know. At this point, we have a contract with outside counsel to cover the district court litigation. I do not have a contract with anyone for anything beyond the district court litigation.

Ms. WASSERMAN SCHULTZ. It is impossible for this Subcommittee to do appropriate oversight after the fact. And so, while we at least appreciate that we have an opportunity to see what you spent after you spent it, this Committee's job is to oversee the expenditures. And we have to, in order to be able to do that, see them before they are spent and ask you questions and be in a position to be able to hold you accountable. And you have not developed a mechanism for us to be able to do that.

So, Mr. Chairman, I would ask that the General Counsel be asked to give us, to the degree possible, a budget justification for a lawsuit that he clearly knows he is going to be conducting, that it is going to cost more than he has asked for, and that will provide the Subcommittee with an opportunity to be able to hold the agency accountable and make decisions based on the submission.

Mr. GRAVES. Thank you.

Ms. WASSERMAN SCHULTZ. I have—we can come back to me, but I don't know if—did you want to go to—

Mr. GRAVES. Let me go to Mr. Young real quick.

Mr. Young, are you prepared for some questions?

Mr. YOUNG. I have a few questions.

Mr. GRAVES. Okay.

Mr. YOUNG. Thank you, Mr. Chairman.

Welcome to the Committee. Having been a 20-year staffer on Capitol Hill, I appreciate what you all do. As you know, we get to know each other in ways, and it is almost a family atmosphere sometimes. Sometimes we are hugging, sometimes we are frowning at each other, but here we go.

#### HOUSE PROCUREMENT PROCESS

Mr. Cassidy, in your written testimony, you state that the Inspector General is currently reviewing your procurement policies, and I am just curious as to what brought this review on.

Were there specific reasons you felt it was necessary? What do you expect to find? What are you looking for? And is there an expected level of savings? And is that reflected in your 2016 budget request?

What brought about that review?

Mr. CASSIDY. Congressman, thanks very much.

I was first appointed to this position just about a year ago, and, as part of my transitioning into the role, I took a hard look at each of the divisions that make up the Office of the Chief Administrative Officer.

Procurement was one that struck me as—it was an organization that had quite a few talented procurement professionals, but some of the processes seemed a bit antiquated to me. And, as a result of that, in consultation with the Inspector General, I thought it would be helpful to get an outside set of eyes on our procurement processes, sort of end-to-end, if you will. There wasn't any particular individual procurement that caused me concern, but the processes seemed fairly antiquated.

The review is in its final stages. It should be wrapped up soon. I don't want to prejudge it because it is not my review. I really wanted an independent look.

But, there are a couple other things that are ongoing that I think bear on your question. One is we are about to implement—after an open competition, we are about to implement the first fully automated lifecycle contract management system. So we will have an automated process to manage our contracts from the beginning of the process all the way through the final payments. That will replace antiquated hard-copy paper systems, manual systems, if you will.

And, I am also pleased to report that we will soon announce the selection of a new Chief Procurement Officer for the House, who will be drawn from a competitive pool of several hundred highly qualified candidates.

Our overarching goals in procurement are always to maximize value received, to minimize the transaction costs, while ensuring full and fair competition among those who seek to do business with the House.

I am very encouraged by the reports I have gotten from the IG about the work they have underway, and I fully intend to implement immediately whatever process changes they may recommend. But, for the most part, this is really just a general modernization effort around a part of our processes that really hadn't been looked at in quite a few years.

#### CYBERSECURITY

Mr. YOUNG. Okay. Thank you for that.

And just a question regarding cybersecurity.

You could also comment on this, Mr. Irving, as well.

But, how often are we getting attacked and penetrated? And can we source where this is coming from? Is it your angry constituent who is upset at a Member, or is it a foreign government? Is it just a wily kid in their basement drinking too much Red Bull?

And, can we trace it back to them? What are the repercussions when we find out who it is?

Mr. CASSIDY. Well, Congressman, I know that this Subcommittee appreciates that we don't have any shortage of priorities on the information technology side of the CAO. But, given recent events, I think it is fair to say that cybersecurity is highest on the list. It is our top priority in information technology today.

We are continually targeting and evaluating cybersecurity threats and risks at our 24/7, around-the-clock cyber center. We work closely with executive and legislative branch counterparts to identify risks and share information very effectively.

I think you covered most of the primary perpetrators of the attacks on our system. In terms of numbers, we receive well over a million attempted intrusions to our systems in any given year.

If you were to go down to our cyber center, it doesn't look any different than any other government or corporate cyber center. You will see realtime screens that depict the attempted intrusions. They come from all over the globe at all hours of the day and night. They take many forms.

Probably our biggest challenge here, in many respects, is managing our internal activities effectively. We work tirelessly to strengthen our external defenses and to harden our internal system, as well, so if an attacker gets in, we can identify them, we can stop them, we can get them out. But, at the same time, when you serve 10,000 or 11,000 individuals who all have multiple devices and operate in 900 different offices around the country, our organization, the House, like any other public or private large enterprise, is constantly at risk from intrusions that could result from something as simple as a staffer clicking on a link in an email that looks perfectly legitimate from somebody they think they know. You click on the wrong link, you immediately end up with malware on your system, and that begins the process that you have been reading about in the papers that organizations all across this country are dealing with every single day.

So, it is a challenge. We want to harden our external perimeter defenses, we want to harden our internal defenses, but we also have a very real challenge around the Members and staff that we serve. And, with that in mind, we have significantly increased, with the support of the Committee on House Administration, significantly increased our outreach to Members and staff about safe cyber practices, for example.

We have recently stiffened password policies. Several of your colleagues have complained to me of that of late. Even I sometimes get a little frustrated by our password policies, but our experts tell me that it is one of the most important things we can do to safeguard the systems and the data of the House.

We also have stiffened our requirements for periodic cyber training. And, we require it once a year, just like ethics training, but now we are also going to require all new hires in the House to complete their cyber training shortly after joining the House workforce and then get it refreshed every year thereafter.

We are also looking at stiffening our configuration policies around the House. As you can appreciate with 441 Member offices and 20-times-2 committee offices and leadership offices and officers and other institutional entities, there are an awful lot of different systems operating around this institution. And, some of them are configured in ways that are more secure than others.

So, again, with the support and assistance of the Committee on House Administration, we are stiffening our requirements across the institution around the systems that people employ to meet their individual office needs to ensure that we have uniform security approaches here in the House. So we have a pretty comprehensive effort.

The last piece of this that I would mention is that we are steadily adding top talent to our information security team all the time. We just, for example, added an individual who spent a number of years as the Head of DOD-CERT, the Cyber Emergency Response Team, and then later ran US-CERT. This is a highly skilled, highly qualified information security professional.

But, we face the same challenges that every government organization faces competing for those highly skilled individuals against private-sector entities that have much deeper pockets than we do.

But notwithstanding that challenge, we are steadily adding top talent all the time to our information security team.

Mr. YOUNG. Thank you for your comments.

I yield back my time, Mr. Chairman.

Mr. GRAVES. Thank you.

The gentleman from California, Mr. Farr.

#### ANNUAL COST OF LIVING ADJUSTMENTS

Mr. FARR. Thank you very much, Mr. Chairman.

I have several questions for each of the witnesses.

I just want to say that, when I first arrived here, Ed was Chief of Staff to Doc Hastings in the office next door. If I knew he was going to rise to be in charge of a billion-dollar budget, I would have been a lot nicer to him.

Mr. CASSIDY. Congressman, as I recall you were very nice to me. You must have known something.

Mr. FARR. I have to say this is my first—I have been on Appropriations for a long time—but this is the first time I have been on Leg Branch. And, I just find it fascinating, kind of, growing up in politics and as a county supervisor, State legislator, our own budgets are ones where we really get into the micro stuff. I wish we had a lot more time to go over these things.

I have a couple of questions here. I noticed that most of the other offices seem to be getting a COLA—I mean, in your bailiwick, outside of the Members themselves. Why is that happening and not our staff members getting a COLA?

Mr. CASSIDY. Congressman, I think the way to answer that most helpfully would be to contrast the workforce that we have in the officer organizations with the staff in the Member and committee offices that I spent most of my career in.

The Members' MRAs and Committee budgets have taken hits in recent years, and so have the officer budgets. For instance, in my fiscal year 2016 budget request, I have asked for funding to cover the COLAs and the longevity increases, but I don't typically receive it. And so, in the same way I did when I was Chief of Staff in a Member office or a Committee and had to accommodate any raises for staff out of my existing budget resources, we do the same thing in the officer ranks.

The biggest difference is that nobody in a House office or a Member office or a committee office is on anything that looks like the executive branch General Schedule, you know, the Federal civil servants who have grades and steps. That doesn't exist in Member offices, doesn't exist in committee offices. It does, however, exist for most of the House institutional workforce, those people who are covered by HEPCA, the House Employee Position Classification Act.

And, so our employees are very much like career civil servants in the sense that they have a schedule that is based on when they joined the workforce and they get what we call longevity increases associated with their time of service and grade/step.

But, we absorb those out of our base budget unless the Committee makes additional funds available, and that hasn't happened in a number of years. So we are taking it out of our hide, just as Member offices and committees are. The difference is our folks

view it more as an entitlement because they are part of this general schedule in the House.

Mr. FARR. How many employees get the COLA, of all these—

Mr. CASSIDY. All of our institutional—

Mr. FARR [continuing]. Other than member office employees?

Mr. CASSIDY. All of our institutional employees in the officer ranks and the other institutional offices, as far as I know, have all received the 1 percent COLA this year that was signed into law by the President.

Mr. FARR. And, how about our contracts with service providers?

Mr. CASSIDY. There are COLAs built into those contracts.

Mr. FARR. Not even through labor negotiations, union members, and so on?

Mr. CASSIDY. Well, thank you for clarifying that. Most of our large contracts, with Restaurant Associates and those sort of organizations, don't include—you know, we are not privy to the salary discussions that they have or compensation that they have with their employees.

There are literally a small handful of employees within the CAO who work for two of our smallest offices who are covered by a collective bargaining agreement, and they do not have pay arrangements negotiated in those contracts.

Mr. FARR. So the Architect of the Capitol's employees are all built in—they all get the Federal COLA? Or is there—

Mr. CASSIDY. Sir, I am not as familiar as I would need to be to answer that question about the Architect of the Capitol's pay arrangements. His employees are not employees of the House. I don't have any involvement with their compensation at all. I do understand him to have more unionized employees than we have.

Mr. FARR. Well, let's just clarify on, sort of, simple terms. Who decides—because I am not sure—who decides our office employees' COLAs versus who decides the COLAs for these other-than-Members offices?

Mr. CASSIDY. Each year, if the President directs—

Mr. FARR. So built into the Federal employees' COLAs—

Mr. CASSIDY. Well, the President's decision with regard to COLAs in the executive branch begins a process here in the House that typically results in the same COLA being granted to our institutional employees.

What happens is I write to the Committee on House Administration, make them aware of the President's decision, make them aware of the financial consequences for each of the officer organizations associated with granting that proposed COLA, and then the committee either approves it or doesn't.

And, in this century, the committee has always approved it. I really don't know what the history would be before that.

Mr. FARR. Is that causing some impaction, when you have other-than-Members offices all working in these buildings and getting a COLA and an increase, where, you know, our offices have been flat for a while?

Mr. CASSIDY. I think the real impaction occurs within our operating units. In other words, every dollar that I spend on COLAs for CAO staff is a dollar—if I don't get the additional funding in the bill, which hasn't happened in recent years, then that money has

to be made available from some other part of our operations, and that creates real challenges for us. And—

Mr. FARR. So the point I am trying to make is this is crazy, because here we are denying COLAs to our staff, but the budget that we give the other offices pays for COLAs for others. We ought to correct that and just have everybody have an opportunity for a COLA.

#### HOUSE ONLY ELECTRONIC BULLETIN BOARD

My staff has sort of talked about this, because I am not such a techie, but they were talking about the fact that Craigslist, Freecycle, eBay all are examples of Web bulletin boards for the exchange of good and services. Why can't the House have an in-house Web bulletin board that could be limited to posting and receiving messages only from those with a House email address and none other?

It could also have strict terms of service, so its use would be for everyday, ordinary transactions, not regular business enterprises or job marketing. One violation of rules and that House email could be barred from participating.

The World Bank has such a site for its employees, and I am sure they are just as concerned about cybersecurity as our House is, and so why can't we have one within the House?

I also have a question for the Clerk about why we can't get votes in our offices that we can get on the floor about, you know, how Members have voted.

Mr. CASSIDY. Congressman, I would be happy to look into that suggestion and get back to you with some options.

#### CENTRALIZED TOUR RESERVATION WEBSITE

Mr. FARR. Okay. Thank you very much.

And, then, is it possible to organize all tour organizations and opportunities into one site, one-stop shopping for tours? You know, one place—you have to book the White House and the Kennedy Center—and one place to look at all these, where you could book the White House, the Kennedy Center, the Capitol, the tours, the Library of Congress, the Pentagon tours all off one site.

Right now, our staff assistants have to go to each of these places individually to book a tour. It is just a very inefficient system.

Mr. CASSIDY. Congressman, again, that is something we would be more than willing to look at. It may be the best we can do is to create a central repository of links to those sites, because, as you know, not all those sites are operated by the House. But we will do anything we can to make it easier for people to find the information they need easily in that regard.

Mr. FARR. Okay.

Do I still have time, or is my time up?

Mr. GRAVES. Let me go to Mr. Rigell of Virginia for just a—

Mr. FARR. Okay.

Mr. GRAVES [continuing]. Second, and we will come back.

#### MR. RIGELL OPENING REMARKS

Mr. Rigell.

Mr. RIGELL. Thank you, Mr. Chairman.

I just want to again say, as we did at our organizational meeting, that I appreciate the spirit in which this committee operates. In my 4 years of public service here, this will probably be the least intensive series of questions that I am going to ask. But they are asked for a real purpose, and that is for me to get a quick assessment of what your greatest challenges are. I mean, if I was coming in here as a CEO or something, this is the mindset that I would have.

So, Mr. Irving, when we get down to you, I am going to maybe dig into that just a little more based on a conversation that you and I have already had about some consolidation opportunities.

All of us know that we are operating within a constrained budgetary environment. I think there is going to be some pressure on this into perpetuity for a host of reasons that are outside the scope of what we are going to get into here today. But this pressure is going to be there.

#### BUDGET CHALLENGES

So I know that when I ask you the question, what is your greatest challenge, you might say, well, it is the budget environment. But if you could then go that next step further and say, "And, as a result of that, it means this"? Maybe it is the inability to keep the right people, worried about some turnover or something like that, or maybe some area of the House security that we are not able to quite advance as much as we would like.

#### BUDGET CHALLENGE—CLERK

So, Ms. Haas, if we would start with you. Please, say your greatest challenge and, the area where, you think, I am really having a tough time with this one issue, whatever that is.

Ms. HAAS. Sure.

Mr. RIGELL. Thank you all for being here and your counsel today.

Ms. HAAS. Thank you.

I would say our biggest challenge is keeping up in an era of transparency, where we very much want to make information available quickly and accurately, is taking that information and the challenges that we have with other mandates that are put upon our organization to make sure we can manage projects in a way to get the information out as quickly as we can, yet also respond to these other mandates.

And I will give you an example, if I could, quickly.

Mr. RIGELL. That would be helpful.

Ms. HAAS. So we have many things that we are responsible for, like lobby disclosure and make a lot of public-information-type materials. And then when the House has made transparency a priority, we have to then go to the things that we are mandated to do and put other items on the back shelf.

Mr. RIGELL. Okay.

Ms. HAAS. So what happens for us when it comes to our budget is the items that we may have as a priority have to get moved off for the mandated items. If we have the money, we can get assistance from the outside to move these projects a lot quicker.

So that is the challenge that we have.

Mr. RIGELL. Okay. So compliance with the mandatory items may—

Ms. HAAS. Correct, versus our priorities.

Mr. RIGELL [continuing]. Put some pressure on the things that you—okay.

Ms. HAAS. And if we have the money to do both, that is what we ideally would like to do.

Mr. RIGELL. Right. Okay. Thank you.

#### BUDGET CHALLENGE—CAO

Mr. Cassidy.

Mr. CASSIDY. Thanks, Congressman.

I think, in a nutshell, the biggest challenge we face day-in and day-out in our efforts to support the work of Members and your efforts to represent and serve the constituents who sent you here is that 441 Members all have different priorities, they all have different preferences around what is important in their office operations and the support they need to do their jobs. It is often difficult to serve 441 different masters.

And by that, I don't mean to suggest that they are unreasonable requests. I simply suggest that it is a patchwork quilt, if you will, of requirements. What is important to one Member may not be as important to another. And yet Members need what they need, and our commitment is to try to meet those needs. So, you know, that is a day-in and day-out challenge.

If you work, for example, for a Federal department and it is a unitary structure and there is a Cabinet Secretary up top and everything flows from there, you get your marching orders about what is important and what is not from a clear chain of command.

In this institution, I think all of us who serve the House face a challenge day-in and day-out of trying to reconcile your requirements against one of your colleagues' requirements, when it is really important to you and it is very urgent and it is equally important to him or her and it is equally urgent.

The financial aspect of that, that I think this committee has indicated to me in the past they have some interest in, is the challenge associated with providing some services to Members through the CAO, for example, that other Members contract for privately. And so what we end up with—and there are a couple easy examples to illustrate this.

If you are a Member of Congress who wants the House of Representatives to build your Web site with all the bells and whistles, we will do that for you, and we will do it without any charge to your office. You may have to wait in line, but we will do it for you for free. Other Members routinely go out and use MRA funds to contract with a private entity to design and build and support their Web site.

So we have, you know, equities, if you will, around the issue of should we be spending money—and it is not our decision to make—but should we be spending money, House money, to provide services to individual offices that other offices have prioritized and are funding out of their MRA?

Because every dollar we spend on services that are unique to an office that reflect its priorities is a dollar that is not available for

something like cybersecurity, for example, that benefits the entire House. So that is a challenge.

Mr. RIGELL. I see your point there. And trying to keep—it is not 435, but—

Mr. CASSIDY. 441.

Mr. RIGELL. Yeah, 441. You have a lot of customers. And to the extent that—

Mr. CASSIDY. And we relish that, by the way.

Mr. RIGELL. It is very diverse. But to the extent that there is an appropriate way for us to help with the uniformity, we could look for those opportunities to help you in executing the mission.

Mr. Chairman, it doesn't look like we are following the clock too closely, but I also want to be respectful of my peers, and so—

Mr. GRAVES. Let me interject real quickly. Now that votes have been called, the ranking member and I have discussed that we would like to wrap this panel up before we go vote, come back, and then begin GAO and then move into Capitol Police. And I know that there are a couple more questions, and I am open to that.

#### SAA LEADERSHIP AND THE CAPITOL POLICE

Did you want to finish with Mr. Irving now, or are you still waiting on his response?

Mr. RIGELL. Well, I think, out of respect for my colleagues, we will just move on.

I want you all to know that I have been very impressed in the 4 years that I have been here. You know, all the staff has been very professional, and I have always had high confidence. And everything that we have asked has been done, and, of course, everything from the Capitol Police all the way around. So I think it is a reflection of the leadership, and that is a compliment to you and a sincere one.

Thank you.

Mr. GRAVES. Thank you.

#### AFFORDABLE CARE ACT—FOLLOW-UP

Ms. Wasserman Schultz.

Ms. WASSERMAN SCHULTZ. Thank you, Mr. Chairman.

Mr. Kircher, I just have a quick followup. I know that is going to come as a shock.

On page 2 of the contract that you have entered into with the outside counsel, you were able to predict all the way through 2017 an estimate of the costs that you would incur to be \$350,000.

So my question is, if you were able to come up with that estimate, which spans beyond just this year, why can't you come up with an estimate for the next fiscal year?

Mr. KIRCHER. Well, I think that cap amount is not reflective of a period of time, it is reflective of one aspect of the litigation, which is the district court litigation. The contract is limited to that, and it is capped at \$350,000 for that piece of the litigation.

Ms. WASSERMAN SCHULTZ. You had to come up with an estimate, and you were able to. And it is an estimate that spans beyond just this fiscal year; the contract runs through 2017. You clearly were able to settle on an amount. So what stops you from giving us a similar estimate prior to you submitting your budget?

Mr. KIRCHER. Because, as I said before, I don't know where the litigation will be. I don't know whether I will need outside counsel when the case moves beyond the district court. I don't know what the status of the litigation—

Ms. WASSERMAN SCHULTZ. What is the difference, though, between being able to estimate what this portion of the lawsuit will cost all the way through fiscal year 2017 versus any other piece of the lawsuit?

Mr. KIRCHER. This is not an estimate through fiscal year 2017. This is a cap amount; this is an outer limit amount. Okay? You will not charge us any more than that for the district court litigation.

Ms. WASSERMAN SCHULTZ. But you arrived at that number in some way. And so why can't you arrive at a number in some way for other parts of the lawsuit? It doesn't make sense that you could put an amount in your contract but yet not put an amount in your budget request.

Mr. KIRCHER. Okay. Because when I signed the contract, we knew we were heading into the district court litigation, okay? We knew we were going to be in district court litigation for some period of time. This was a capped amount, it was a maximum amount. Whether we spend that amount or don't spend that amount is a different issue. It is simply a cap. It is not an estimate.

Ms. WASSERMAN SCHULTZ. I understand.

Mr. KIRCHER. The only reason this thing runs out to 2017 is because that is when Congress runs.

Ms. WASSERMAN SCHULTZ. It is simply not credible that you couldn't put an estimate on the portions of the lawsuit—there is plenty of certainty and not zero uncertainty. And somewhere between zero and a lot, we should be able to have a better idea of what resources you will need from this committee, so we, ahead of time—I think you would agree and that you would advise the Speaker that it is better for us to be able to have oversight than to have to clean up messes after the fact.

#### HOUSE GALLERY—PRESS RULES

Ms. Haas, I want to ask you a question that is really extremely troubling. There was a news article that showed the phone, the cell phone, of a Member of Congress on the House floor, not just the actual phone but the text message on it. Now, that had to be a high-powered-enough camera to be able to zoom in on that Member's text message.

I am not worried about the content of the text message, but I am interested in the rules of the House and what they are regarding recording and photography equipment. I mean, the press aren't allowed on the House floor with us. The only people who are allowed on the House floor are children under a certain age and House Members and former House Members and authorized staff.

So can you tell me, what are the rules for press in the gallery? And if the rules don't prohibit a member of the press from photographing or recording our private conversations on the House floor, then we need to revise that.

Ms. HAAS. Sure. I am aware of the situation that you are referring to, and that was during opening day. The rules for the media are set by the Speaker's office in conjunction with the media gal-

leries. For special events like opening day, State of the Union, special rules are in place.

It is my understanding that particular situation has been addressed, and—

Ms. WASSERMAN SCHULTZ. Can you tell us how?

Ms. HAAS. That would really be a question for the Speaker's office. I am not sure—

Ms. WASSERMAN SCHULTZ. Are they here?

Ms. HAAS. I don't believe so.

But any questions of decorum are also collaboratively dealt with with the Parliamentarian, Office of the Clerk, the Sergeant at Arms, the Speaker's office, and the bipartisan leadership.

Ms. WASSERMAN SCHULTZ. Do the rules allow for a member of the press in the gallery on any occasion, a regular session day or a special occasion, to zoom in on a communication device of a Member and photograph the content of a text message?

Ms. HAAS. I can't speak specifically to those guidelines, and those are—

Ms. WASSERMAN SCHULTZ. Or to record, assuming that they had the kind of equipment that could record our conversations.

Ms. HAAS. Correct. Recording devices are not allowed in the Chamber.

But as far as photography specifically, I would have to go to the periodical gallery, the press gallery, to understand their guidelines. They don't fall under our responsibility.

But my understanding is that the specific issue that you have raised the Speaker's office did address with the gallery and their guidelines.

Ms. WASSERMAN SCHULTZ. Okay.

Mr. Chairman, I would ask for unanimous consent that we be able to get the answers to those questions. And if the rules of the House don't—I mean, I understand—I am concerned that it not just be left to the informal policy or conversations between, you know, the press gallery and a leadership office.

I mean, we have a certain expectation of, you know, privacy to our communications on the House floor. Otherwise, we should just throw the doors open and let anybody, you know, come on the floor, which actually occurred a couple hundred years ago, when people could do that, but we don't allow that anymore. And so we need to, I think, take a closer look at it, if we could.

Mr. GRAVES. Okay.

#### SAA AND THE CAPITOL POLICE—CONTINUED

Ms. WASSERMAN SCHULTZ. And then, lastly, the question on procurement has already been asked, but I do want to just touch on with the Sergeant—and I am going to ask these questions of the Chief when he is here later today. But the department is obviously going through some ongoing challenges, the most recent of which involved a traffic stop during the State of the Union and the lack of an arrest.

And, you know, I will tell you, it is a little frustrating. I mean, having been on this subcommittee now for a long time and in a leadership role in the majority and the minority, a lot of officers stop me, but I have noticed a noticeable uptick in the number of

officers who pull me and other Members aside and, you know, express a significant concern about one issue or another.

But the issue of policing the community and how widely the direction is for our officers in the Capitol Police corps to patrol, to be involved in law enforcement, has there been any specific direction reining in the officers to essentially the Capitol complex? It doesn't seem like there is any certainty out there right now.

Mr. IRVING. There has been.

As you know, Capitol Police is resource-challenged.

Ms. WASSERMAN SCHULTZ. Sure.

Mr. IRVING. They know that the priority is the inner perimeter, which is the Capitol and the Capitol Grounds. They do have jurisdiction in an extended zone. The priority is not community policing for the extended perimeter.

Having said that, it is a little more complicated because we have Members that live in close proximity to the Capitol.

Ms. WASSERMAN SCHULTZ. Right. That is part of why I am asking.

Mr. IRVING. So the Capitol Police does conduct checks of some Member residences and those neighborhoods where Members frequent, especially late night after votes, as they walk to and from their residences.

But having said that, community policing is not the priority. The priority is the inner perimeter, namely the U.S. Capitol. And that has been conveyed.

So it is a careful balance of resources. Patrol division knows that. We work constantly—the critical issue really is the communication between leadership and the rank-and-file.

Ms. WASSERMAN SCHULTZ. Right. What I was going to say is that it doesn't appear that it has been communicated clearly—

Mr. IRVING. Right. That has been a challenge.

Ms. WASSERMAN SCHULTZ [continuing]. And that the guidance has been embedded in the force.

Mr. IRVING. Yes. I can assure you that there are conversations ongoing between the Capitol Police Board and the Chief and his leadership to rectify that.

Ms. WASSERMAN SCHULTZ. Thank you.

Thank you, Mr. Chairman. Yield back.

#### HOUSE FLOOR VOTING REPORTS

Mr. GRAVES. Mr. Farr, any final questions?

Mr. FARR. Thank you. I have a couple here.

Karen, I sort of mentioned this earlier. When I am on the floor and I want to look and see how did the California delegation vote I can get a printout. My office can't get that.

Ms. HAAS. Correct.

Mr. FARR. Why can't that signal be sent to the offices?

Ms. HAAS. It is a closed system. Our electronic voting system is a closed system. So what is available to your office currently is the vote. So we post it on—

Mr. FARR. But then they have to do the whole massive vote and they have to go through the whole 435 and pick out the Californians and, you know, who voted what, it is a big, complicated process.

Ms. HAAS. And, actually, we are in the process of redesigning our Web site. So the way we display votes in the future is one of the things that we are looking at right now. So we will take that—

Mr. FARR. Okay. I will have my staff work with you.

Ms. HAAS. Okay. Please. We are happy to work with you.

Mr. FARR. Thank you very much.

#### SAA FY2016 EQUIPMENT REQUEST

And, Chief, I just wanted to ask you—Sergeant—you have \$1.9 million in your budget for just, quote, “equipment.” What kind of equipment are we talking about?

Mr. IRVING. We are looking at—we have an increase, if you are referring to the budget request, it is to basically modernize our servers. We have some servers, computer servers, dating back to 2005 that need to be replaced. So that is the big initiative on equipment.

We also have an initiative, a security initiative, to enhance protection of the House Chamber and gallery. We have some threats that are not being addressed now. There is only so much I can discuss in this forum, but we have some chemical, biological, radiological countermeasures that we would like to put in place. And some of that initiative is geared toward that equipment.

Mr. FARR. What about—House IDs—we asked in the office—the ID badges aren’t compliant with the REAL ID Act. Can we create a House badge that is compliant?

Mr. IRVING. We can certainly look to that. We have had, actually, some discussion on that. We have to be careful with technology to make sure that, the technology that is embedded in, let’s say, the voting card is not compromised by another, sort of, you know, prox card or—

#### UNIVERSAL I.D.S

Mr. FARR. Yeah, I am not talking just about the Members’ voting card. I am talking about the staff IDs and stuff to be compliant so they can use those IDs when they go to the Pentagon or they can use them to go to the airports and things like that.

Mr. IRVING. We will certainly look into that. We have had some discussions, actually, you know, on that issue, but it is—

Mr. FARR. Can we plug in with that discussion? I will get my—

Mr. IRVING. Absolutely.

Mr. FARR [continuing]. Staff to—

Mr. IRVING. Absolutely.

Mr. FARR. And, lastly, on that, as electronic as we are today, we have to supply lists of our staff and their contact information, their ID numbers to multiple administrative offices. We do this with the Sergeant at Arms, the Office of Emergency Management, the Capitol Police, the Capitol operator, the parking garage.

Can’t we just have a system of multiple trackers so we can just release that information once?

Mr. IRVING. We are looking—we will certainly look to integrate all of that, Congressman. Absolutely.

Mr. FARR. Single source?

Mr. IRVING. Yes.

Mr. FARR. Okay. Thank you.

Thank you, Mr. Chairman.

CHAIRMAN CLOSING REMARKS

Mr. GRAVES. I want to thank each of you on behalf of the committee for your service and for all you do for the House of Representatives and for your indulgence today on our delays and the time.

And, at this point, the committee will go into recess until 3:50 or so, and then we will start up with GAO.

Thank you very much.

[Questions for the record follows:]

**LEGISLATIVE BRANCH SUBCOMMITTEE  
HOUSE OF REPRESENTATIVES  
CHAIRMAN TOM GRAVES  
FEBRUARY 25, 2015 – 2:00 P.M.  
HT-2, THE CAPITOL**

**QUESTIONS FOR THE RECORD**

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**OFFICE OF THE CLERK**

**TECHNOLOGY DEMANDS**

- 1. In your testimony you indicate that you expect increased technology demands to continue. Can you tell the Subcommittee specifically what type of demands you are referring to?**

With the aging of some components of the House Electronic Voting System, we are looking to undertake upgrades to make the technology more current while maintaining the integrity and security of the system. In addition, we have begun the process to redesign two databases shared with the Senate, the Bio Guide which provides biographical information on all Members of Congress and the Lobby Disclosure system. We are currently reviewing the production of the House Telephone book in an effort to reduce the number of copies printed and make more information available electronically. We will also continue to work with committees to make more of their information available through the online Committee Repository enhancing overall transparency.

**SPECIFIC INITIATIVES TO REDUCE COST**

- 2. There are always increased demands on the Federal budget. Are there specific initiatives your Office has undertaken to reduce costs?**

We continue to offer many subscription services to the House via the House Library. By providing access to video clipping and information data bases we believe this may alleviate some costs to member and committee offices. We are working closely with the Committee on House Administration to review the process for printing committee transcripts in an effort to reduce overall costs to the House. This project is in the initial stage but we are making progress. From the personnel perspective we monitor the legislative schedule closely to keep overtime expenses low.

**BULK DATA TASK FORCE**

- 3. Providing legislative information to the public as well as making our proceedings as transparent as possible has been a priority for the House. Please tell us about your current**

**efforts to help promote transparency. (I ask that the latest report from the Task Force be inserted in the record.)**

As the subcommittee knows, our Office continues to lead the Bulk Data Task force which coordinates technology efforts with many of our legislative partners. With the assistance of GPO and the Library of Congress, congressional bills and bill summaries are now available in bulk data format and in May, bill status data will also be available. We have made further upgrades to HouseLive, the video service for House Floor proceedings. These upgrades allow easier access from mobile devices. Significant progress has also been made to the re-design of the Clerk's website. Once completed the public will have improved access to daily Floor and Committee proceedings, vote information, and public disclosure filings to name a few.

#### **CANNON RENEWAL**

- 4. With the start of the Cannon Renewal project I understand that several of your offices were moved to new locations. Can you speak to the impact this project is having on your operations?**

Several of our offices in the basement of Cannon were moved to either other locations in the Cannon building or to the O'Neill building. With the assistance of the CAO and the AOC, these moves went very smoothly with little disruption to our customers. While we had to make additional changes to our processes after the moves, support of the legislative process and accessibility to members, staff and the public remain a priority.

#### **FINANCIAL DISCLOSURE SYSTEM**

- 5. Your Office launched an electronic Financial Disclosure system in time for the May 15, 2014 filing date. How has the new system been received?**

I'm happy to report that over 70% of required filers chose to use the new electronic system. Since the last filing we have continued to work with the Committee on Ethics to make improvements to assist them with their workflow. In the near future we will release an import tool that will allow filers that used the electronic system last year to import their information into their filing due in May of 2015.

CLERK

ROBERT F. REEVES  
DEPUTY CLERK

Office of the Clerk  
U. S. House of Representatives  
Washington, DC 20515-6601

January 26, 2015

The Honorable Tom Graves  
Chairman  
Appropriations Subcommittee on the  
Legislative Branch  
HT 2 U.S. Capitol  
Washington, D.C. 20515

The Honorable Shelley Moore Capito  
Chairman  
Appropriations Subcommittee on the  
Legislative Branch  
135 Senate Dirksen Office Building  
Washington, D.C. 20510

The Honorable Debbie Wasserman Schultz  
Ranking Member  
Appropriations Subcommittee on the  
Legislative Branch  
1016 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Brian Schatz  
Ranking Member  
Appropriations Subcommittee on the  
Legislative Branch  
135 Senate Dirksen Office Building  
Washington, D.C. 20510

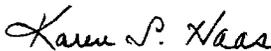
Dear Chairman Graves, Chairwoman Capito, Ranking Member Wasserman Schultz and  
Ranking Member Schatz:

Pursuant to H. Rept. 112-511 that accompanied H.R. 5882, Legislative Branch  
Appropriations Act, 2013, as passed by the House on June 8, 2012, please find the enclosed *Six-  
Month Progress Report on Activities* for the period July 1 – December 31, 2014. A copy of the  
Legislative Branch Transparency Projects spreadsheet is also enclosed.

The enclosed report outlines the Bulk Data Task Force's progress during this reporting  
period in accordance with the Committee's direction.

With best wishes, I am

Sincerely,



Karen L. Haas

KLH/jd  
Enclosure



LEGISLATIVE BRANCH BULK DATA TASK FORCE  
**Six Month - Report of Activities**

Submitted to  
Committee on Appropriations  
Legislative Branch Subcommittee

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January 26, 2015

## LEGISLATIVE BRANCH BULK DATA TASK FORCE

## MEMORANDUM

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**TO:** Honorable Tom Graves  
Honorable Debbie Wasserman Schultz  
Honorable Shelley Moore Capito  
Honorable Brian Schatz

**FROM:** Legislative Branch Bulk Data Task Force

**SUBJECT:** Six Month Update - Report of Activities

**DATE:** January 26, 2015

H. Rept. 112-511 that accompanied H.R. 5882 Legislative Branch Appropriations Act 2013, was passed by the House on June 8, 2012. The Report raised several questions that were heard during testimony about requests for the increased dissemination of congressional information via bulk data download from non-governmental groups supporting openness and transparency in the legislative process. The Report also directed the establishment of a task force composed of staff representatives from the Library of Congress, Congressional Research Service, Office of the Clerk, Government Publishing Office, and such other congressional offices as may be necessary, to examine these and any additional issues considered relevant. The Committee Report also directed the task force to present its findings to the Committee on Appropriations of the House and Senate.

This report outlines the Bulk Data Task Force findings in accordance with the committee's direction for the period July 1, 2014 – December 31, 2014.

### **The Last Six Months**

The Bulk Data Task Force met two times during the period from July 1, 2014 to December 31, 2014. The first meeting was an internal meeting held on November 20 to catch up on progress being made on existing projects. The second meeting was held on December 18, 2014 with various outside entities to give them an update on the status of bulk data and transparency projects being worked on by the Task Force and the various groups that are a part of the Legislative Branch. The meeting included a presentation by Eric Mill of the Government Services Administration about a new technology group called 18F. The group acts as technology consultants mostly for the Executive Branch but they operate more like an entrepreneurial Silicon Valley technology company. It was an enlightening presentation. Jim Harper of the CATO Institute also gave an update on his Grading Government Data Publication Practices survey. The Secretary of the Senate's Office announced that the Senate was beginning in 2015 making their bills, bill summaries and bill status documents available via bulk data downloads. That announcement was well received by the meeting attendees.

In September, the Library of Congress released version 2.0 of Congress.gov. This release included an improved Member data ingest, House Committee video, the second iteration of advanced searches, the second iteration of browse and URL redirects from LIS and THOMAS. In November the Library also released version 2.01 which included various small link and label enhancements as well as updates to the Solr infrastructure.

On October 17, 2014 the Office of the Clerk completed the Requirements Phase of its Website Redesign project and on October 27 in partnership with the House Historians Office added mobile style sheets to the historian website so that it properly formats on mobile devices. On November 13, the Clerk's Office made a strategic technology upgrade to the infrastructure of HouseLive Streaming House floor video to better support viewing on mobile devices. The Office of Law Revision Counsel made an upgrade to its US Code search utility that allows users to jump directly to specific sections of the code.

With the inclusion of Senate bills and bill summaries the Government Publishing Office has completed the ground work to make all congressional bills and bill summaries available in bulk data format beginning in 2015.

During the last reporting period it was noted that the Office of the Clerk continued to work on developing issues with the Floor Summary twitter account. At this time, the Office of the Clerk has stopped working on its Floor Summary twitter account [@USHouseFloor] after it was determined during testing that issues related to text limitations, transaction limitations and tweet sequencing would cause confusion for followers.

**The Next Six Months**

Early in 2014 the Task Force initiated two projects, the first was the creation of Bulk Data Files for Bill Status Information, which was initiated at the request of the House Appropriations Subcommittee on the Legislative Branch and is being led by the Government Publishing Office and the Library of Congress. This project is on target for an April / May 2015 implementation. The second was Modernizing Member and Committee data which is being led by the Office of the Clerk. This data is used internally in the Clerk's office, exchanged with Legislative Branch organizations, and published in basic formats such as PDF and text on the Clerk's website. Modernizing Member and Committee data to improve the format in which it is exchanged and to add a number of data elements, such as election date, swearing-in date and time is necessary. A temporal (time) model needs to be added so membership in the House, committees and subcommittees can be more accurately tracked. Modernized data is needed by applications and systems maintained by the Clerk's office, the Chief Administrative Officer and the Library of Congress. As part of a modernization effort, data in machine readable format will be made available to other Legislative Branch organizations and the public. This project is complete and data will be posted to the Clerk's website at the end of January 2015. The exchange of data between the Committee on House Administration, House Officers and other legislative organizations improved while preparing for the 114<sup>th</sup> Congress because of the work completed while gathering requirements for this project earlier in the year.

Other transparency projects that are being worked on over the next six months include:

- Congress.gov Releases 2.0.2, 2.0.3, and 2.1 (Library of Congress)
- Clerk Website Redesign Design and Development Phases (Office of the Clerk)
- Amendment Impact Program (Office of Legislative Counsel)
- House Modernization Project Stage 2 (Office of Law Revision Counsel)
- Stock Act Phase 3 (Office of the Clerk).

Attached is a Legislative Branch Transparency Project spreadsheet, which tracks both completed and ongoing projects.

Legislative Branch Transparency Projects  
As of: 12/31/2014

Project	Project Description	Organization	Estimated Deployment Date	Status
	<b>114th Congress</b>			
*Bulk Data Bills and Bill Summaries Congress.gov	Updated to now include Senate data  Release 2.0.2, features include: * Updates for the 114th Congress	GPO  LOC	6-Jan-15  6-Jan-15	On Target  On Target
Stock Act Phase III Congress.gov	Administrative Updates Release 2.0.3, features include: * Alerts	Clerk LOC	15-Jan-15 27-Jan-15	On Target On Target
Modernize Member and Committee Data	Modernizing member and committee data to improve the format in which it is exchanged and add a number of data elements, such as election date and swearing-in date and time is necessary. Modernized data is needed by applications and systems maintained by the House Clerk's office, the Chief Administrator Officer and the Library of Congress.	Clerk / LOC	1-Feb-15	On target
Congress.gov	Release 2.1, features include: * Treaties * Bill XML as default display in Text tab of bill detail page * Current information about activity on the House and Senate floor * Third iteration of advanced search - adding fields, interface enhancements * Third iteration of browse - adding views related to actions by Chamber, committees, subcommittees	LOC	28-Feb-15	On Target
Stock Act Phase III	Automate import of PTR transactions and other 2013 filing information	Clerk	15-Mar-15	On Target

**Legislative Branch Transparency Projects**  
As of: 12/31/2014

Project	Project Description	Organization	Estimated Deployment Date	Status
*Bulk Data Bill Status	Make Bill Status available in bulk data format	GPO/LOC/Clerk	1-May-15	On Target
Clerk Website Redesign Design Phase	* Design logo, images and icons * Develop design style guide * Develop wireframes and mockups with responsive designs	Clerk	TBD - 2015	Just starting
Clerk Website Redesign Development Phase	Develop the new Clerk website	Clerk	TBD - 2015	TBD
Composition System Replacement Project - Phase I Project	A five year effort to eliminate MicroComp - Phase I ( Bills)	GPO	1-Jan-17	On target
Amendment Impact Program	Provide the ability to see what proposed impact an amendment would have to a bill.	HOLC	TBD	TBD
House Modernization Project Stage 2 - Positive Law Codification System	Modernize system to create positive law codification of bills and related materials in XML.	OLRC	TBD	TBD
Clerk YouTube Channel	Create "USHouseClerk" YouTube Channel	Clerk	TBD	TBD
House Modernization Project Stage 3 - Editorial Updating System	Replacing the functionality of a current system and produce XML output	OLRC	TBD	TBD

\* - Projects initiated by the Bulk Data Task Force

2

Est. Deployment Dates are as of the date of printing

Legislative Branch Transparency Projects  
As of: 12/31/2014

Project	Project Description	Organization	Estimated Deployment Date	Status
<b>Completed Projects</b>				
US Code HouseLive Video Upgrade	Add additional search capabilities Strategic technology upgrade to make all HouseLive archived video available immediately in H.264 mobile standard. Rewrite video clipping tool to use new format. Release 2.0.1, features included: * Various small link and label enhancements * Updates to Solr infrastructure	OLRC Clerk	20-Nov-14 13-Nov-14	Complete Complete
Congress.gov	Release 2.0.1, features included: * Various small link and label enhancements * Updates to Solr infrastructure	LOC	12-Nov-14	Complete
Historian Website Mobile Style Sheets	Add mobile display formatting to the House Historian website	Clerk/Historian	27-Oct-14	Complete
Clerk Website Redesign Requirements Phase	Document the requirements for the Clerk's website redesign.	Clerk	17-Oct-14	Complete
Congress.gov	Release 2.0, major features include: * Improved Member data ingest * House Committee video * Second iteration of advanced searches * Second iteration of browse * URL redirects from US and THOMAS to Congress.gov	LOC	19-Sep-14	Complete
Congress.gov	Release 1.5, major features include: * Nominations data * Subscription data links from bill detail pages * Access to the Congressional Record Speaker element * First iteration of accounts and saved searches	LOC	19-Jun-14	Complete
Clerk Twitter Account	Add "USHouseFloor" twitter account	Clerk	31-Jul-14	Cancelled
Stock Act Phase II	Facilitate the filing of 2013 Financial Disclosures	Clerk	30-Apr-14	Complete

\* - Projects initiated by the Bulk Data Task Force

Legislative Branch Transparency Projects  
As of: 12/31/2014

Project	Project Description	Organization	Estimated Deployment Date	Status
*Bill Summary Bulk Data	Create a XML bulk data file starting with the 113th Congress for download in addition to the daily file	LOC / GPO	4-Feb-14	Complete
*Legislative Data Challenge 2	Judging Results / Announcement - An international contest to map US and UK documents to Akoma Ntoso	LOC	12-Feb-14	Complete
Stock Act Phase 1	Automate the filing of FD's, Periodic Transaction Report's and make FD's available to the public	Clerk	2-Jan-14	Complete
*Legislative Data Challenge 2	An international contest to convert US and UK documents to Akoma Ntoso	LOC	31-Dec-13	Complete
Congress.gov	Direct users of THOMAS to Congress.gov	LOC	15-Nov-13	Complete
*Legislative Data Challenge 1	Markup of US Legislation in Akoma Ntoso	LOC	31-Oct-13	Complete
*Legislative Data Challenge 1	Judging Results - Markup of US Legislation in Akoma Ntoso	LOC	19-Dec-13	Complete
Historian Twitter Account	Add "USHouseHistory" twitter account	Historian/Clerk	1-Nov-13	Complete
Historian YouTube Channel	Create new "USHouseHistorian" YouTube channel	Clerk	9-Sep-13	Complete
Committee Repository Enhancements	Add enhancements to docs.house.gov for the admin. module, public site and public data	Clerk	9-Sep-13	Complete
House Modernization Project Stage 1 - Conversion of USC to XML	Make the United States Code available in XML for bulk data downloads	OLRC	30-Jul-13	Complete
HouseLive Speaker Search	Add the ability to search for video of Members that have spoken on the House Floor	Clerk	8-Apr-13	Complete
Floor Summary RSS Feed	Add floor summary data RSS feed	Clerk	5-Apr-13	Complete
Floor Summary Bulk Data	Add a XML bulk data file for download in addition to the daily file	Clerk	8-Jan-13	Complete
Committee Repository Project Phase 2	Add Committee documents and schedules to docs.house.gov	Clerk, CHA, Rules Committee	3-Jan-13	Complete
*Bill Text Bulk Data	Create a bulk data file starting with the 113th Congress in addition to the single document files	GPO	3-Jan-13	Complete

\* - Projects initiated by the Bulk Data Task Force

Legislative Branch Transparency Projects  
As of: 12/31/2014

Project	Project Description	Organization	Estimated Deployment Date	Status
New Historian Website	A new website combining what used to be the House Historian website with elements of the Clerk's Art & Archives website. The new site will be history.house.gov	Clerk, Historian	31-Dec-12	Complete
Member Data Update	Add Member state, district and Bioguide ID	Clerk	1-Dec-12	Complete
THOMAS Upgrade (Beta)	Replace THOMAS with the next generation Congress.gov	LOC	1-Sep-12	Complete

**LEGISLATIVE BRANCH SUBCOMMITTEE  
HOUSE OF REPRESENTATIVES  
CHAIRMAN TOM GRAVES  
FEBRUARY 25, 2015 – 2:00 P.M.  
HT-2, THE CAPITOL**

**QUESTIONS FOR THE RECORD**

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**SERGEANT AT ARMS**

**INTELLIGENCE**

**There have been numerous incidents both domestically and internationally that can have an effect on security of this campus including the individual captured in Ohio who was plotting an attack on the Capitol.**

**Gathering intelligence on such events need to be coordinated amongst the law enforcement entities at the federal state and local levels.**

**Can you describe the efforts you are taking to work with the law enforcement community to gather intelligence so that you can take the most efficient and proactive stance to protect and secure the campus?**

Currently, on the morning of each business day my office receives intelligence information from the USCP which provides an overview of Campus-wide, local, national, and international events which may have an impact on the House of Representatives. These events include identified criminal activities, such as threats to Members of Congress, families, and staff, as well as those events and information that might be more closely associated with terrorism and other potentially disruptive activities and actions.

In addition to the daily information the USCP provides, the USCP also provides real-time information pertaining to threats and intelligence that have a direct effect on the Capitol Campus and Members, staff, and visitors to the complex.

This information is provided directly to me and select members of my staff for our awareness and assessment.

All of this information, the daily reports and immediate information provided to my office, is gleaned from a variety of sources and through partnerships with federal, state, and local entities. The Capitol Police maintain a robust intelligence gathering apparatus which includes the partnerships I just mentioned. The USCP currently has liaison agents assigned to the various law enforcement task forces and groups listed below, and reports back to the USCP on all threats, and criminal and terroristic activity that may affect Members of Congress, staff, visitors to the Campus, and the Capitol Complex:

- FBI's National Capitol Region Joint Terrorism Task Force (JTTF)
- FBI JTTF Guardian Squad
- FBI Violent Crimes Task Force
- FBI Electronic Crimes Task Force
- FBI Behavioral Analysis Unit
- National Counter Terrorism Center (NCTC)
- Department of Homeland Security (DHS) National Operations Center (NOC)
- National Joint Terrorism Task Force (NJTTF)
- Washington Regional Threat Assessment Center (WRTAC)

On a daily basis the USCP's Division of Intelligence and Information Analysis (DIIA) coordinates with dozens of LE agencies on the federal, state and local level on a variety of subjects that could impact security on the Campus and in district offices. Within the DIIA, the Open Source Section compiles, evaluates, records, analyzes, and disseminates open source information that may impact on the security of the Congress or other activities of legitimate interest to affected elements of the Department and/or outside intelligence agencies.

In addition to the USCP's efforts, this year my office will become a participant in the FBI's eGuardian Program. Utilization of this system will allow my office with direct access to a single information repository accessible to thousands of law enforcement personnel and analysts directly supporting law enforcement. The information captured in eGuardian is also migrated to the FBI's internal Guardian

system, where it is assigned to the appropriate Joint Terrorism Task Force (JTTF) for any further investigative action.

All these efforts in intelligence gathering help to provide for a more secure environment for the U.S. House of Representatives to conduct its business and allow visitors to safely view and participate in the legislative process of government.

## **DEMONSTRATIONS**

**Some have noticed an upturn in large and vocal demonstrations inside the House Office Buildings. What steps have you taken to maintain order and safety while still providing citizens the opportunity to present their issues and dialogue with the representatives?**

Balancing the rights of citizens with the need for order, decorum and security is one of the more challenging aspects of the duties of the Sergeant at Arms. My office employs a number of strategies in an attempt to minimize any disruptions. We work very closely with the United States Capitol Police (USCP) to determine what demonstrations will occur on campus each week and if any civil disobedience is expected to occur. Usually that does not occur with groups that have applied for demonstration permits. We also work with the USCP to monitor impromptu demonstrations that occur around campus. The USCP has worked to streamline its standard operating procedures to restore order in a faster time frame in the hopes of minimizing the disruptions on campus. Many times Committee staff will notify my office of a hearing that could be potentially disruptive. We work with the Committee and USCP to ensure the proper police presence is at the hearing. Sergeant at Arms staff meets with the Committee staff to outline what should happen if a disruption occurs, gain an understanding of what the committee is looking for in terms of a response and to make sure everyone is prepared in the event a disruption does occur. My staff monitors weekly hearing schedules to determine if there are any hearings that may draw protestors and we then monitor those hearings. Generally speaking we are pleased with how the

USCP handles the demonstrations and believe that most Member offices are as well.

## **GARAGE SECURITY PROJECT**

### **What is the status of the garage security project?**

The Garage Security Project is progressing through the first phase of the venture. This includes the completion of the infrastructure necessary for the securing of access points for the East & West House Underground Garages, and the initiation of the installation of the lockdown capability to these doors by the USCP New Installation Team. Additionally, an MOU between my office and the Architect of the Capitol has been signed and completed, authorizing the transfer of funding to the USCP to complete their portion of this phase. After infrastructure improvements are complete (e.g., locking and fire hardware, proximity card readers), Phase Two efforts will include the implementation of standard security screening packages (e.g., x-ray machines, magnetometers) at various established checkpoints in the garages that provide access into House Office Buildings.

## **DISTRICT OFFICE SECURITY**

### **Can you update us on the status of your outreach to Member district offices regarding security issues and concerns?**

The primary interaction between my office and Member district offices in terms of security is through the Law Enforcement Coordinator (LEC) program. The LEC program was developed after the shooting of Rep. Gabrielle Giffords and was designed to put staff in touch with local law enforcement agencies in order to determine what law enforcement presence is needed at each event the Member holds in the district and what local issues may be that would create a concern. LECs also often manage other security concerns in district offices to include coordination with our office for the assessment of the office's physical security features and the presentation of security briefings to district office staff. These

valuable services are provided several times a quarter, with briefings usually done by my office in tandem with the USCP, and on-site surveys conducted by the USCP, or an approved partner, provided to identify areas of vulnerability, and ensuing security solutions.

Through the LEC Program, LECs may also provide information to our office and the US Capitol Police regarding perceived threats toward the Member, or staff, and any other concerning interactions or communications the Member or staff may have with others. This may involve further coordination with local, state, and/or federal law enforcement and the district office staff.

This year we have made several notifications to district offices regarding demonstration activity that is planned to occur in the district, or even at the office. We also contact offices when we are made aware of criminal activity that may affect the office. This has also led to the improved coordination with law enforcement authorities to ensure that awareness is heightened and protocols are enacted to provide for Member, staff, and public safety.

With the advent of the 114th Congress, we are in the process of contacting each new member office to encourage their participation in the LEC Program. We also periodically contact each Member office to verify and/or identify LECs. Those offices without identified LECs will continue to receive promptings to establish this important function within their workplace.

The Sergeant at Arms Police Services/Law Enforcement staff oversees the LEC program. In addition to all the activities already mentioned, my staff works with the LECs in the district offices to ensure that Member events, such as town hall meetings and field hearings are successfully conducted.

We have prepared various training materials and guidance for LECs. Since my appearance here last year, I procured contractor support to standardize the training material and to identify any gaps. This has resulted in a new look for the information contained on the House Sergeant at Arms intranet website, which will allow for LECs to access a comprehensive and more streamlined delivery of LEC information. This new information will replace our current information and should be uploaded to our website shortly. I have also dedicated a staff member to manage the LEC Program and to

validate the contact information, follow up on any assistance that the office may need, and ensure that all LEC information remains current.

## **CANNON BUILDING RENOVATION**

### **Is the renovation of the Cannon Building impacting your operations?**

It is having an impact. We have had to make modifications regarding parking in the Cannon Building, parking lot 1, and parking on New Jersey Avenue. The Cannon House Office Building indoor parking has been reduced by over half the number of spaces, thus requiring the reassignment of parking from the Cannon garage to the East underground and Rayburn garages. My staff has worked closely with the Committee on House Administration to accomplish this task. Recently re-opened doors will eventually close for a period of time, the handicapped accessibility entrance will need to be relocated, and staff from the Cannon Building have been relocated to the Ford and O'Neill buildings. I have detailed staff to the O'Neill building to act as a liaison between GSA/FPS personnel and House staff to coordinate the transition. In addition the Cannon renovation is creating overtime costs for the United States Capitol Police which the Architect will reimburse.

**LEGISLATIVE BRANCH SUBCOMMITTEE  
HOUSE OF REPRESENTATIVES  
CHAIRMAN TOM GRAVES  
FEBRUARY 25, 2015 – 2:00 P.M.  
HT-2, THE CAPITOL**

**QUESTIONS FOR THE RECORD**

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**CHIEF ADMINISTRATIVE OFFICER**

**COMPUTER SYSTEM SAFETY**

**Hardly a week goes by without a front page article announcing that another corporation or government agency's computers have been hacked.**

- **How confident are you that the House network and systems are secure?**

We know that adversaries are getting better at gaining access to systems and information at an alarming rate.

The House of Representatives has invested in a robust security architecture to detect and defend against cyberattacks targeting the organization. The CAO's Information Security Office works with other Legislative and Executive Branch agencies to ensure we have the latest threat intelligence available to us and use it to constantly evaluate our security posture. Over the past several months the CAO's Information Security Office, in coordination with the Committee on House Administration has taken steps to further increase the overall security posture of the House.

We use what we learn from events around the government and private sector, and conduct risk assessments to identify potential threats to the networks and systems that host and transport critical House information.

A risk assessment identifies potential threats to the security of an organization's information systems. Our process is based on guidelines from the National Institute of Standards and Technology's (NIST) Risk Management Framework and Guide for Information Technology Systems and involves:

- Analysis of critical assets, security requirements, and potential threats.
- Evaluation of infrastructure vulnerabilities.
- Reports and recommendations for a protection strategy.

We implement best practices across our networks. Where shortfalls or gaps are discovered, we strive to get the right mitigation strategy engineered and implemented in a coordinated and efficient manner, and ultimately improve the security posture of House systems and infrastructure. Examples of improvements include:

CAO-1

- A new password policy has been put into place to further strengthen our network authentication process. It requires stronger passwords that must be changed more frequently.
- Expanded our security awareness program and now require all new staff to complete a mandatory training within 60 days of hire in addition to completing the annual training required by all staff once per calendar year.
- Extended the reach of our secure configuration management program to ensure all systems are maintained in a manner consistent with security best practices.

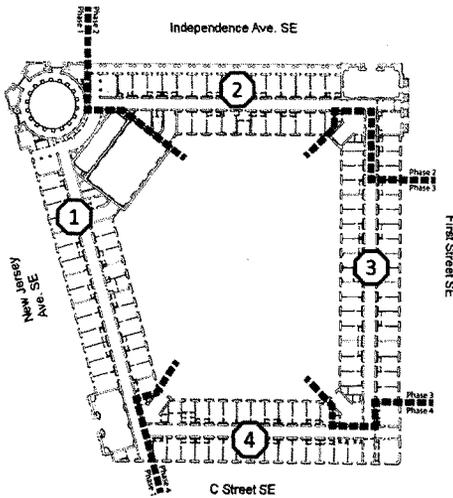
As we work to stay ahead of our adversaries they continue to develop more sophisticated malware techniques and find new ways to implement them.

## CANNON BUILDING CONSTRUCTION

Now that construction has begun on the Cannon House Office Building.

- **How soon will Members with offices in Cannon need to move and where will they go while their offices are being renovated?**

The first phase of operations will affect the Cannon House Office Building (CHOB) Member office suites within the New Jersey Avenue wing (see below CHOB drawing). These Members will be required to move out in December 2016 during the 115<sup>th</sup> Congressional transition. In preparation, additional Member office suites are being created in the Rayburn (RHOB) and Longworth (LHOB) during the next two years.



The Members will need to participate in the room drawing lottery and will be able to select (based on seniority) a new office suite located in either of the three available wings of CHOB or in LHOB or RHOB.

- **What role will the CAO play?**

The CAO will partner with the AOC to assist Members with the entire DC office move process. This will include providing briefings, and assigning move coordinators to assist with overseeing the move operations, relocation and setup of office furnishings and equipment, moving supplies, uninstall/reinstall of computers, and telephone equipment. Additionally, the CAO will lead operations in removing office furnishings and equipment in each CHOB wing to ensure the areas are cleared and ready for construction.

## STAFF VACANCIES

**It appears that the CAO has a number of staff vacancies and yet you also appear to have quite a few contractors.**

- **What's your ratio of full time employees to contractors and/or consultants and which are more expensive?**

As of January 31, 2015 the CAO had 599 full time employees and 129 support contractors. This equates to a 5:1 full time employee to contractor ratio.

Business Unit	Full Time Employees <sup>1</sup>	Staff Augmentation/ Project Support	Ratio
House Information Resources	251	69	4:1
Logistics	140	27	5:1
House Recording Studio	45	20	2:1
Finance	91	10	9:1
Human Resources	17	1	17:1
CAO Immediate Office	21	1	21:1
Acquisitions	17	1	17:1
Media Galleries	17	0	0
<b>Total</b>	<b>599</b>	<b>129</b>	<b>5:1</b>

<sup>1</sup> The January 31, 2015 **Personnel Roster Report (NHR03)** was used as the data source for "full time employee" information.

For this discussion, full time staff are House employees and contractor support are non-House employees whom we hire to augment or support our team. We are not counting as contractors or staff those who work for companies with whom we have contracts—such as the employees hired by Restaurant Associate.

The cost associated with the staff versus contractor is dependent on a variety of factors. The organization incurs a greater per hour direct compensation cost when using contractors and consultants. However, paid time off, transit benefits, retirement contributions, training, and health insurance add up to an additional indirect compensation expense (etc.) that significantly increases the cost associated with having a full time employee.

• **How do you decide whether a particular job should be done with one or the other?**

We consider a number of factors when deciding whether or not to utilize full time employees or contractors in support of CAO operations<sup>2</sup>, including but not limited to:

- The *nature* of the work (the CAO has a wide breadth of services with various operational demands).
- The *duration* of the work to be completed (short-term project, long-term service delivery, etc.).
- The *timeliness* of the works completion (is this an immediate requirement or a future project/activity).
- The *required skillset* needed to accomplish the work (due to the breadth services across the business units the skills sets of the organization vary greatly).
- The business unit's *available resources* (both personnel and non-personnel resources).

Based on those factors, the business units make a recommendation for using full time employees, contractors/consultants or a hybrid of both options.

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<sup>2</sup> Currently the organization utilizes decentralized and informal workforce planning activities conducted at the business unit and department level to determine whether full time employees or contractors should be used to support operations. As the organization's strategy is developed the workforce planning activities will become a centralized and formal process.

## HOUSE RESTAURANTS

**I understand that the contract for the various House restaurants carry outs and catering service are up for bid. What's the status of that project?**

Proposals submitted in response to the solicitation are being evaluated at this time. A contract award date of May 2015 is anticipated with transition to a new contractor scheduled between May and August 2015.

## DC EXCHANGE

**A year ago I think we all recall that the process of moving Members and many of their staffers out of the health plans that were provided under the Federal Employees Health Benefits into plans purchased through the DC Exchange was a frustrating complicated mess.**

- **How did the process go this year the second time around?**

The 2015 Open Season was much smoother this year for the following reasons:

- Communications:
  - Better communication between the House, Senate, DC Health Link (DCHL) and OPM (e.g. weekly meetings, Issues Log).
- Enrollments:
  - There were fewer new enrollments since most staff kept their current plans.
  - DCHL had roughly 95% of Open Season enrollments completed by January 1. Last year, staff enrollments continued until April (with effective dates of January 1).
  - Significantly fewer District office staffers made mistakes while signing up for plans due to enhancements by DCHL to better indicate which plans were only available to staff based in DC.
- Online Improvements:
  - A DCHL website was created specifically for Congressional staff. It used an online web portal, Fast App, that differs from the traditional [www.DCHealthLink.com](http://www.DCHealthLink.com) enrollment portal.
    - Fast App allowed staff to complete enrollments quicker.
  - DCHL developed a 2015 Rate Plan and Information tool that allowed new Congressional staff to view all DCHL health plans, plan information and rates prior to completing a health enrollment.
  - House Payroll and Benefits staff were more knowledgeable regarding ACA and DCHL enrollment and login issues enabling them to better assist staffers.
  - Improved electronic enrollment tools (e.g. enrollment instructions, tips, and Plan Summaries).

- DCHL Administrative Portal, which allowed House staff to set-up employee access to enroll.

As there continue to be challenges with the process, we are addressing them with DCHL, OPM, and the Senate during weekly conference calls.

**REP. SAM FARR  
FEBRUARY 25, 2015  
BUDGET HEARING – CAO, CLERK OF THE HOUSE, SAA, GAO AND CAPITOL POLICE**

**QUESTIONS FOR THE RECORD**

**Chief Administrative Officer**

**Thank you for your willingness to look into the possibility of creating an internal House-only electronic bulletin board. Please respond to the committee with the steps your office can take to make this web board a reality.**

There are significant challenges to providing a House electronic bulletin board that staffers could access to conduct personal transactions, but HIR will evaluate several options and I look forward to discussing those findings with you once the review is complete.

**Similarly, I appreciate your looking into options to create a one stop shopping place to organize all the tour reservation opportunities: one place to book White House, Kennedy Center, Capitol tours, Library of Congress and Pentagon tours all off of one site. As with the web board please respond to the committee with what steps might be taken to streamline this process.**

Currently, HouseNet has a page with information about U.S. Capitol and White House tours along with additional information about some other tours offered in Washington DC. We will review the "DC Visitors" section of HouseNet for opportunities to expand the list of tours accessible from the page as well as consider improvements in usability of the page. While the CAO can add additional links to the page, each organization operates its own portal to book tours that HIR has no control over, so it does not appear it will be possible to consolidate the actual booking process as has been suggested.

**LEGISLATIVE BRANCH SUBCOMMITTEE**

**HOUSE OF REPRESENTATIVES**

**CHAIRMAN TOM GRAVES**

**FEBRUARY 25, 2015 – 2:00 P.M.**

**HT-2, THE CAPITOL**

**QUESTIONS FOR THE RECORD – Rep. Sam Farr**

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**CLERK OF THE HOUSE**

**I would appreciate a report back on how our computers in our personal offices (or the online roll call vote information) might be configured to pull targeted vote information from the Roll Call database. For example: on the Floor I can use the computers to print out a list of who in my delegation voted a certain way, and do so by party. In my office I can only print out the entire roll call vote and then manually select names from all 435 listed.**

*Today, computers in personal offices can't access personal voting information because the Electronic Voting System (EVS) only exists on a closed, private network. EVS was set up that way to insure the highest level of security and data integrity for House votes. Currently you can access voting information through the clerk.house.gov website shortly after votes have taken place. At this time only a very basic search is available. We are in the process of redesigning the website and expect to include an enhanced vote search utility in the redesign to provide users with the type of information you identified. This project has a target implementation date of June 2016.*

**LEGISLATIVE BRANCH SUBCOMMITTEE  
HOUSE OF REPRESENTATIVES  
CHAIRMAN TOM GRAVES  
FEBRUARY 25, 2015 – 2:00 P.M.  
HT-2, THE CAPITOL**

**QUESTIONS FOR THE RECORD – Rep. Sam Farr**

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**SERGEANT AT ARMS**

**The budget shows an increase of \$1.952 million for “equipment”. Can you define what equipment we’re talking about?**

The increase is due in part to the purchase of hardware to replace the Sergeant at Arms existing server infrastructure with a new virtualized, converged infrastructure that will provide modernization and complete replacement of existing file servers. Our current physical servers are aging and in need of replacement. The new specialized hardware will provide for virtual machines that provide ease of management, redundancy, and processing speed optimization. This replacement includes a primary system installed on campus and a redundant system replicated at an off-site computing facility for failover purposes.

Additionally, the Office of the Sergeant at Arms has been examining ways to make the Chamber more secure from any items that may come from the House Gallery. We are looking to procure, at a minimum, two portal screening machines identical to those currently used by TSA in airports. These machines would be used to screen visitors to the House Galleries for items that could pose a threat to the Chamber but not be identified by the current magnetometers.

Finally, the Office of the Sergeant at Arms has requested funds to replace batteries in a portion of the current supply of quickhoods in order to extend the life of the quickhoods while not having to make a complete life cycle replacement.

**Why are the House ID badges not in compliance with the Real ID Act? If states can make drivers licenses Real ID compliant I would think the U.S. House can, too.**

The purpose of the Real ID Act is to provide improved security for state driver’s license and personal identification cards issued by a State. The act defines “state” as a State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

The House of Representatives is not included in the statutory definition.

In addition, the Real ID Act also requires numerous data points consisting of personally identifiable information, such as address and date of birth. This information is collected by the Office of the Chief Administrative Officer on the forms submitted by employing office.

Prior to any individual being issued a House ID the individual's citizenship status is confirmed using the e-verify system. That process is administered by the Office of the Chief Administrative Officer. Once that process has been completed, the information is provided to the Office of the Sergeant at Arms at which point an ID is issued.

If the House Identification Card did comply with the Real ID Act, it would not facilitate entrance into federal buildings. The Real ID Act would merely verify the identification of the individual presenting the identification card. The individual would still need to comply with any access and security screening requirements of the building, it would not grant unfettered access to the building.



WEDNESDAY, FEBRUARY 25, 2015.

**GOVERNMENT ACCOUNTABILITY OFFICE**

**WITNESS**

**GENE L. DODARO, COMPTROLLER GENERAL OF THE UNITED STATES**

Mr. GRAVES. We will call this meeting back to order. Next we will hear from the Government Accountability Office.

You are requesting \$553 million for 2016. And I want to thank you for joining us today and being a part of this abbreviated panel. We have had a difficult challenge today with our voting schedule, so I know you understand that. But you have got a lot you want to share with us today.

And just to recognize the time constraints we are under, I am not going to give a long opening statement of any sort. This will probably nearly conclude my opening statement. And would ask that your statement be submitted for the record and that we might just sort of move into what is on the minds of members, if that is okay with you today.

Mr. DODARO. That will be fine, Mr. Chairman.

[The prepared statement of Gene Dodaro follows:]



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United States Government Accountability Office

Testimony  
Before the Subcommittee on  
Legislative Branch, Committee on  
Appropriations, U.S. House of  
Representatives

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For Release on Delivery  
Expected at 2:00 p.m. EST  
Wednesday, February 25, 2015

# FISCAL YEAR 2016 BUDGET REQUEST

## U.S. Government Accountability Office

Statement of Gene L. Dodaro  
Comptroller General of the United States

February 2015

## U.S. GOVERNMENT ACCOUNTABILITY OFFICE FISCAL YEAR 2016 PERFORMANCE BUDGET

### GAO Highlights

Highlights of GAO's fiscal year 2015 activities before the Subcommittee on Legislative Branch, Committee on Appropriations, U.S. House of Representatives.

#### Background

GAO's mission is to assist Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government. GAO's work is based on the principles of objectivity, integrity, and independence. GAO's work is supported by a broad range of resources, including its staff, its extensive network of field offices, and its extensive database of information on federal government operations.

GAO's work supports a broad range of interests throughout Congress. In fiscal year 2014, GAO received requests for assistance from 218 members of Congress and almost 70 percent of their constituencies. Additionally, seven GAO offices received requests for assistance from 100 federal agencies.

GAO's work is based on the principles of objectivity, integrity, and independence. GAO's work is supported by a broad range of resources, including its staff, its extensive network of field offices, and its extensive database of information on federal government operations.

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GAO's fiscal year (FY) 2016 budget request of \$553.1 million supports 3,055 full time equivalent (FTE) staff and continues progress towards achieving an optimal level of 3,250 FTE. The request also provides the resources to maintain current operations and make limited investments in GAO's information technology (IT) and building infrastructure. Costs will be offset with \$33.4 million in reimbursements, primarily from financial audits and rental income.

The Congress used GAO's work extensively in 2014 to identify legislative solutions to emerging problems, achieve cost savings, and find efficiencies in federal agencies and programs. GAO's work helped Congress achieve some of the billions in savings and revenue enhancements needed to avoid sequestration in fiscal years 2014 and 2015. In addition, GAO's work was cited repeatedly in the *Consolidated and Further Continuing Appropriations Act, 2015*, and contributed to over a dozen key authorizations and reauthorizations, including, among others, the Department of Defense, the Coast Guard, workforce programs, and agriculture programs. GAO's work also contributed to bills intended to improve veteran's health care, federal acquisitions of information technology and weapons systems, and transparency of federal programs.

In addition to the \$54.4 billion in financial benefits from GAO's work, during fiscal year 2014, we recorded over 1,200 program and operational improvements in numerous areas affecting public safety and security and the efficient and effective functioning of government programs, including:

- cybersecurity governance;
- oversight of international food aid;
- security of diplomatic facilities and personnel overseas;
- sharing of terrorism-related information with federal and non-federal partners; and
- the future of nanomanufacturing, including research and development, U.S. competitiveness, and environmental, health, and safety concerns.

Workforce and succession planning also remain a priority for GAO. In FY 2015, GAO plans to achieve a staffing level of 3,015 FTEs through a targeted recruiting strategy to address critical skills gaps. This is a positive step forward in rebuilding staff capacity which in recent years had fallen to the lowest level since 1935. The additional staff will help ensure GAO has the resources to assist Congress in improving government performance, effectiveness, and accountability, as well as support GAO's commitment to service and quality. GAO's limited investments in IT and building infrastructure will allow GAO to further streamline business operations, increase staff productivity, as well as improve access to information. Implementation will be done through a phased approach to reduce risk and ensure effective implementation.

United States Government Accountability Office

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Chairman Graves, Ranking Member Wasserman-Schultz, and Members of the Subcommittee:

On behalf of the U.S. Government Accountability Office (GAO), I appreciate the opportunity to discuss our fiscal year (FY) 2016 budget request. I also appreciate the confidence this subcommittee has shown in GAO by supporting our efforts to serve Congress and improve government performance, accountability, and transparency.

The FY 2015 funding of \$522 million will allow GAO to have a staff capacity of 3,015 full-time equivalent (FTE) positions. This is a positive step forward in rebuilding our staff capacity, which in recent years had dropped to its lowest level since 1935 due to funding constraints. GAO remains committed to quality, focusing on meeting the highest priorities of Congress, and assisting in improving government efficiency and effectiveness.

GAO's FY 2016 budget request of \$553.1 million will support 3,055 FTEs, continuing progress towards achieving an optimal level of 3,250 FTEs. The requested funding also provides the resources to maintain current operations and make limited investments in information technology (IT) and building infrastructure. Costs will be offset with \$33.4 million in reimbursements, primarily from financial audits and rental income.

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## Assisting Congress and the Nation

GAO provides an exceptional investment, a return of about \$100 for every dollar invested in GAO. In FY 2014, our work resulted in \$54.4 billion in financial benefits and 1,288 program and operational improvements across the federal government.

The program areas where these benefits have been realized include public safety and security, program efficiency and effectiveness, public insurance and benefits, acquisition and contract management, tax law administration, and business process and management.

GAO is recognized for its non-partisan, first-hand, objective, fact-based, and reliable analyses across the full breadth and scope of the federal government's responsibilities and the extensive interests of Congress.

In FY 2014, we responded to requests from 94 percent of the standing full committees of the Congress, and almost 70 percent of the standing subcommittees. Our analyses and testimony inform debate and decisions by providing facts and supporting documentation. We provide program

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and technical expertise to support Congress in overseeing the executive branch, evaluating spending priorities, and assessing information from outside parties.

GAO remains steadfast in our financial stewardship responsibilities by providing high quality work identifying cost-savings and revenue enhancements as Congress and the administration deliberate on both the federal government's immediate priorities and the nation's long-term fiscal path. Through sound analysis and advice, GAO recommends solutions across a vast array of areas to foster government efficiency, effectiveness, and responsiveness on high priority challenges facing Congress and the nation. In FY 2014, we issued 693 reports and made 1,619 new recommendations. On average about 80 percent of GAO's recommendations have been implemented over a four year period.

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**GAO's Work Helps Congress  
Avoid Sequestration**

Our findings are often cited in House and Senate deliberations and committee reports supporting congressional action, including improving federal programs on our High Risk list and addressing fragmentation, overlap, and duplication in government. Congress used our work on a broad range of issues to inform its decisions on important legislation, which also resulted in financial and other benefits for the government.

For example, some of the key decisions adopted by Congress on the FY 2014 and 2015 budget (the Bipartisan Budget Act of 2013) were linked to our work.

Specifically, our efforts helped Congress achieve some of the billions in savings and revenue enhancements needed to avoid sequestration in fiscal years 2014 and 2015, including:

- improving the cost-effectiveness of filling the Strategic Petroleum Reserve resulting in estimated savings of \$3.2 billion over 10 years;
- reducing overpayments for unemployment insurance by \$159 million over 10 years by identifying fraud or failure to report earnings;
- expanding the risk-based element of the Pension Benefit Guaranty Corporation's premium rate structure to increase revenues and offset direct spending by \$7.9 billion over 10 years;
- reducing improper payments to inmates for disaster relief and other assistance resulting in savings of \$80 million over 10 years; and

- increasing aviation security fees to cover 43 percent of aviation security costs in 2014, saving \$12.6 billion over 10 years.

Other contributions to mitigating the sequester related to our work included capping compensation costs for federal contractors.

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**GAO Contributes to a Wide Range of Key Appropriations and Authorization Legislation**

The Congress used GAO's work in 2014 to identify legislative solutions to emerging problems, achieve cost savings, and find efficiencies in federal agencies and programs. For example, GAO's work was cited repeatedly in the *Consolidated and Further Continuing Appropriations Act, 2015* (2015 Appropriations Act), and contributed to over a dozen key authorizations and reauthorizations, including for the Department of Defense, the Coast Guard, workforce programs, and agriculture programs.

GAO's work also contributed to bills intended to improve veteran's health care, federal acquisitions of information technology (IT) and weapons systems, and transparency of federal programs, among others. Examples include:

Cost savings and efficiencies

- In the 2015 Appropriations Act, Congress rescinded funds or reduced Administration proposals for weapon systems, including the Amphibious Combat Vehicle, Joint Tactical Radio System, and the Kiowa Warrior helicopter program for an estimated total of over \$500 million.
- To improve accountability, the Act also withheld funds from agencies, including the Departments of Defense and Energy, until problems identified by GAO were addressed.
- The Agricultural Act of 2014 reflected billions of dollars in savings through the end of the direct payment program and clarification of eligibility for farm program payments.
- The Workforce Innovation and Opportunity Act reauthorization realigned and streamlined employment and training programs, and the Water Resources Reform and Development Act directed the Army Corps of Engineers to realign projects according to priority.
- The Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015 (2015 NDAA) required the

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Department of Defense to periodically reassess their headquarters requirements to address growth in headquarters bureaucracy.

Increasing government transparency

- The Digital Accountability and Transparency Act required the federal government to set government-wide data standards for financial data intended to result in consistent, reliable, and searchable government-wide spending data available to the Congress, agency managers, and the public.
- The 2015 Appropriations Act and numerous authorization acts required federal agencies to report on how they would respond to GAO's findings and recommendations.

Services for veterans

- The Veterans Access, Choice, and Accountability Act reflected GAO's recommendations regarding changes in the procedures for which VA will pay for health care for veterans outside of the VA system. It also addresses concerns about coordination between VA and the Indian Health Service on veteran's health care.
- The Act takes measures to improve IT and staff training related to appointment scheduling.
- The FY 15 Appropriations Act instructs DOD to improve cemetery and burial operations, including implementing GAO's recommendations regarding better serving rural veterans.

Responding to emerging security issues

- Five new laws addressing emerging cybersecurity challenges reflected GAO's recommendations, including provisions related to security standards, improving the federal cybersecurity workforce, promoting public and private collaboration regarding cybersecurity, and to clarify and strengthen cybersecurity roles among federal agencies.
- With regard to chemical facility security, GAO's work was reflected in the Protecting and Securing Chemical Facilities Act of 2014, which should result in improved risk assessment procedures.

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Improvements to federal acquisitions

- In addition to the savings from weapon systems mentioned above, GAO's work was reflected in the Federal Information Technology Acquisition Reform Act, which addresses cost and performance issues in federal IT acquisitions by improving the transparency of major IT investments, expanding the Chief Information Officer's authorities, eliminating duplication, and identifying cost savings opportunities.
- Similarly, the Transportation Security Acquisition Reform Act of 2014 requires the Transportation Security Agency (TSA) and the Department of Homeland Security (DHS) to reform their approach to identifying technology investments and monitoring cost, schedule and performance of these acquisitions.

Protecting workers and consumers

- In the 2015 Appropriations Act the Congress addressed the severe financial difficulties of multiemployer pension plans and the Pension Benefit Guaranty Corporation's Multiemployer Insurance Program.
- The Cooperative and Small Employer Charity Pension Flexibility Act also reflected GAO's recommendations regarding these pensions.
- The 2015 Appropriations Act also limits the ability of the National Technical Information Service, within the Department of Commerce, to charge consumers for reports from the Legislative Branch offices that can be obtained from those offices for free.
- It also required the Department of Education to report on how it would implement GAO's recommendations to improve management of the District of Columbia's Opportunity Scholarship Program and ensure that administrative funds can be used to implement them.
- The Coast Guard reauthorization required that information about crime on cruise ships be made easily available on the Department of Transportation's website.

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**Program and Operational  
Benefits due to GAO's Work**

Many of the benefits resulting from our work cannot be measured in dollars, but led to program and operational improvements across the government. During FY 2014, we recorded 1,288 of these other benefits.<sup>1</sup>

GAO's work led to improvements in numerous areas affecting public safety and security and the efficient and effective functioning of government programs. Examples of actions taken by government agencies in response to our work include:

- better guidance and oversight to ensure complete documentation of investigations into abuse allegations at immigration detention facilities;
- an improved cyber security governance structure to ensure that federal agencies' efforts to educate the nation's cyber security workforce are effective;
- strengthened oversight of international food aid to ensure that targeted assistance reaches vulnerable groups, such as children and pregnant women, in other countries;
- enhanced security of diplomatic facilities and personnel overseas, including improvements to security standards and efforts to mitigate vulnerabilities;
- better sharing of terrorism-related information with federal and non-federal partners and enhanced efforts to identify and narrow gaps in information sharing;
- informed decision making on the future of nanomanufacturing, including research and development, U.S. competitiveness, and environmental, health, and safety concerns; and
- improved transparency regarding how sequestration decisions were implemented so that agencies can better plan for such events if they occur in the future.

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<sup>1</sup> GAO's performance results can be found at: <http://www.gao.gov/about/perfaccountreport.html>. Our web site includes a summary of GAO's FY 2014 Performance and Accountability Report as well as the complete report. The annual report informs Congress and the American people about what we have achieved on their behalf with the funds entrusted to us.

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This past fiscal year, GAO also issued revised internal control standards for the federal government and made significant contributions to international auditing standards. These standards can help agencies achieve effective internal control systems to safeguard public resources, report reliable information about their operations, and comply with applicable laws and regulations.

Through the products we issued in FY 2014, we continued to build on bodies of work under our three broad strategic goals:

- (1) address current and emerging challenges to the well-being and financial security of the American people;
- (2) respond to changing security threats and global interdependence; and
- (3) help transform the federal government to address national challenges.

Work completed in these areas included:

- **Protection of children** – we reported on the need for improvements to school lunches, guidance for states on the use of psychotropic drugs for children in foster care, and preventing sexual abuse of students by school personnel;
- **Veterans** – we reported on out-patient medical care, purchasing and tracking of surgical implants, cost increases and schedule delays in constructing and leasing VA medical facilities, and the accuracy and quality of processing disability claims for veterans;
- **Health care** – we continued to report on the implementation of the Patient Protection and Affordable Care Act (e.g., HealthCare.gov), drug shortages, Internet pharmacies selling counterfeit drugs, Medicare fraud, Medicaid financing, and nursing home care; and
- **Financial literacy** – we reported on retirement security, managed retirement accounts, student loans, college debit cards, and lump sum payment pension scams.

**Testimonies**

Senior GAO officials testified 129 times before 70 separate committees or subcommittees on issues that touched virtually all major federal agencies. Figure 1 shows examples of topics GAO testified on in FY 2014 organized by strategic goal.

Additional information on selected testimonies can be found in Part II of the 2014 Performance and Accountability Report at: <http://www.gao.gov/products/GAO-15-1SP>.

**Figure 1: Examples of FY 2014 Testimonies by Goal**

**Goal 1: Address Current and Emerging Challenges to the Well-being and Financial Security of the American People**

- Processing Veterans' Disability Benefits
- Early Learning and Child Care
- Social Security Disability Programs
- Timely Outpatient Medical Care for Veterans
- Federal Fiscal Exposure from Climate Risks
- Export-Import Bank Management
- Airport Development and Financing
- Oil and Gas Management
- U.S. Postal Service's Unfunded Benefit Liabilities
- Oversight of Student Loans
- Public Transit Challenges
- Expectations of Government Support for Large Bank Holding Companies
- Federal Efforts Supporting Financial Literacy
- VA Construction of Major Medical Facilities Face Cost Increases and Schedule Delays
- Medicare Fraud

**Goal 2: Respond to Changing Security Threats and the Challenges of Global Interdependence**

- Arizona Border Surveillance Technology Plan
- Personnel Security Clearances
- DOD's POW/MIA Mission and Challenges
- Enhancing Federal Response to Information Security Breaches
- Space Launch Acquisitions
- Nuclear Nonproliferation
- Defense Acquisition Management Reforms
- DHS Chemical Security Program
- DHS's Progress Addressing High Risk Issues
- DOD Acquisition Risks
- F-35 Joint Strike Fighter
- NASA Export Controls
- DHS Research and Development Oversight
- Defense Health Reform
- USAID Support for Haiti's Reconstruction
- HealthCare.gov Security and Privacy Controls
- TSA's Screening Partnership Program

**Goal 3: Help Transform the Federal Government to Address National Challenges**

- Biosafety Lapses in High Containment Labs
- Use of Psychotropic Medications for Foster Children
- IT Reform
- Patient Protection and Affordable Care Act Enrollment Control
- Leveraging Best Practices for IT Acquisitions
- Monitoring Improper Payments
- Government-wide Challenges to Efficiency and Effectiveness
- Reducing Fragmentation, Overlap, and Duplication in Federal Programs
- DOD Financial Management

Source: GAO

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In addition, to better serve our clients and the public, we expanded our presence in digital and social media, releasing GAO iPhone and Android applications, and launching streaming video web chats with the public. More than 31,300 people now get our testimonies, reports, and legal decisions daily on Twitter, and our blog was just named one of the five best across the federal government.

Building on our efforts in FY 2013 to improve the GAO Watchdog website, available exclusively for Members and their staff, in FY 2014 we added drop-down menus, videos, and other features to enhance the user-friendliness of the site; improved functionality by allowing users to more easily find information on completed and ongoing GAO engagements; and feature new content such as descriptions of the full range of products and services GAO provides, including briefings by subject matter experts, comments on legislation, and assistance in drafting requests for work.

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### High Risk Program

GAO maintains a list for Congress of High Risk areas, which focuses on government operations that are at high risk of fraud, waste, abuse, and mismanagement, or need transformation to address economy, efficiency, or effectiveness challenges, organized by six broad areas that touch on every aspect of government operations:

- ***Strengthening the Foundation for Efficiency and Effectiveness***, including management of federal oil and gas resources, modernizing the U.S. financial regulatory system and the federal role in housing finance;
- ***Transforming DOD Program Management***;
- ***Ensuring Public Safety and Security***, including mitigating gaps in weather satellite data and protecting public health through enhanced oversight of medical products;
- ***Managing Federal Contracting More Effectively***, including at DOD, NASA and DOE;
- ***Assessing the Efficiency and Effectiveness of Tax Law Administration***; and
- ***Modernizing and Safeguarding Insurance and Benefit Programs***.

In February 2015, GAO released its latest update of the list. The report noted that solid, steady progress has been made in the vast majority of the high-risk areas. Eighteen of the 30 areas on the 2013 list at least partially met all of the criteria for removal from the High Risk List. Of those, 11 met at least one of the criteria for removal and partially met all

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others. Sufficient progress was made to narrow the scope of two high-risk issues – *Protecting Public Health through Enhanced Oversight of Medical Products* and *DOD Contract Management*. Overall, progress has been possible through the concerted actions of Congress, leadership and staff in agencies, and the Office of Management and Budget.

This year GAO added 2 areas, bringing the total to 32:

- ***Managing Risks and Improving Veterans Affairs (VA) Health Care***

GAO has reported since 2000 about VA facilities' failure to provide timely health care. In some cases, these delays or (VA's failure to provide care at all) have reportedly harmed veterans. Although VA has taken actions to address some GAO recommendations, more than 100 of GAO's recommendations have not been fully addressed. The recently enacted Veterans Access, Choice, and Accountability Act included provisions to help VA address systemic weaknesses. VA must effectively implement the Act.

- ***Improving the Management of Information Technology (IT) Acquisitions and Operations***

Congress has passed legislation and the administration has undertaken numerous initiatives to better manage IT investments. Federal IT investments too frequently fail to be completed or incur cost overruns and schedule slippages while contributing little to mission-related outcomes. GAO has found that the federal government spent billions of dollars on failed and poorly performing IT investments which often suffered from ineffective management, such as project planning, requirements definition, and program oversight and governance. Over the past 5 years, GAO made more than 730 recommendations; about 23 percent had been fully implemented as of January 2015.

GAO is also expanding two areas due to evolving high-risk issues:

- ***Enforcement of Tax Laws***

This area is expanded to include IRS's efforts to address tax refund fraud due to identity theft. IRS estimates it paid out \$5.8 billion (the exact number is uncertain) in fraudulent refunds in tax year 2013 due to identity theft. This occurs when a thief files a fraudulent return using a legitimate taxpayer's identifying information and claims a refund.

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- ***Ensuring the Security of Federal Information Systems and Cyber Critical Infrastructure and Protecting the Privacy of Personally Identifiable Information (PII)***

This risk area is expanded because of the challenges to ensuring the privacy of personally identifiable information posed by advances in technology. These advances have allowed both government and private sector entities to collect and process extensive amounts of PII more effectively. The number of reported security incidents involving PII at federal agencies has increased dramatically in recent years.

Solving these high risk problems has the potential to save billions of dollars, improve service to the public, and strengthen the performance and accountability of the U.S. government. For example, since our last update in 2013, we issued 317 reports, delivered 78 testimonies to Congress, and prepared numerous other products such as briefings related to our high risk work. We documented more than \$40 billion in financial benefits and 866 other improvements related to high-risk areas. The complete list of high-risk areas is included as Appendix I. Details on each high-risk area can be found at <http://www.gao.gov/highrisk/overview>.

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**Fragmentation, Overlap, and Duplication**

GAO issued the fourth annual report in 2014 identifying 26 new areas and 64 actions that could reduce fragmentation, overlap, and duplication, as well as other cost savings and revenue enhancement opportunities across the federal government. To date, we have identified 188 areas where opportunities exist for executive branch agencies or Congress to reduce, eliminate, or better manage fragmentation, overlap, or duplication; achieve cost savings; or enhance revenue. These areas span a broad range of government missions and functions.

Within these 188 areas, we've identified approximately 440 actions that executive branch agencies and Congress could take to address these opportunities for greater efficiency and effectiveness. Although Congress and executive branch agencies have made notable progress toward addressing the actions we have identified, further steps are needed to fully address the remaining actions.

As of November 2014, of the recommended actions identified in 2011, 2012, 2013, and 2014, 29 percent have been addressed; 44 percent have

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been partially addressed; and 23 percent have not been addressed.<sup>2</sup> More specifically, of the actions directed to executive branch agencies, 30 percent have been addressed, 49 percent partially addressed, and 18 percent not addressed.<sup>3</sup> Of the actions directed to Congress, 26 percent have been addressed, 16 percent partially addressed, and 51 percent not addressed.<sup>4</sup>

We estimate that executive branch and congressional efforts to address actions identified by GAO have resulted in over \$10 billion in realized savings with an additional \$60 billion in financial benefits to be accrued over the next 10 years. Implementing other suggested actions could result in tens of billions of dollars more in cost savings and enhanced revenues. For example, in 2012, GAO reported that the military's approach to acquiring combat uniforms was fragmented, which could increase battlefield risk and increase costs. As a result of a provision to the National Defense Authorization Act for FY 2014, the Army did not field new camouflage uniforms, avoiding \$4.2 billion in costs over 5 years.

To assist congressional oversight of these issues, we maintain GAO's Action Tracker, a publicly accessible website containing the status of actions suggested in this series of reports. The website allows Congress, executive branch agencies, and the public to track the progress the government is making in addressing the issues we have identified.

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## Legal Work

In FY 2014, GAO published 22 appropriations decisions, opinions, and letters on wide-ranging issues such as DOD's transfer of individuals from Guantanamo Bay, and the District of Columbia's budget autonomy. GAO attorneys also provided ongoing appropriations law assistance to various congressional committees and federal agencies navigating the government shutdown.

GAO also assisted Congress on a number of other matters, including continuing advice on the implementation of sequestration. Finally, GAO's

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<sup>2</sup> Eighteen actions (or 4 percent) have been assessed as "consolidated or other" due to additional work or other information that we considered.

<sup>3</sup> Of the 18 actions assessed as "consolidated or other," 13 relate to executive branch actions (or 3 percent of the actions directed to the executive branch).

<sup>4</sup> Of the 18 actions assessed as "consolidated or other," five relate to congressional actions (or 7 percent of the actions directed to Congress).

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Office of General Counsel handled more than 2,500 bid protest cases during FY 2014, issuing more than 500 decisions on the merits.

The Consolidated Appropriations Act, 2014, directed GAO to develop an electronic bid protest filing system. The statute also authorized the collection and use of fees to offset the costs of that system. We conducted outreach with Congress and small business and veterans groups identified by congressional stakeholders regarding the implementation of a filing fee. Periodic updates are provided on our progress to the House and Senate Committees on Appropriations.

We are making progress in developing the system. After considering the functional requirements for an electronic filing system, with an emphasis on IT security issues, we conducted market research through a Request for Information. We invited several vendors to provide demonstrations of their capabilities, and we developed a prototype bid protest electronic filing system as a proof of concept. We currently expect to complete development and launch the system by the end of calendar 2015.

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## Strategic Plan for Serving Congress

In February 2014, GAO released its updated Strategic Plan: *Serving the Congress and the Nation 2014-2019 (GAO-14-1SP)*. The plan describes our proposed goals and strategies for supporting Congress and the nation as the country continues through this period of challenge and opportunity. Our strategic plan framework (Appendix II) summarizes the global trends, as well as the strategic goals and objectives that guide our work.

While summarizing trends shaping the United States and its place in the world, the strategic plan reflects the areas of work we plan to undertake, including science and technology, weapons systems, healthcare, homeland security, the environment, and energy.

GAO will also increase collaboration with other national audit offices to ensure sound collaboration and coordination on global issues that directly affect the United States, including international financial markets.

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## Managing Workload by Focusing Resources on Congressional Priorities

To manage our congressional workload, we continue to take steps to ensure our work supports the highest congressional legislative and oversight priorities while focusing on areas where there is the greatest potential for results, such as cost savings and improved government performance.

We actively coordinate with congressional committees in advance of new statutory mandates<sup>5</sup> by identifying mandates real time as bills are introduced; participating in ongoing discussions with congressional staff; and collaborating to ensure that the work is properly scoped and is consistent with the committee's highest priorities.

In FY 2014, 33 percent of our audit resources were devoted to mandates and 63 percent to congressional requests. I regularly meet with Chairs and Ranking Members of committees and subcommittees to hear firsthand feedback on our performance. Their priorities help ensure we maximize the return on your investment in us.

As a matter of routine, GAO also reviews its list of recurring mandates (i.e., those that have repeating requirements over time) on an annual basis, and works with the appropriate committees to revise or repeal, as appropriate, those mandates on topics or programs which have already been fully analyzed, thereby freeing up resources for higher congressional priorities.

During the second session of the 113<sup>th</sup> Congress, we collaborated with the Congress to revise or repeal GAO's mandated reporting requirements which had, over time, lost relevance or usefulness. Specifically, GAO worked with responsible committees to have six mandates repealed or revised as part of the 2014 National Defense Authorization Act. In addition, HR 4194, Government Reports Elimination Act repeals or revises an additional 11 mandates, and the National Defense Authorization Act for FY 2015 included provisions to modify or repeal 4 reporting requirements for GAO. Both of these were passed by the Congress and signed by the President in November 2014.

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<sup>5</sup> Congressional mandates include requirements directed by statutes, congressional resolutions, conference reports, and committee reports.

## Fiscal Year 2016 Requirements

GAO's FY 2016 budget request seeks an appropriation increase of \$31.1 million, or 5.9 percent, to support a modest increase in our staffing level to 3,055 FTE and continue critical improvements in our IT, building, and security infrastructures. Costs will be offset with \$33.4 million in reimbursements, primarily from financial audits and rental income.

The requested resources provide the funds necessary to ensure that GAO can meet the highest priority needs of Congress and produce results to help the federal government deal effectively with its serious fiscal and other challenges. A summary of GAO's resources for our FY 2010 baseline and FYs 2014 to 2016 is shown in Figure 2.

**Figure 2: FY 2010 Baseline and FY 2014 to FY 2016 Summary of Resources (dollars in thousands)**

Funding Source	Fiscal Year 2010 Actual		Fiscal Year 2014 Actual		Fiscal Year 2015 Estimated		Fiscal Year 2016 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Salaries and Expenses Appropriation		\$556,325		\$505,293		\$522,000		\$553,058
Non-legislative-branch appropriation		21,804		70		-		-
Reimbursements		10,214		2,330		8,405		7,955
Offsetting receipts		10,892		20,898		25,000		25,000
Bid protest user fees		-		-		-		450
<b>Total budget authority</b>	<b>3,347</b>	<b>\$599,235</b>	<b>2,891</b>	<b>\$528,591</b>	<b>3,015</b>	<b>\$555,405</b>	<b>3,055</b>	<b>\$586,463</b>

Source: GAO.

## Staff Capacity

Our talented, diverse, and high-performing workforce is essential in fulfilling our mission of supporting Congress. While progress has been made, we still face challenges in addressing critical human capital management issues, including preparing for retirements of key subject matter experts, senior executives, and other key leaders; maintaining a performance-based and inclusive culture that helps motivate and retain a talented and diverse staff; and maintaining workplace and work-life practices that meet the needs of an evolving workforce in an equitable manner.

A significant proportion of our employees are currently retirement eligible. Presently, about 40 percent of our senior executive staff and 21 percent

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of our supervisory analysts are retirement eligible. In FY 2015, through a targeted recruiting strategy to address critical skills gaps, we plan to hire entry-level staff and student interns to achieve a staff capacity of 3,015 FTEs. This will allow us to continue to reverse the downward trend in our FTEs and achieve some progress in reaching our optimal staffing level of 3,250 FTEs. Our FY 2016 budget seeks funding for a 3,055 FTE level to help us continue to replenish the much needed pipeline of entry-level and experienced analysts to meet future workload challenges.

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**Priority Areas for Increased Staffing**

GAO has identified areas that merit increased review and attention as additional staffing is made available including:

- **Continued Identification and Reduction in Improper Payments** – In FY 2014 improper payments made in federal programs were estimated to be over *\$124 billion*, nearly \$19 billion higher than reported for FY 2013. Moreover, much of this increase is in two of the fastest growing programs in terms of federal expenditures – Medicare and Medicaid. GAO will continue to be vigilant in identifying improper payments and providing recommendations to prevent this wasteful situation.
- **Science and Technology** – Congress increasingly asks GAO to review multi-billion dollar federal investments in science and technology areas, such as cybersecurity, satellite and space programs, sophisticated weapons systems, as well as the environmental and energy sectors. GAO has also developed the capability to do science and technology assessments, and will continue to replenish our staff capacity to maintain a strong position in this area.
- **The tax gap** – The net gap between taxes owed and taxes paid is an estimated *\$385 billion* each year. There is about an 84 percent compliance rate on taxes owed to the federal government. GAO has identified a number of opportunities for the Internal Revenue Service to get better data to do the necessary comparisons and increase collections. GAO will continue to devote resources to this area. The additional resources will enable us to expand our work in finding ways to further close the tax gap.

## Operational Efficiencies

In addition to addressing critical staffing needs, the FY 2016 budget request also focuses funding on two other areas, information technology and building and security.

- **Information Technology**

GAO's IT systems are an essential component in ongoing efforts to maintain efficient and effective business operations and to provide timely data needed to inform management decisions.

Improvements to our aging IT software will streamline business operations, reduce redundant efforts, increase staff effectiveness and productivity, improve access to information, facilitate a more agile and mobile workforce, and improve operational efficiency.

We continue to implement many of these actions in a phased approach to promote efficiencies and monitor effectiveness. In FY 2016, we plan to:

- complete implementation of the first phase of a new content creation system, which will automate the creation, indexing, referencing, review, approval, and publishing of GAO products via a standard workflow;
- increase the availability of our core network wireless infrastructure at both headquarters and the field offices; and
- strengthen our cellular signal with a new antenna capability, which will allow GAO to change providers without needing to upgrade internal antennas.

These efforts will strengthen GAO's technology infrastructure and support an array of engagement management, human capital, and financial management systems.

- **Building and Security**

GAO plans to upgrade critical aging building systems to ensure more efficient operations and security. To support these requirements our FY 2016 budget request includes resources to:

- make general structural and architectural repairs, including the elevator shafts, interior walls, auditorium walls, projection booth, and the handicapped lift;
- continue addressing priority items identified in the asset management plan for critical repairs, end-of-life replacements, and energy saving

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investments in the headquarters building, including replacement of the first floor heating and air conditioning system and the overhaul and retrofit of two chillers;

- complete the headquarters lockdown project, which would provide building guards with the capability to lock all street exit doors more quickly in the event of an emergency or threat; and
- install Joint Worldwide Intelligence Communication System capabilities to facilitate access to DOD's Top Secret/SCI internet.

***Telework/Workspace-Sharing Pilots Reduce Costs and Improve Operational Efficiency***

GAO remains committed to sound operational efficiency and effectiveness. Our telework/workspace-sharing pilot has provided an opportunity for staff to work remotely while maintaining quality and productivity. This strategy has allowed GAO to reduce our physical footprint in the field and achieve cost savings of over \$2 million.

GAO is presently assessing the prospect of telework/workspace-sharing pilots in our Washington, D.C. headquarters. Implementation in headquarters may provide opportunities to streamline space usage and release space for lease to a future tenant, resulting in additional revenue. Results of the pilot will be critical to determining the potential for space reductions.

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**GAO Recognized as One of the “Best Places to Work”**

On December 9, 2014, the Partnership for Public Service announced that GAO placed second among mid-size agencies in the best places to work in the federal government, and ranked number one in its support of diversity in that same category. GAO has consistently placed among the top five on the Partnership's list since 2005.

We continuously strive to be the employer of choice in the public sector. Our ranking results from the dedicated efforts of the entire GAO team and leadership for their commitment in continuing to make GAO one of the Best Places to Work. GAO management remains committed to work with our union (IFPTE, Local 1921), the Employee Advisory Council, and the Diversity Advisory Council to continue to make GAO a preferred place to work.

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## Center for Audit Excellence

The Consolidated and Further Continuing Appropriations Act, 2015, enacted in December 2014, authorized GAO to establish a Center for Audit Excellence to build institutional auditing capacity and promote good governance by providing training and assistance to qualified personnel and entities, and permitted GAO to charge fees for the Center's products and services.

The Center's mission is to enhance good governance and build the institutional auditing capacity of domestic and international audit organizations by providing high quality training, technical assistance, and related services that leverage GAO's position as a global leader in auditing. A business plan will be provided to the Appropriations Committees that will outline several key principles to help ensure effective operation of the Center.

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## Concluding Remarks

In conclusion, GAO values the opportunity to provide Congress and the nation with timely, insightful analysis on the challenges facing the country. GAO's FY 2016 budget request is a fiscally responsible approach that will better position GAO to continue to support Congress and foster government accountability, address long-standing challenges, and keep a watchful eye on the nation's future.

Our budget request includes funds to increase our staffing level and provide employees with the appropriate resources and support needed to effectively serve Congress. The requested funding will also allow us to continue efforts to promote operational efficiency, and begin addressing long-deferred investments and maintenance.

This concludes my prepared statement. I appreciate, as always, your continued support and careful consideration of our budget. I look forward to discussing our FY 2016 request with you.

# Appendix I: GAO's 2015 High Risk List

## Strengthening the Foundation for Efficiency and Effectiveness

- Limiting the Federal Government's Fiscal Exposure by Better Managing Climate Change Risks
- Management of Federal Oil and Gas Resources
- Modernizing the U.S. Financial Regulatory System and the Federal Role in Housing Finance<sup>a</sup>
- Restructuring the U.S. Postal Service to Achieve Sustainable Financial Viability<sup>a</sup>
- Funding the Nation's Surface Transportation System<sup>a</sup>
- Strategic Human Capital Management
- Managing Federal Real Property
- Improving the Management of IT Acquisitions and Operations (*new*)

## Transforming DOD Program Management

- DOD Approach to Business Transformation
- DOD Business Systems Modernization
- DOD Support Infrastructure Management<sup>a</sup>
- DOD Financial Management
- DOD Supply Chain Management
- DOD Weapon Systems Acquisition

## Ensuring Public Safety and Security

- Mitigating Gaps in Weather Satellite Data
- Strengthening Department of Homeland Security Management Functions
- Establishing Effective Mechanisms for Sharing and Managing Terrorism-Related Information to Protect the Homeland
- Ensuring the Security of Federal Information Systems and Cyber Critical Infrastructure and Protecting the Privacy of Personally Identifiable Information<sup>a</sup>
- Ensuring the Effective Protection of Technologies Critical to U.S. National Security Interests<sup>a</sup>
- Improving Federal Oversight of Food Safety<sup>a</sup>
- Protecting Public Health through Enhanced Oversight of Medical Products
- Transforming EPA's Processes for Assessing and Controlling Toxic Chemicals<sup>a</sup>

## Managing Federal Contracting More Effectively

- DOD Contract Management
- DOE's Contract Management for the National Nuclear Security Administration and Office of Environmental Management
- NASA Acquisition Management

## Assessing the Efficiency and Effectiveness of Tax Law Administration

- Enforcement of Tax Laws<sup>a</sup>

## Modernizing and Safeguarding Insurance and Benefit Programs

- Managing Risks and Improving VA Health Care (*new*)
- Improving and Modernizing Federal Disability Programs
- Pension Benefit Guaranty Corporation Insurance Programs<sup>a</sup>
- Medicare Program<sup>a</sup>
- Medicaid Program<sup>a</sup>
- National Flood Insurance Program<sup>a</sup>

Source: GAO.

<sup>a</sup> Legislation is likely to be necessary to effectively address this high-risk area.

# Appendix II: GAO's Strategic Plan Framework



**MISSION**

**GAO** exists to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people.

**Trends Shaping the United States and Its Place in the World**

National Security Trends	Fiscal Sustainability and Debt Challenges	Global Interdependence	Sciences and Technology Trends	Communications Networks and Information Technologies	Shifts in Governance and Government	Demographic and Societal Change
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Goals	Objectives
<p>Provide Timely, Quality Service to the Congress and the Federal Government by...</p> <p>Address Current and Emerging Challenges to the Well-being and Financial Security of the American People related to...</p> <p>Respond to Changing Security Threats and the Challenges of Global Interdependence involving...</p>	<ul style="list-style-type: none"> <li>• Health care needs</li> <li>• Lifelong learning</li> <li>• Challenges facing an aging population</li> <li>• Effective system of justice</li> <li>• Housing finance and viable communities</li> <li>• Homeland security</li> <li>• Military capabilities and readiness</li> <li>• Stable financial system and consumer protection</li> <li>• Natural resources and the environment</li> <li>• National Infrastructure</li> <li>• Benefits and protections for workers, families, and children</li> <li>• Foreign policy and international economic interests</li> </ul>
<p>Help Transform the Federal Government to Address National Challenges by assessing...</p>	<ul style="list-style-type: none"> <li>• Government's fiscal position and approaches to address current and projected fiscal gaps</li> <li>• Federal government audit and internal control standards</li> <li>• Major management challenges and program risks</li> <li>• Fraud, waste, and abuse, and improvements in internal controls</li> </ul>
<p>Maximize the Value of GAO by Enabling Quality, Timely Service to the Congress and Being a Leading Practices Federal Agency by focusing on...</p>	<ul style="list-style-type: none"> <li>• Efficiency, effectiveness, and quality</li> <li>• Diverse workforce and inclusive work environment</li> <li>• Networks, collaborations and partnerships</li> <li>• Human, information, fiscal, technological, and physical resources</li> </ul>

**CORE VALUES**

Accountability	Integrity	Reliability
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## GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

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## AFFORDABLE CARE ACT (ACA)

Mr. GRAVES. If Mr. Jenkins is prepared with any questions, we would love to recognize you and welcome you to the committee.

Mr. JENKINS. Thank you, Mr. Chairman. It is an honor to be here.

Mr. GRAVES. Glad to have you as a part of it.

Mr. JENKINS. Good afternoon. Welcome.

My familiarity with the GAO is historically as a consumer of its good information and reports and the work product that you put out. And I think, like any normal citizen, when GAO speaks, we recognize it is nonpartisan, it is balanced, it is fair.

As a watcher of the implementation of the ACA and your numbers, analysis, information relating to the ACA implementation, I am curious how the GAO is handling what, candidly, frustrates me, which is the multiple delays and deferrals of what the original act required.

How do you account for the delay in implementation of the employer mandate, just as an example, and how often do you go in and update your analysis relating to the costs, the effects of the ACA?

Mr. DODARO. First, our role with the Affordable Care Act has been with reviewing the implementation of the act. We did a study of the development of the HealthCare.gov Web site, and made a number of recommendations to improve information technology areas. We identified out weaknesses in the security of the program. We are also looking at the State exchanges and will have recommendations in that area.

The actual scorekeeping is done by the Congressional Budget Office. We don't get into that area. We are looking at how the law is being implemented in both the HHS' and the IRS'.

Mr. JENKINS. In your analysis of the implementation aspects, for example, of the state exchanges, obviously we are looking at a court decision coming up here relating to subsidies, what analysis has GAO done, if anything, relating to, again, the establishment of the state exchanges or federal exchanges or the hybrid partnership exchanges, and what is working, what is not working in those exchanges as we move towards a significant decision this summer?

Mr. DODARO. Well, we reviewed the arrangements between the Federal Government and the State, specifically in terms of how to exchange information, and protect that information to ensure there is no unauthorized access to the information; how well the States have used the grants that were provided to them; how grant money was used; whether they shared best practices; and how they are getting up to date. We are in the midst of doing that work now. We focused on the federal web site and HealthCare.gov initially and have we moved to the States. The report will be available in the near future.

## VETERANS AFFAIRS (VA)

Mr. JENKINS. Okay. With regard to your good work relating to the VA and the problems leading up to the congressional action last year, and I have two VA hospitals, what is the status of the GAO's work regarding the current landscape with regard to vet-

erans' access to quality health care, timely appointments, capabilities? And what are you doing currently, since the bright light was shown tragically a year or so ago which drew congressional action? Where do we stand in the analysis and accountability of our veterans services?

Mr. DODARO. I have been concerned about the VA's ability to provide access to not only timely care, but also the quality of the care. As a symbol of our concern, we keep a list of high-risk programs for the Congress. We update the list with the beginning of each new Congress. We added VA's provision of health care to veterans to the High Risk List. There are five major themes that we are concerned about. They have ambiguous policies and inconsistent processes. They have inadequate oversight and accountability over the field structure. They have information technology challenges and have decades-old equipment. There is inadequate training of the VA staff. There are inconsistent and unclear resource needs and allocation processes.

We have made close to 200 recommendations. Over 100 recommendations are yet to be fully implemented by the VA. I met with the new Secretary. We are continuing to work in that area. I want to make sure that the recommendations get fully implemented. They go to the heart of the issues that you are talking about.

We also want to review the implementation of the Choice Act and to make sure that it is implemented. I have been concerned that Congress has given them \$15 billion in additional funding, but that money has to be used effectively. They don't have good tracking systems and haven't paid non-VA healthcare providers on time. So there are issues that need to be addressed.

The High Risk designation historically means that the Congress and the Administration will pay closer attention to those areas. We have a good track record, and having a High Risk List put more attention than normal on the area. It is very important and we are dedicated to continuing to work on that. Our veterans deserve better care and treatment, and we are going to do our part.

Mr. JENKINS. Okay. Thank you. I yield back.

Mr. GRAVES. Thank you, Mr. Jenkins.

Mr. Farr.

#### GAO RECOMMENDATIONS

Mr. FARR. Thank you, Mr. Chairman.

Just following up on that question, what is the process for implementation of your recommendations of your list? Does it pass through Congress in our report language on the budgets or is it that your investigations go out with recommendations to each agency independently of Congress?

Mr. DODARO. No, it happens both ways, Congressman.

Mr. FARR. And then you—do you follow up?

Mr. DODARO. Yes, we follow up. We look to see whether our recommendations have been implemented or not. Over time, the track record shows that 80 percent of our recommendations get implemented, either voluntarily by the executive branch agencies or through congressional action. Much of the Consolidated Appropriations Act this year and many of the reauthorizations including in

Defense and in Agriculture implemented GAO's recommendations. Many also get implemented by law as well.

Mr. FARR. Well, your budget has shrank, and you told of the efforts to meet with the chairs and the ranking members of the committees and subcommittees in order to find the efficiencies that were in the request for your services. And you mention in your budget request that the GAO responded to the requests from 94 percent of the standing full committees—

Mr. DODARO. Right.

Mr. FARR [continuing]. And almost 70 percent of the standing committees. And I guess the question, is your budget recovered to the point that you feel that you can meet the current workload? Are you going to have enough or are you still seeking help from committees in how studies are requested?

Mr. DODARO. I have had success meeting with chairs and ranking members across the Congress. Before I started this concerted outreach effort, we would receive on a regular basis more than 1,000 requests, many years often 1,200 different requests. Since I started the outreach, it has come down to about 900 requests. Actually in fiscal year 2013, when we were hit with the sequester and we were at our lowest staffing level since 1935, it came down below 900 to about 868. With the additional resources we have been given in 2014 and 2015, it is ticking back up toward 900 requests a year.

So I feel that we can meet the highest priority needs. The issue and the reason I am asking for additional resources this year is that there are many unmet areas that I think we could do more work in, and Congress wants us to do more work in. The demand is there from the Congress and, in my opinion, there are areas that I think need a lot of attention. I can give you some examples.

#### HIGH RISK LIST

Mr. FARR. Well, one of them that hit me in your High Risk List was the IRS' inability to address the tax refund fraud due to identity theft.

Mr. DODARO. Yes. That is an area—

Mr. FARR. How do you work with an agency to remove that program from the High Risk when the problem probably is a question of resources, that Congress is not giving agencies enough money to do the job?

Mr. DODARO. Well, there are two areas, resources and legislation. There are 32 areas in the High Risk. Ten of them we have also designated that the Congress needs to act on as well. And we look at the resource management—

Mr. FARR. Identifying ways to say we need more money?

Mr. DODARO. No, the additional authority. What we are saying, the IRS, for example, is the identity theft issue. The big problem there is IRS does not receive the W-2 information from employers until mid-April. The crooks file early. Basically, they go in, steal somebody's identity and create a fake tax return. IRS is obligated to pay quickly on the refunds. They send the refund out and they don't know about it until the honest taxpayer comes in. The IRS will say, well, we have already sent you a refund.

Now, the IRS, by their own estimates, have caught about \$24 billion in fraud that could have occurred last year, but they missed

\$5.8 billion in fraud. So we are suggesting that they make a recommendation to Congress to move up the timeframe, which will require a legislative change. There is NAFA authority. I think the Congress could also give IRS more authority to regulate paid tax preparers who prepare most of the returns and involve them in some of these areas so that they get better advice.

But with regard to the resources, we have noted that IRS' resources have declined for 5 straight years. From an enforcement standpoint, they are reviewing fewer tax returns. Individual tax returns were only 1 percent inspected before. Now it is less than 1 percent, about 0.8 percent. Corporate tax returns have gone down to about 4 or 5 percent from about 6 or 7 percent. Telephone service is going to be delayed.

Mr. FARR. Do you point to where Congress has erred in the sense of not giving enough money, enough resources to do the job? And when we cut agencies more, do you point your finger at us and say, it is your fault.

Mr. DODARO. We will say that on occasion. I mean, for example, one of the areas on the High Risk—

Mr. FARR. Is that why your budget went down?

Mr. DODARO. Well, I am here to tell the truth and to give the facts. One of the areas we have that is not funding the need for is our transportation infrastructure system. We have problems in that area. To the IRS, we have said that they need a better strategic plan for using their resources. We think they could do more with what they have and that the Congress should require a strategic plan for them.

For example, we looked at correspondence audits. We found they were more effective than doing field exams, and if they shifted \$124 million into correspondence audits, they could come up with a billion dollars more plus a year because they would get better yield. They don't do enough to figure out what the return on investment is from their enforcement strategies. We think they could do more. They need a strategic plan to do that.

Congress needs to carefully monitor the impact on the service the American public receives. Wait times this year are expected to go down, but only 40 percent of the people calling are going to get through to an IRS person. They are going to wait much longer for advice. Voluntary compliance right now is only about 84 percent. The gap between taxes owed and taxes collected is estimated to be about \$385 billion. It is an annual figure.

I think IRS needs to do a better job of strategic planning. Congress ought to monitor the situation and see what the impact is, but it bears attention.

Mr. FARR. I have noticed that Congress has the ability to very cleverly cut, squeeze, and trim budgets, but we ought to change the law. So the requirement for the end user is to get that permit, or to file with the IRS, when there is nobody there to answer the phone or the permit lines are really long. I mean, if you are going to cut, squeeze, and trim government, then you also ought to change the law that doesn't require the user to have to go through a process when there is nobody in the agency to respond to them. That is where I think Congress could get criticized for failing to follow through.

## TRAINING AND PROFESSIONAL DEVELOPMENT

I am a big believer in business travel and I represent a lot of areas where people come for training seminars and conferences. I think business travel is really good for networking and upgrading skill sets. GAO had restrictions or limits on conference travel, and I wondered whether it affected the GAO in its ability to keep personnel up to date. Do you have enough in your budget to meet the needs for training and continuing education?

Mr. DODARO. We have asked for a small increase in that if we get additional staff. Training is very important at GAO. We require every auditor to receive 80 hours of continuing professional education every 2 years. We place so much importance to this that we have a dedicated learning and performance center in GAO. We develop a lot of our own training programs and provide training.

We also encourage our people who are experts in many fields across the Federal Government, both in subject area and technical disciplines, to participate in conferences. They are often asked to speak at conferences to keep up their skills.

We have allocated some money. We have reduced our travel costs and have kept them down, in part because we have had fewer people, so you don't need as much travel money.

## TRAVEL

Mr. FARR. Well, Congress put restrictions on government agencies' traveling.

Mr. DODARO. It didn't affect us. We voluntarily went down and met those limits that were set for the Executive Branch Agencies, so we are at that level.

Travel is also important to conduct our work. We send people all over the world. Wherever federal money is spent. We had people in Kabul, we had people in Baghdad when we were in Iraq. We send people to the western part of the United States, where we have field offices, if we are looking at land issues. It is important for us. We have people at the major defense installations. We have people at Norfolk with the Navy, Wright-Patt in Dayton, and people in Huntsville, Alabama, where the Army is located.

Travel is very important for us. We would like to have more money, but training and travel are important to our people in conducting our business in support of the Congress. You expect us to go out and look firsthand at what is going on in the States. We don't do secondary research. We get out to the field locations and make sure we know what is going on.

Mr. FARR. Thank you.

Mr. GRAVES. Thank you, Mr. Farr.

I recognize Mr. Young from Iowa.

Mr. YOUNG. Sir, thanks for joining us today.

Mr. DODARO. Hi. How are you?

Mr. YOUNG. Good.

## ENGAGEMENT WORK

Can you guesstimate how many reviews, audits, investigations, recommendations you give per directive from Members of Congress annually or per Congress?

Mr. DODARO. In the last 6 years, to an average of about 900 requests a year from the Congress. Last year we produced about 700 reports. We did about 129 testimonies to 70 different committees or subcommittees. We generate over 2,000 recommendations. Implementation of our recommendations last year led to over \$54 billion in financial benefits, which is about \$100 back for every dollar invested in GAO.

The Bipartisan Budget Act, which helped offset the sequester for 2014 and 2015, implementation of GAO recommendations led to over \$20 billion in financial savings to help offset the sequester.

So we have a very good track record of producing good results. We are a good investment. You get a good return on your investment from the GAO.

#### GAO RECOMMENDATIONS

Mr. YOUNG. I think what you do is great. I just wish Members of Congress would then follow up on your recommendations and take action on what you recommend, because they put you through the onus of all this, many times spending a lot of money, a lot of travel, a lot of manpower to do these things, and then it sometimes just sits on a shelf. I would wonder if you would consider maybe tracking, after you do your reports, your recommendations, what actually is followed up on and gets done.

Mr. DODARO. We do do that.

Mr. YOUNG. Good. I am glad.

Mr. DODARO. Actually, over a 4-year period of time from when we make a recommendation, our track record is about 80 percent get implemented. I focus on areas where they haven't implemented the recommendations and shine a better light on it. For example, we put—I was mentioning this to Congressman Jenkins earlier—we put veterans' health care on our High Risk List this year because 100 of our recommendations haven't been fully implemented. I also added to the High Risk List IT acquisitions and operations across government, because in the last 5 years we made 737 recommendations and only 23 percent have been implemented.

So in areas, on the whole, 80 percent get implemented, Congress uses our work in the appropriations and reauthorization bills, and as I mentioned, in the Bipartisan Budget Act. We get traction, but where we don't, I follow up with the agencies, and then with the Congress, because ultimately we have no enforcement authority over our recommendations. Our enforcement authority is through the Congress and the power of the purse. There are some provisions in the Consolidated Appropriations bill last year that are withholding money pending implementation of our recommendations; Congress has used that quite frequently over the years.

#### IMPROPER PAYMENTS

Mr. YOUNG. You know, some of the money that you recover is probably from improper payments that are made out there, though you make recommendations. Your written testimony states that federal programs made more than \$124 billion in improper payments. Can you just give a 30,000-foot view of what some of those programs are where there are improper payments?

## IMPROPER PAYMENTS

Mr. DODARO. Sure. There are over 78 different programs across the Federal Government that have improper payments, but of the \$124 billion, there are really three programs that are the most significant. They account for about 75 percent of the total.

Mr. YOUNG. I was going to ask about percentage.

Mr. DODARO. Medicare is about \$60 billion a year, medicaid, \$17 billion, and earned income tax credit is \$14 billion. Those are the big programs. I am very concerned about this area. This is an area that I mentioned in my testimony, if we get additional resources I want to put more money in here.

This is money going out the door that doesn't have to be going out. This is an annual figure and it has gone up recently. There has been an uptick. I mentioned Medicare and Medicaid specifically, because they are the fastest-growing federal programs. If we don't get a handle on this it is going to get out of control over a period of time. So this is a really important area.

The other point I would make is that this that estimate is not complete. The Temporary Assistance for Needy Families program hasn't made an estimate yet. There are others. We just issued a report on TRICARE where they are not doing as rigorous an estimate as what Medicare is doing. So it is probably understated in some other federal programs like TRICARE.

So this is a big problem. The nation is wrestling with the deficit and debt problem. We have \$385 billion that should be coming into the Treasury that is not coming in. We have \$124 billion that is going out that shouldn't be going out. It is not proper documentation. You don't have assurance that the payments are accurate. GAO is in the center of trying to make these improvements.

## ENGAGEMENT PRIORITIZATION

Mr. YOUNG. Then one last quick question. When you prioritize doing your work, is it through the direction of first you prioritize under what is under the law that you are instructed to do?

Mr. DODARO. Right.

Mr. YOUNG. And then how do you follow up on that after that through Member requests? Is it committee gets the preferences?

Mr. DODARO. We have three priority levels, and then we have a set of written protocols, Congressional protocols that we developed with the Congress over the years. Priority one is the statute.

Mr. YOUNG. The law.

Mr. DODARO. The law, or a committee or conference report or resolution. That is one. Number two are requests from chairs and ranking members of committees or subcommittees. They are treated the same, on a nonpartisan status. Then priority three are requests from individual Members of Congress. We haven't had enough resources in a decade or more to answer any of those requests; so right now, to get in the GAO queue, it has to be supported by a Committee Chair or Ranking Member.

Mr. YOUNG. Thank you very much for your feedback.

Mr. DODARO. Sure.

Mr. YOUNG. Thank you for being here.

Mr. DODARO. Sure.

Mr. YOUNG. Mr. Chairman.

Mr. GRAVES. Thank you, Mr. Young.

As we conclude the questions for this panel, Ranking Member Wasserman Schultz will ask a couple of questions to you, and then we will move to our next panel.

Mr. DODARO. All right. Sure.

#### SECURE CREDENTIALS

Ms. WASSERMAN SCHULTZ. Thank you so much.

Mr. DODARO. Nice to see you.

Ms. WASSERMAN SCHULTZ. Good to see you, too, yes. Thank you. And thanks to Mr. Farr for holding down the fort while I was at the State, Foreign Ops Subcommittee.

So in last year's bill we asked GAO to produce a report about GPO's production of secure credentials.

Mr. DODARO. Yes.

Ms. WASSERMAN SCHULTZ. And I know that is still in draft form. But the request wasn't limited in its—it was limited in its scope, and so you didn't review every single possible kind of credential. So just so we can make sure that when the report comes out that it settles the question mark once and for all, is it your opinion that GAO would need to look at every single type of credential or could the findings, when you release them, be extrapolated to cover the security of all the credentials?

Mr. DODARO. I believe it could. We found that the Joint Committee on Printing since 2007 has authorized GPO to spend money for these credentials. The law gives them the authority to be able to do it. We see nothing in the law that limits them to a specific type of credential going forward. So I think it should provide—

Ms. WASSERMAN SCHULTZ. Or any concern that because you didn't specifically look at every single credential, that there is some doubt in the validity or security of any particular credential they printed?

Mr. DODARO. No, we don't think there is any doubt.

Ms. WASSERMAN SCHULTZ. Okay. Thank you very much. Yield back, Mr. Chairman.

#### CONCLUSION

Mr. GRAVES. Thank you.

Mr. Dodaro, thanks for joining us. Thank you for your work. We know that you do a lot with little, and we will certainly take your request in stride as we consider all the requests of all the agencies. But I can, I guess, speaking on behalf of the committee, we are very impressed with the work you do and with providing the reports that are so helpful to all of us, and maybe we will do a better job of implementing 100 percent of your recommendations as we move forward. But thank you again.

Mr. DODARO. Thank you very much, Mr. Chairman.

[Questions submitted for the record follow:]

**LEGISLATIVE BRANCH SUBCOMMITTEE  
CHAIRMAN TOM GRAVES  
GOVERNMENT ACCOUNTABILITY OFFICE**  
February 25, 2015 – 2:00 p.m.  
HT-2 Capitol

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**Questions for the Record**

**TELEWORK/WORKSPACE**

You have stated that GAO was able to reduce your physical footprint in the field and achieve savings of \$2 million dollars.

**Question:** Exactly what actions did you take to achieve these savings?

**Response:** In fiscal year 2012, GAO began implementing an enhanced telework/workspace sharing pilot program which permits eligible field employees to work from an alternate work site 50 percent or more of their scheduled hours.

A key aspect of this pilot program was the introduction of workspace sharing (sharing a dedicated workspace with another employee, alternating the days each is respectively in the office) and hoteling (reserving workspace for a specified period of time), which reduced the need for office space and thus reduced cost. The pilot program has now been implemented in all of our field office locations.

Enhanced telework provided the opportunity to optimize field office space layouts, reduce permanently assigned space, use hoteling to manage space utilization, and achieve better pricing through negotiations with our landlord and relocations to alternate space. As a result, during fiscal year 2013 and 2014, GAO reduced lease and security costs by about \$2 million, reduced rented space by about 28 percent, and reduced the square foot per person from about 300 in fiscal year 2012 to about 220 by the end of fiscal year 2014.

**Question:** If you are able to do this in your headquarters what is your estimate of potential savings and what will you do with the space?

**Response:** GAO is planning to pilot an enhanced telework/workspace sharing program at its Headquarters building. As with each phase of our field office pilot, we will work with our employee union to determine specific criteria for sharing and releasing space. Depending on the results of negotiations with our employee groups, including our union, and the pilot, GAO may be able to reduce its need for Headquarters office space and lease available space to another agency. However, for leasing purposes the available space will need to be contiguous. Upfront renovations and extensive staff moves would be required to free up space for a contiguous lease. If GAO were able to fund the renovations and staff moves and lease out the space at \$50 per square foot, we estimate that it could generate an additional \$1.5 million per year in lease revenue.

### ACCEPTING STAFF FROM OTHER AGENCIES

You are requesting authority so as to promote good governance by allowing GAO to accept staff from other agencies on a reimbursable, partially-reimbursable, or non-reimbursable basis to develop expertise and gain experience that enhance good government at their own agencies.

**Question:** What is your estimate of the number of agencies that may want to participate in such a program?

**Response:** We are not sure how many agencies may be interested, but we expect interest to be driven by federal employees seeking developmental opportunities. We expect this type of opportunity will be attractive to employees in agencies that have a Senior Executive Service Candidate Development Program or Presidential Management Fellowship Program. Both programs expect participants to experience work at other organizations for development purposes.

**Question:** It seems you are having trouble keeping up with your workload. Will this diminish current GAO resources to staff this program/authority?

**Response:** No. We expect that this authority will take minimal resources to implement, and that it will not detract from the work we are doing for the Congress.

**Question:** Having staff from agencies you may audit detailing to GAO under this authority. Will there not be a conflict of interest? After all you may be working with the same staff detailed to you that may be explaining agency operations, on their return to their home agency, and then be working with you on the audit of the programs of the home agency?

**Response:** We intend to assign detailees to work on issues that are not directly related to their home agencies' responsibilities. We will be careful, under our independence and conflict of interest policies, to ensure that no conflicts occur.

We expect it to be helpful for executive branch agency employees to learn about GAO, our policies and values, and how we do our work. These experiences may also facilitate working relationships with agencies in the future.

### ENGAGEMENT AND INFRASTRUCTURE COSTS

Your justification states as a knowledge-based organization, human capital costs represent over 80 percent of your total resources. You state that between fiscal years 2010 and 2014, you reduced your engagement and infrastructure costs by almost 25 percent.

**Question:** What actions did you take that enabled you to reduce cost, especially with your engagement work?

**Response:** Since fiscal year 2010 we have reduced costs in support areas, including Information Technology (IT), building infrastructure, and engagement support. A component of our budget reduction approach was a conscious effort to both control and reduce contract support costs. In some areas, we eliminated particular functions and related contractor support, and in other areas, we reassigned functions from contractor support to GAO staff.

Savings in the IT and infrastructure areas were achieved by deferring investments, reducing costs, and implementing cost-saving actions. For example, we:

- replaced key components of our building infrastructure to replace aged equipment, enhance employee comfort, and achieve energy savings;
- reduced weekend hours of operation, cleaning services, and facilities coordinator positions for the GAO building;
- significantly reduced the size our libraries' physical collections, allowing for additional space to be leased to a new tenant;
- implemented a telework pilot program, described above, that allowed for decreased lease costs in our field office locations;
- reduced support for transaction processing, operations, and application development; and eliminated off-site help desk support;
- consolidated servers to reduce energy use and cost; and
- implemented desktop videoconferencing agency wide, promoting enhanced communication and collaboration and reducing travel costs

The travel required to conduct original research is a significant engagement support cost for GAO. This includes first-hand interviews and other domestic and international fieldwork that is a hallmark of GAO's work. Compared with our FY 2016 budget request, since fiscal year 2010, we have reduced travel costs by over \$5.8 million or 42 percent. We did this by focusing on best practices to ensure the effective use of funds available for mission essential travel and other key initiatives.

Closer management review and analysis, along with the enhanced telework pilot program and desktop video-conference capability have also enhanced communication between headquarters and field offices and between GAO and our clients, further reducing the need for travel.

To maximize our travel budget, since fiscal year 2013, we have implemented a process to use non-contract airfares when certain criteria are met that has resulted in less costly airfares. GAO continues to explore ways to increase the number of travelers who participate as well as to streamline the process.

**WORKING WITH LEGISLATIVE BRANCH  
FINANCIAL MANAGEMENT COUNCIL**

Your fiscal year plan is to work with the Legislative Branch Financial Management Council to assess opportunities to streamline and consolidate financial management and administrative operations.

In 2014 a gap analysis was being done to determine the feasibility of the GAO migrating financial data into the Legislative Branch Financial System. You have been working with the Library of Congress for some time on this idea.

**Question:** What is the status of this effort?

**Response:** The Gap and Migration Analysis was conducted in close collaboration with the Library of Congress (LOC) that currently operates the Legislative Branch Financial Management System (LBFMS). A summary of the results of the analyses was included in the Legislative Branch Financial Management Council's *Report on the Feasibility of Other Shared Services* submitted to the Appropriations Committee on December 31, 2014.

Fifteen functional areas were included in the analysis, including key areas such as Budget, Acquisition, Financial, Travel, Payroll, Invoicing, Accounts Receivable, Accounts Payable, Financial Reporting, and Asset Management. The Analysis identified three critical gaps in the LBFMS operations. Specifically, the LBFMS does not have:

- (1) an electronic Travel Management System integrated with the Financial Management System;
- (2) the necessary staff and expertise to support GAO's transaction processing and operations support needs (GAO transactions are processed by staff at its current shared service provider, the Department of Transportation's Enterprise Service Center); and
- (3) an automated invoice processing system (however, LBFMS has commenced with implementing Invoice Processing Platform for the Architect of the Capitol).

**Question:** Have you determined the potential savings from such a consolidation?

**Response:** In the Gap and Migration Analysis GAO and LOC estimate that a GAO migration effort is a onetime investment of about \$10.2 million. GAO would incur annual costs of approximately \$2.2 - \$2.5 million (adjusted for inflation for the next eight years), paid to LOC for the cost of managing GAO's financial data and transactions. In comparison with the current cost of these operations, we estimate the investment will yield an average, net annual cost savings of approximately \$1.46 million over this period.

**BENEFITS FOR FORMER PERSONNEL**

You are requesting additional funding for costs associated with benefits for former personnel.

**Question:** What payments do you make for former personnel?

**Response:** In accordance with title 31 of the United States Code, sections 771-779, GAO funds the cost of retirement annuities paid to former Comptrollers General from its annual appropriation. When a Comptroller General retires, he is entitled to receive an annuity at the level of pay received as an active employee. In order to receive this benefit, the Comptroller General must have completed a full 15-year term.

We requested the funding in order to pay for the annuity of former Comptroller General Charles Bowsher, who retired in 1996.

**PAY LEVELS**

The Committee, in the annual report accompanying the appropriations bill, restricts payments of all compensation to employees of the Legislative Branch, to not exceed the compensation of Members. However, consulting with Subcommittee leaders you increased the compensation of Managing Directors and senior SES members to the same as SES in the Executive Branch, which exceeds the level established for Members.

**Question:** Could you please remind us of the approval given by the Subcommittee which allows this level of compensation?

**Response:** GAO sought the views of the Chairs and Ranking Members of the House and Senate Legislative Branch Appropriations Subcommittees before finalizing this decision.

We spoke personally with House Subcommittee Chairman Cole regarding our intention to make this change during a meeting on March 13, 2014, and the Chairman indicated his agreement. Subcommittee staff for House Subcommittee Ranking Member Wasserman Schultz indicated that the Congresswoman was in agreement with GAO's proposal on March 26, 2014.

Subcommittee staff for Senate Subcommittee Chairwoman Shaheen indicated the Senator was in agreement with GAO's proposal on March 26, 2014. We also spoke personally with Senate Subcommittee Ranking Member Hoeven regarding our intention to make this change on February 26, 2014, and he indicated his agreement.

**Question:** What is current level and annual salary amount?

**Response:** GAO's current structure of senior executive service (SES) and senior level (SL) salary ranges align with the salary ranges offered in the Executive Branch. The range is between \$121,956 to a maximum of \$183,300.

**Question:** How many employees, last calendar year exceeded this level?

**Response:** As of February 2015, GAO had 68 SES staff positions and 2 positions, by statute – the Comptroller General of the United States in accordance with 31 U.S.C. 703(f)(1) and the Inspector General in accordance with 31 U.S.C. 705(b)(3) earning higher pay than members of Congress.

**Question:** For the record provide a list, by position title and amount of each person exceeding this level?

**Response:** The following table includes this information, as of February 2015.

Title	Number of Staff
<b>Statutory Positions</b>	
Comptroller General of the United States (\$179,700)	1
Inspector General (\$174,700)	1
<b>Positions Tied to Rates of Basic Pay for Members of the Senior Executive Service (SES)</b>	
<b>\$180,000 – \$183,300</b>	
Chief Human Capital Officer	1
Chief Operating Officer	1
Controller/Deputy Chief Financial Officer	1
Deputy Chief Administrative Officer	1
Deputy General Counsel	1
Executive Director, Personnel Appeals Board	1
Executive Director, Federal Accounting Standards Advisory Board	1
General Counsel	1
Managing Directors	21
<b>\$174,001 – \$179,900</b>	
Associate General Counsels	4
Chief Accountant	1
Chief Actuary	1
Chief Administrative/Chief Financial Officer	1
Chief Economist	1
Chief Information Officer	1
Chief Learning Officer	1
Chief Scientist	1
Chief Technologist	1
Directors	22
Managing Directors	3
Senior Technologists	2
<b>TOTAL</b>	<b>70</b>

### WORKERS COMPENSATION

You have requested \$1.1 million dollars for workers compensation payment in fiscal year 2016. You state that remaining available balances from fiscal year years 2013 and 2014 were utilized to make those years payments. However, those balances have been fully utilized and not available to cover these costs in 2016.

It is our understanding that the Department of Labor provides each agency with the cost of Workers Compensation a year in advance so that agencies can include it in the budget request.

**Question:** What is the actual cost that the Department of Labor will be seeking reimbursement?

**Response:** GAO's workers' compensation cost for fiscal year 2016 is \$1.1 million.

**Question:** You do not anticipate any fiscal 2015 unobligated balances to remain available to pay this bill?

**Response:** That is correct. We estimate that in fiscal year 2016 we will have utilized our expired funding and will not have balances to cover the fiscal year 2016 workers' compensation payment from the Department of Labor.

### TRAVEL BUDGET

In fiscal year 2014 you were able to realize a 14.2 percent savings in your travel budget by using non-contract airfares when certain criteria were met.

**Question:** What are the current regulations regarding the usage of contract carriers?

**Response:** In fiscal year 2013, we implemented a process to use non-contract airfares when certain criteria are met that has resulted in less costly airfares. As a result, in fiscal year 2014 we realized a 14.2 percent savings within the universe of employees using the strategy.

Title 41 CFR 301-10.106 requires agencies to use Contract City Pair Fares when booking air passenger transportation services unless they meet one of the limited exceptions outlined in the regulation.

**Question:** What are the criteria under which GAO can utilize non-contract carriers?

**Response:** Title 41 CFR 301-10.107(c) grants exceptions to 301-10.106 to the mandatory use of the Contract City Pair Fares. The criterion provided in section 301-10.107(c), subject to some limitations, permits an agency to use a fare other a Contract City Pair Fare when:

*“A non-contract carrier offers a lower fare to the general public that, if used, will result in a lower total trip cost to the Government (the combined costs of transportation, lodging, meals, and related expenses considered).”*

**Question:** Is this authority that can be given to all Legislative Branch agencies or is this something that is GAO specific?

**Response:** All Legislative Branch agencies have this authority. 41 C.F.R 301-1.1 defines agency for this purpose as follows:

- An Executive agency, as defined in 5 U.S.C. 105 (except for Government-Controlled Corporations, i.e., mixed ownership Government Corporation as defined in 31 U.S. C. 9101);
- A military department;
- An office, agency or other establishment in the legislative branch; and
- The Government of the District of Columbia.

These sections do not apply to government controlled corporations, a Member of Congress, an office or committee of either House of Congress, the two Houses, or an office, agency, or other establishment in the judicial branch.

**Question:** Is this something that could be adopted within the entire Federal Government? If not, what would need to be changed to allow utilization of non-contract carriers?

**Response:** The authority is available to Executive Agencies. The Federal Travel Regulation (FTR) provisions apply to agencies defined by 41 CFR 301-1.1 as follows:

- Executive agencies as defined in 5 U.S.C. 105 (except for Government-Controlled Corporations, i.e., mixed ownership Government Corporation as defined in 31 U.S. C. 9101);
- A military department;
- An office, agency or other establishment in the legislative branch; and
- The Government of the District of Columbia.

These sections do not apply to government controlled corporations, a Member of Congress, an office or committee of either House of Congress, the two Houses, or an office, agency, or other establishment in the judicial branch.

**Question:** Do you have an estimate of savings to the entire Federal budget if usage of non-contract carriers were adopted government wide?

**Response:** No.

**LEGISLATIVE BRANCH SUBCOMMITTEE  
CHAIRMAN TOM GRAVES OPENING STATEMENT  
GOVERNMENT ACCOUNTABILITY OFFICE**

February 25, 2015 – 2:00 p.m.

HT-2 Capitol

**QUESTIONS [Second Set]**

**REQUEST FOR GAO WORK**

**Question:** Provide for the record how many request you receive a year from Congress to provide program and technical expertise in our oversight responsibilities?

**Response:** The following table provides information on the number of requests received from Congress from 2000-2014.

**Requests and Mandates to GAO, 2000 - 2014**

Year	Committee requests	Subcommittee requests	Member requests	Mandates	Total
2000	465	532	259	95	1,366
2001	364	367	263	102	1,108
2002	356	400	194	72	1,028
2003	449	390	177	95	1,134
2004	451	391	166	110	1,128
2005	434	349	135	109	1,036
2006	430	413	139	82	1,066
2007	608	394	134	75	1,217
2008	475	381	190	160	1,208
2009	362	316	115	131	931
2010	376	320	105	173	979
2011	387	353	93	89	929
2012	349	300	73	195	924
2013	368	276	71	153	868
2014	401	240	73	178	892

Committee requests and Subcommittee requests are letters signed by Chairs or Ranking Members of standing Committees and Subcommittees. Member requests are letters signed by Members of Congress not in a leadership role. Mandates are reports required of GAO in statute, conference reports, committee reports or joint explanatory statements.

**Question:** Would you please tell us how requests are made?

**Response:** GAO receives requests in two forms. Congress directs GAO to report on a particular topic in a statute, conference report, committee report or joint explanatory statement. These are referred to as mandates. Members of Congress also write letters to GAO requesting a report.

**Question:** From whom are they made?

**Response:** The majority of requests are made by Chairs and/or Ranking Members of Committees or Subcommittees. Any Member of Congress may request a report. However GAO has a prioritization system established in 2004 with Congressional agreement (see below).

Mandates, which since 2008 have been the third largest category, result from Congressional votes to enact legislation or Committee votes to approve conference reports, committee reports, or joint explanatory statements.

In FY 2014, we responded to requests and mandates from 94 percent of the standing full Committees of the Congress and almost 70 percent of the standing subcommittees.

**Question:** Who is authorized to make request?

**Response:** Any Member of Congress may request a report.

**Question:** How is priority assigned to each request?

**Response:** GAO worked with Congress to establish Congressional Protocols in 2000, followed by an updated edition in 2004. The Congressional Protocols reflect GAO's statutory authorities as well as agreements with Congress about priorities for undertaking work, among other things.

Under the Protocols, GAO will initiate work according to the following priorities:

- (1) Congressional mandates;
- (2) Senior congressional leader and committee leader requests (includes congressional leaders and Chairs and Ranking Members of Committees and Subcommittees with jurisdiction over the subject of the request.); and
- (3) Individual Member requests.

GAO has not had resources to devote to Category 3 (Individual Member requests) for about a decade.

**Question:** What work is initiated by you?

**Response:** GAO devotes about 5 percent of its audit resources to work to be undertaken under the Comptroller General's authority (CGA). Key examples include:

- GAO's High-Risk report, issued at the beginning of every new Congress, is conducted under CGA.
- Reviews of agency budget submissions for House and Senate Appropriations Subcommittees.

**Question:** And what if anything we could do to lessen your workload?

**Response:** The Congress and its committees have helped GAO to manage workload in several ways. The Comptroller General and other GAO leaders regularly reach out to Committee leaders to prioritize the work they request of us. We believe that has led to a gradual decrease in the number of requests (see table above), and improved assurance that the work we undertake is of high importance to Committees' oversight and legislative agendas.

GAO also monitors all bills introduced that include potential mandates for GAO, and contacts Members and Committees with regard to any concerns about GAO's authority to undertake the work, number of resources required, or other reporting requirements that may be challenging or inappropriate.

Additionally, we have sought to revise or repeal mandates that are obsolete or are no longer a priority for Congress. We seek assistance from the Appropriations Committees and other Committees to do so.

We are particularly concerned about mandates that have recurring reporting requirements with no end date. We have used a variety of legislative vehicles and have been successful in having some requirements repealed or revised. For example in the 113<sup>th</sup> Congress, over 20 requirements were revised or repealed in four different bills.

### INTERNAL OPERATIONS

In your justification it states that a significant proportion of your employees are currently eligible for retirement. In fact you state 40 percent of your senior executive staff and 21 percent of your supervisory analysts are eligible.

I don't think this is an issue that is a unique position that GAO finds itself having to deal with. I believe we have an aging workforce in the entire Federal Government and many agencies are facing the same issue that the GAO is facing.

**Question:** Has GAO done any analysis on the aging Federal Government workforce?

**Response:** Yes, we've provided two products in this area:

- (1) GAO-08-630T, April 30, 2008 – Older Workers: Federal Agencies Face Challenges, but Have Opportunities to Hire and Retain Experienced Employees; and
- (2) GAO-15-223, January 2015 – Federal Workforce: OPM and Agencies Need to Strengthen Efforts to Identify and Close Mission-Critical Skills Gaps.

**Question:** What were the findings?

**Response:** Our January 2015 report identified lessons learned from initial efforts to try to close skills gaps that could strengthen future approaches. GAO's work has identified skills gaps in nearly two dozen occupations with significant programmatic impact, including cybersecurity and telecommunications expertise. This year, the Office of Personnel Management (OPM) and the CHCO Council plan to identify and address a new set of government-wide skills gaps. It will be important that key lessons learned from the initial efforts to identify skills gaps inform this next round of work, including the need to (1) use a data-driven approach early in the process, (2) prioritize occupations using criteria that consider programmatic impact, and (3) consult with subject matter experts and other stakeholders prior to the identification of skills gaps in occupations.

Key features of OPM's efforts to predict emerging skills gaps are in the early planning stages. A re-named interagency group, known as the Federal Agency Skills Team, plans to strengthen the methodology used to identify emerging skills gaps. Additionally, OPM officials are discussing plans to modify OPM's workforce database to capture government-wide staffing data. However, OPM will need to establish a schedule for modifying this database to ensure its implementation. OPM officials also stated that because agencies' capacity to assess workforce competencies varies, OPM does not have government-wide data on competency gaps, which is needed to identify emerging cross-agency skills gaps. In conjunction with agencies' CHCOs, OPM will need to strengthen agencies' ability to assess their competency needs that are critical to successfully achieving their mission and goals.

In our report, we recommended that the Office of Personnel Management (OPM):

- (1) strengthen its methodology for identifying and addressing skills gaps;
- (2) establish a schedule and process for collecting government-wide staffing and competency data; and
- (3) develop a core set of metrics for use in agencies' HRstat reviews.

OPM generally concurred with the first and third recommendations but did not concur with the second recommendation because of funding implications. We acknowledge that there may be funding constraints. However, our recommendations may help OPM address these constraints.

**Question:** How is GAO addressing this issue?

**Response:** Within GAO, we are employing strategic human capital planning that is integrated with our agency strategic planning to ensure that we have the talent needed to execute our mission, program, and goals, particularly within the context of a wave of potential retirements.

We continue to be vigilant about succession planning so that staff, who are eligible to advance to key management positions, are provided with the training and other necessary development to ensure they have the requisite skills and experience for

those positions when required. In fiscal year 2014, we made progress in addressing our succession management challenges. We recently graduated 13 candidates from our Senior Executive Service (SES) Executive Candidate Assessment and Development Program, and placed them as executives in our mission teams in accordance with our succession plans. We will also be selecting our next class this spring.

We will continue to prepare staff for leadership roles through enhanced training and a revamped leadership development curriculum based on the in-depth analysis completed in fiscal year 2014. Further, we will continue to provide opportunities for promotion to management-level positions as identified through our workforce planning process and fill critical positions through our hiring process.

### INFORMATION TECHNOLOGY

In addition to addressing your staffing needs your request focuses on two other area information technology and facility operations and maintenance.

Regarding information technology you propose improvements to aging software to streamline business operations.

**Questions:** Exactly what software upgrades are required to streamline business operations reduce redundant efforts and increase staff effectiveness?

**Response:** GAO requires multiple software tools as we continue the transformation to more modern and flexible management systems. Specifically, we plan to:

- expand the capabilities of our engagement management system (EMS), a web-based tool that provides staff and management with a streamlined approach to accessing, recording, and reporting management data;
- acquire a software solution to begin automating the creation, indexing, referencing, review and approval, and publishing of products via a standard workflow to improve the accuracy and timeliness of our products, as well speed of publication;
- continue expanding our business intelligence (BI) solution to further integrate engagement, human capital, and financial data to better support analysis, provide improved reporting, and facilitate sound business decisions; and
- deploy a new electronic filing and document dissemination system to manage bid protests (in support of our statutory authority under the Competition in Contracting Act).

**Question:** You require no hardware upgrades?

**Response:** We do. We plan a multi-phased effort to upgrade support, including hardware, for essential operations, reliability and security requirements. Much of our current network core infrastructure is out of date and needs to be upgraded.

With the implementation of virtual environments for both desktops and servers, improvements in network communications are required to increase the usability and reliability of these services both in the office and working at remote locations.

In addition, the planned enhancements to datacenter security will add an additional layer of protection for GAO data and IT services overall.

Further, our notebook computers have reached the limit of their ability to meet the demands for new technologies, such as virtualization and remote access. Currently, our computers are 7 years old, limiting support for current operating systems and business technologies.

These devices will be replaced with technology that meets user needs in GAO's new virtual environment and take advantage of more modern technologies. The new devices will be mobile, cost effective, and more secure since data will not be stored on the device but rather within the datacenter.

### FEDERAL INFORMATION TECHNOLOGY

**Question:** With all the work GAO has done and continues to do regarding information technology within the Federal Government Do you believe the Federal Government is and will always be behind the private sector regarding the most up to date and efficient IT operations? If so what is the cause?

**Response:** We agree that federal information technology (IT) investments too frequently incur cost overruns and schedule slippages while contributing little to mission-related outcomes. Accordingly, earlier this year we identified "Improving the Management of IT Acquisitions and Operations" as a high-risk area.

In December 2014, Congress passed key legislation aimed at addressing needed IT reforms. Federal agency implementation of this legislation is essential, given the scale of planned IT outlays and the criticality of many of these systems to the health, economy, and security of the nation.

We have testified on IT investments that often suffered from a lack of disciplined and effective management, such as project planning, requirements definition, and program oversight and governance.<sup>1</sup> In many instances, agencies have not consistently applied best practices that we have identified as being critical to successfully acquiring IT investments.

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<sup>1</sup>See, for example GAO, *GAO's 2015 High-Risk Series: An Update*, GAO-15-373T (Washington, D.C.: Feb. 11, 2015).

Specifically, we have identified nine critical factors underlying successful major acquisitions that support the objective of improving the management of large-scale IT acquisitions across the federal government:

- (1) program officials actively engaging with stakeholders;
- (2) program staff having the necessary knowledge and skills;
- (3) senior department and agency executives supporting the programs;
- (4) end users and stakeholders involved in the development of requirements;
- (5) end users participating in testing of system functionality prior to end user acceptance testing;
- (6) government and contractor staff being stable and consistent;
- (7) program staff prioritizing requirements;
- (8) program officials maintaining regular communication with the prime contractor; and
- (9) programs receiving sufficient funding.<sup>2</sup>

However, agencies continue to have poorly performing projects. We have reported on a governance initiative developed by OMB, known as TechStats. In January 2010, the Federal CIO began leading TechStat sessions – face-to-face meetings to terminate or turn around IT investments that are failing or are not producing results. These meetings are to involve OMB and agency leadership and are intended to increase accountability and transparency and to improve performance.

Subsequently, OMB empowered agency CIOs to hold their own TechStat sessions within their respective agencies. We have since reported that OMB and selected agencies had held multiple TechStats, but additional OMB oversight was needed to ensure that these meetings were having the appropriate impact on underperforming projects and that resulting cost savings were valid. We concluded that until OMB and agencies develop plans to address these investments, the investments would likely remain at risk. Among other things, we recommended that OMB require agencies to address high-risk investments. OMB generally agreed with this recommendation.

Beyond focusing attention on individual high-risk investments, an additional key reform initiated by OMB emphasizes incremental development in order to reduce investment risk. In 2010, it called for agencies' major investments to deliver functionality every 12 months and since 2012, has required investments to deliver functionality every 6 months.

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<sup>2</sup>GAO, *Information Technology: Critical Factors Underlying Successful Major Acquisitions*, GAO-12-7 (Washington, D.C.: Oct. 21, 2011)

However, we recently reported that less than half of selected investments at five major agencies planned to deliver capabilities in 12-month cycles.<sup>3</sup> Accordingly, we recommended that OMB develop and issue clearer guidance on incremental development and that selected agencies update and implement their associated policies. Most agencies agreed with our recommendations or had no comment.

Given these issues, it is important for the federal government to be transparent both when it is acquiring new investments and when it is managing legacy investments. To help the government achieve such transparency, in June 2009, OMB established a public website, (referred to as the IT Dashboard) that provides detailed information on major IT investments at 27 federal agencies, including ratings of their performance against cost and schedule targets.

The public dissemination of this information is intended to allow OMB; other oversight bodies, including Congress; and the general public to hold agencies accountable for results and performance. Among other things, agencies are to submit ratings from their CIOs, which, according to OMB's instructions, should reflect the level of risk facing an investment relative to that investment's ability to accomplish its goals.

However, we have identified concerns with the accuracy and reliability of cost and schedule data on the IT Dashboard, and a recent report noted that agencies had removed major investments from the site, representing a troubling trend toward decreased transparency.<sup>4</sup> We also reported that, as of December 2013, the public version of the IT Dashboard had not been updated for 15 of the previous 24 months.

More recently, OMB froze the public version of the Dashboard on August 31, 2014 and as of March 2, 2015, had not updated it since. Over the past several years, we have made over 20 recommendations to help improve the data accuracy and reliability of the information on the IT Dashboard and to increase its availability.

In addition to spending money on new IT development, agencies also plan to spend a significant amount of their fiscal year 2015 IT budgets on the operations and maintenance (O&M) of legacy (i.e., steady-state) systems. Specifically, in fiscal year 2015, of the overall \$79 billion budgeted for federal IT, 27 federal agencies plan to spend about \$58 billion, or almost three-quarters of the total budgeted, on the O&M of these legacy investments.

Given the size and magnitude of these investments, it is important that agencies effectively manage the O&M of existing investments to ensure that they (1) continue to meet agency needs, (2) deliver value, and (3) do not unnecessarily duplicate or overlap with other investments. To accomplish this, agencies are required by OMB to perform annual operational analyses of these investments, which are intended to serve as

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<sup>3</sup>GAO, *Information Technology: Agencies Need to Establish and Implement Incremental Development Policies*, GAO-14-361 (Washington, D.C.: May 1, 2014).

<sup>4</sup>GAO, *IT Dashboard: Agencies Are Managing Investment Risk, but Related Ratings Need to Be More Accurate and Available*, GAO-14-64 (Washington, D.C.: Dec. 12, 2013).

periodic examination of an investment's performance against, among other things, established cost, schedule, and performance goals.

However, we have reported that agencies were not consistently performing such analyses and that billions of dollars in O&M investments had not undergone needed analyses.<sup>5</sup> Specifically, as detailed in our November 2013 report, only 1 of the government's 10 largest O&M investments underwent an OMB-required operational analysis. We recommended that operational analyses be completed on the remaining 9 investments.

Finally, to address agencies' management of operational IT investments, OMB and the agencies have implemented two cross-cutting initiatives.

To better manage existing IT systems, OMB launched the Portfolio Stat initiative, which requires agencies to conduct an annual, agency-wide IT portfolio review to, among other things, reduce commodity IT<sup>6</sup> spending and demonstrate how their IT investments align with the agency's mission and business functions. We reported that agencies continued to identify duplicative spending as part of Portfolio Stat and that this initiative had the potential to save at least \$5.8 billion through fiscal year 2015.

However, weaknesses existed in agencies' implementation of the initiative, such as limitations in the CIOs' authority.<sup>7</sup> We made more than 60 recommendations to improve OMB and agencies' implementation of Portfolio Stat. OMB partially agreed with our recommendations, and responses from 21 of the agencies varied.

Concerned about the size of the federal data center inventory and recognizing the potential to improve the efficiency, performance, and environmental footprint of federal data center activities, OMB, under the leadership of the Federal CIO, established the federal data center consolidation initiative in February 2010. In a series of reports, we found that, while data center consolidation could potentially save the federal government billions of dollars, weaknesses existed in the execution and oversight of the initiative.

Most recently, we reported that, as of May 2014, agencies collectively reported that (1) they had a total of 9,658 data centers, (2) they had closed a total of 976 data centers, and (3) they were planning to close an additional 2,689 data centers—for a total of

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<sup>5</sup>GAO, *Information Technology: Agencies Need to Strengthen Oversight of Multibillion Dollar Investments in Operations and Maintenance*, GAO-14-66 (Washington, D.C.: Nov. 6, 2013), and *Information Technology: Agencies Need to Strengthen Oversight of Billions of Dollars in Operations and Maintenance Investments*, GAO-13-87 (Washington, D.C.: Oct. 16, 2012).

<sup>6</sup>According to OMB, commodity IT includes services such as IT infrastructure (data centers, networks, desktop computers and mobile devices); enterprise IT systems (e-mail, collaboration tools, identity and access management, security, and web infrastructure); and business systems (finance, human resources, and other administrative functions).

<sup>7</sup>GAO, *Information Technology: Additional OMB and Agency Actions Are Needed to Achieve Portfolio Savings*, GAO-14-65 (Washington, D.C.: Nov. 6, 2013).

3,655—by the end of September 2015.<sup>8</sup> We also noted that between fiscal years 2011 and 2017, agencies reported planning a total of about \$5.3 billion in cost savings and avoidances due to the consolidation of federal data centers.

**Question:** What needs to be done to correct the situation?

**Response:** To help address the management of IT investments, OMB and federal agencies should expeditiously implement the requirements of the December 2014 statutory provisions<sup>9</sup> promoting IT acquisition reform.

Doing so should (1) improve the transparency and management of IT acquisitions and operations across the government, and (2) strengthen CIOs' authority to provide needed direction and oversight. To help ensure that these improvements are achieved, congressional oversight of agencies' implementation efforts is essential.

Beyond implementing the recently enacted law, OMB and the agencies need to continue to implement GAO's previous recommendations in order to improve their ability to effectively and efficiently invest in IT.

Over the past 5 years, we have reported numerous times on shortcomings with IT acquisitions and operations, and have made about 737 related recommendations, 361 of which were to OMB and agencies to improve the implementation of the recent initiatives and other government-wide, cross-cutting efforts.

As of January 2015, about 23 percent of the 737 recommendations had been fully implemented. Several of these recommendations are critical, including:

- conducting TechStat reviews for at-risk investments;
- developing major IT investments on an incremental basis; and
- updating the public version of the IT Dashboard throughout the year.

Finally, in order to ensure accountability, OMB and agencies should also demonstrate measurable government-wide progress areas against the performance metrics established in our addition of IT acquisition and operations to our recent update to the High Risk List:

- OMB and agencies should, within four years, implement at least 80 percent of GAO's recommendations related to the management of IT acquisitions and operations;

<sup>8</sup>GAO, *Data Center Consolidation: Reporting Can Be Improved to Reflect Substantial Planned Savings*, GAO-14-713 (Washington, D.C.: Sept. 25, 2014).

<sup>9</sup> The Federal Information Technology Acquisition Reform Act was included in the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015, enacted on December 19, 2014.

- agencies should ensure that a minimum of 80 percent of the government's major acquisitions should deliver functionality every 12 months; and
- agencies should achieve no less than 80 percent of the over \$6 billion in planned Portfolio Stat savings and 80 percent of the more than \$5 billion in savings planned for data center consolidation.

### CENTER FOR AUDIT EXCELLENCE

The enacted FY 2015 Appropriations Act directed GAO to establish a Center for Audit Excellence to improve domestic and international capabilities. The Center would help the GAO to build institutional auditing capacity. And promote good governance by providing training and assistance to qualified personnel and entities. You are preparing a business plan to be presented to the Committee.

**Question:** For the benefit of the new Members could you tell us what was your vision for the Center and what do you hope to achieve?

**Response:** GAO's vision is to establish a Center that will help other audit organizations in the United States and around the world to strengthen their capacity. Specifically, the mission of GAO's Center for Audit Excellence is to promote good governance and build the institutional auditing capacity of domestic and international audit organizations by providing affordable, high-quality training, technical assistance, and related products and services that leverage GAO's position as a global leader in auditing.

We plan to establish fees for training and related products and services that will enable us to recover our costs over time. In addition, the Center will operate in a way that will safeguard's GAO's independence and ensure that the Center's activities will not adversely impact GAO's ability to maintain a consistently high level of service to Congress.

We believe there is a significant need and demand for GAO to provide such services. During the past several years, GAO has received numerous requests from other countries and from state and local governments to provide training and technical assistance. The need for assistance is particularly significant among our counterpart audit agencies around the world, known as Supreme Audit Institutions (SAIs).

According to a key survey of SAIs that was undertaken in 2010,<sup>10</sup> a total of 129 SAIs, representing about 70 percent of respondents, defined their need for capacity development support as high or medium in one or more categories (such as performance audits, financial audits, etc). GAO is highly regarded in the global SAI community and has the breadth of skills needed to help meet the demand for capacity building.

Helping other SAIs to improve their capabilities can achieve numerous benefits for the United States and other governments. For example, enhancing the ability of SAIs to

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<sup>10</sup> Capacity Development of Supreme Audit Institutions: Status, Needs and Good Practices, INTOSAI-Donor Cooperation Stocktaking Report 2010.

audit their financial markets and government regulations can help to better safeguard U.S. interests and citizens in an increasingly interconnected world. In addition, such assistance can help to ensure that billions of dollars in United States and international donor assistance is being properly accounted for and used efficiently, effectively, and for appropriate purposes.

GAO also has received requests for help from domestic audit organizations in the past, particularly since most states and many local audit organizations are responsible for performing audits of federal financial assistance and grants in accordance with audit standards established by GAO. By providing training on audit standards and methodologies, the Center can help to ensure that domestic audit organizations have a sound understanding of the standards and increased confidence in the reported results of audits.

**Question:** Has the establishment of the Center taken away resources that should be working on Congressional request?

**Response:** No, the establishment of the Center has not taken away any resources that would be otherwise used for engagements. Further, the Center's ongoing operations will not take away staff or other resources that are used to respond to Congressional requests. Consistent with the Center's authorizing statute, GAO plans to staff the Center using personnel who are not engaged in carrying out GAO's audit and oversight services on behalf of Congress. The operation of the Center will not detract from GAO's ability to provide a consistently high level of oversight and audit services to the Congress.

During fiscal year 2015, GAO hired two part-time reemployed annuitants to develop the Center business plan that Congress directed us to provide to the House and Senate Appropriations Committees. These individuals conducted research and held outreach meetings with relevant federal agencies and other organizations to obtain their perspectives on global audit community training and capacity building needs. In addition, they developed a quality assurance process, a human capital plan, and an approach and methodology for financial management of the Center. The two reemployed annuitants then drafted a business plan for the Center that was submitted to the Appropriations Committees on March 2, 2015.

Moving forward, GAO will continue to staff the Center for Audit Excellence using personnel who are not engaged in carrying out GAO's audit and oversight services. Moreover, to facilitate cost recovery, the Center will use a lean and flexible approach to staffing.

As discussed in the business plan, the Center will have a director and 1-2 additional part-time staff members who will help to plan for the Center's opening and operate the Center once the business plan is approved. These positions will be staffed with reemployed annuitants. In addition, the Center plans to develop a roster of GAO retirees with various skills who are interested in supporting Center projects. The Center will use this list to hire reemployed annuitants on a temporary basis to support specific projects.

**LEGISLATIVE BRANCH SUBCOMMITTEE  
CHAIRMAN TOM GRAVES OPENING STATEMENT  
GOVERNMENT ACCOUNTABILITY OFFICE**

February 25, 2015 – 2:00 p.m.  
HT-2 Capitol

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**QUESTIONS [Third Set]**

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**REP. SAM FARR  
FEBRUARY 25, 2015  
BUDGET HEARING –  
CAO, CLERK OF THE HOUSE, SAA, GAO AND CAPITOL POLICE  
QUESTIONS FOR THE RECORD**

**General Accountability Office**

**FTEs**

**Question:** In what subject area are you lacking the most analysts?

**Answer:** GAO has identified areas that merit increased review and attention as additional staffing is made available, and we would focus resources in these areas, including:

- Continued Identification and Reduction in Improper Payments – In fiscal year 2014 improper payments made in federal programs were estimated to be over \$124 billion, nearly \$19 billion higher than reported for fiscal year 2013. Moreover, much of this increase is in two of the fastest growing programs in terms of federal expenditures – Medicare and Medicaid. GAO will continue to be vigilant in identifying improper payments and providing recommendations to prevent this wasteful practice.
- The tax gap – The gap between taxes owed and taxes paid is an estimated \$385 billion each year. There is about an 84 percent compliance rate on taxes owed to the federal government. GAO has identified a number of opportunities for the Internal Revenue Service (IRS) to get better data to do the necessary comparisons and increase collections. GAO will continue to devote resources to this area. The additional resources will enable us to expand our work in finding ways to further close the tax gap.
- Science and Technology – Congress asked GAO to conduct assessments in science and technology areas, such as satellite and space programs, sophisticated weapons systems, as well as the environmental and energy sectors. GAO has also developed the capability to do science and technology assessments, and will continue to add to our staff capacity to maintain a strong position in this area.

We are also seeking to continue hiring into our Professional Development Program – our entry-level program for analysts. We anticipate that a significant portion of the

additional FTE proposed for FY 2016 would be hired into this program. This is a two-year training program that includes formal training and rotations within GAO to provide a broad exposure to our work. At the completion of this program, our analysts begin to specialize in particular areas where they obtain subject matter expertise regarding federal policies and programs. We plan to target these resources to areas of high priority to the Congress.

**Question:** How does that affect your ability to answer congressional inquiries in those areas?

**Answer:** We strive to respond in a timely manner to all requests and mandates we receive from the Congress. We generally receive about a 95% timeliness rating from Congressional Staff we survey after delivering our reports and testimonies. In some cases, depending on Congressional interest and availability of staff resources in particular areas, we have a queue that delays our ability to respond to new requests until staff is available. Where possible, we work with committees on prioritization of requests to mitigate this challenge.

The additional FTE for which we have requested resources will help reduce queues.

It will also allow GAO to produce additional analysis, reports and recommendations in the areas we discussed.

**Question:** Your testimony says GAO has been able to answer 94% of the standing full committee requests and 70% of the standing subcommittee requests in 2014 – a very good completion rate – yet that still leaves numerous requests unfunded. How many congressional inquiries was GAO not able to fulfill in 2014? I would think having the extra 40 FTEs in the 2016 budget would help close the gap.

**Answer:** The statistic cited refers to the number of Committees and Subcommittees that directed mandates and requests to GAO in 2014 and indicates that the vast majority of committees made use of GAO's resources, rather than a gap in GAO's ability to respond to Congress. To quote from our testimony: "In fiscal year 2014, GAO received requests for our work from 94 percent of the standing committees of Congress and almost 70 percent of their subcommittees."

GAO is able to respond to mandates and requests from Congressional Committees and Subcommittee leaders, although there is sometimes a delay between the receipt of a request and GAO's beginning of the work due to the unavailability of staff with the appropriate expertise.

GAO leaders also work with Committees on a regular basis to prioritize their request so as to minimize delays.

If we are able to increase our FTE in 2016, we plan to largely devote it to ongoing work on the continued identification and reduction in improper payments; the tax gap; and science and technology.

**Question:** Can you estimate the increased productivity from the increase in terms of covering unanswered congressional requests?

**Answer:** It is difficult to estimate increased productivity in response to the increase in FTEs in terms of number of products due to the variability of our work. As we emphasized in my testimony, we plan to focus additional FTE on reports and recommendations aimed at reducing the rate and amount of improper payments, improving tax enforcement to reduce the tax gap, and reviewing emerging areas of interest for the Congress with regard to science and technology.

WEDNESDAY, FEBRUARY 25, 2014.

**UNITED STATES CAPITOL POLICE**

**WITNESS**

**KIM C. DINE, CHIEF OF POLICE, UNITED STATES CAPITOL POLICE**

**STATEMENT OF CHAIRMAN TOM GRAVES**

Mr. GRAVES. The final agency that we will take testimony from today is the U.S. Capitol Police. We have with us today Chief of Police Kim Dine.

Thank you for being with us.

His assistant chief, Dan Malloy is here also.

Mr. MALLOY. Thank you.

Mr. GRAVES. Chief, all of us on the subcommittee want to publicly thank you and all the members of the Capitol Police for your constant diligence in providing security for not only Members of Congress, but congressional staff and to the many visitors that visit the United States Capitol Complex. We recognize and are proud of the commitment that each of you have made. But, Chief, we are also aware of certain media reports of late, and I just want you to be aware that some questions may come up today from the panel concerning some of those reports from some of our members.

As you have noted, today has been one where time has been difficult to find, so my comments are going to be short. And if Ranking Member Ms. Wasserman Schultz is prepared and has any opening remarks, I would welcome her to do that at this time.

**STATEMENT OF RANKING MEMBER WASSERMAN SCHULTZ**

Ms. WASSERMAN SCHULTZ. Thank you.

Chief Dine, welcome back to the subcommittee. And thank you to Chief Malloy and all your officers. Really you do a remarkable job.

I really would just reiterate, and we had a chance to speak in my office yesterday, that I am hopeful that your remarks will cover some of the concerns that have arisen that seem to have experienced an uptick compared to just the normal run-of-the-mill number of complaints.

I expressed to the Sergeant in the House of Representatives hearing that I know I, having been on the subcommittee a long time and both been in the position of chair and ranking member, I mean, I regularly get stopped by officers, no matter who is chief, but it just feels like there are some deeper concerns here, particularly—and I noted this with the Sergeant—particularly surrounding really your force and your personnel having a grasp of what direction is expected of them when it comes to how widely

they police outside the campus and what they are and aren't responsible for.

So I look forward to your testimony. Thank you very much.

Mr. GRAVES. Chief Dine, at this time we would love to hear from you a brief summary of your testimony, noting that your full testimony will be submitted for the record. And then we would welcome an introduction of some of the team that is with you today, and then we will go into questions after your testimony. Thank you.

#### STATEMENT OF CHIEF KIM C. DINE

Chief DINE. Yes, sir. Thank you very much. This is my shorter version, which is not difficult for me. I also have with me Mr. Richard Braddock, our Chief Administrative Officer. You have already met our Assistant Chief, and we have a number of our Executive Management Team with me as well.

Chairman Graves, Ranking Member Wasserman Schultz, and members of the committee, I am honored to be here today and appreciate the opportunity to present the United States Capitol Police budget request for fiscal year 2016. I would like to thank the committee for its sustained and unwavering support of the United States Capitol Police. I would specifically like to express our appreciation to the committee and to the Congress for providing the necessary salaries and general expenses funding for fiscal year 2015 to support our personnel and operations.

The women and men of the Capitol Police work tirelessly to ensure that the legislative process of our government functions without disruption or lapses in security or safety, 24 hours a day, 365 days a year. But none of this would be possible without your support of the United States Capitol Police force. I appreciate the opportunity to appear before you today. I know that time is of the essence. So with my testimony submitted for the record, I would be glad to answer any questions you may have at this time.

Mr. GRAVES. Thank you, Chief.

[The prepared statement of Kim Dine follows:]

**Testimony of  
Kim C. Dine  
Chief of Police, United States Capitol Police  
Before The United States House of Representatives  
Committee on Appropriations  
Subcommittee on Legislative Branch**

February 25, 2015

Chairman Graves, Ranking Member Wasserman Shultz and Members of the Committee, I am honored to be here today, and I appreciate the opportunity to present the United States Capitol Police budget request for fiscal year 2016. I am joined here today by Assistant Chief Daniel Malloy, our Chief of Operations, and Mr. Richard Braddock, our Chief Administrative Officer, as well as some of the members of my Executive Management Team and our Inspector General.

First, I would like to thank the Committee for its sustained and unwavering support of the United States Capitol Police. I would specifically like to express our appreciation to the Committee and the Congress for providing the necessary salaries and general expenses funding for fiscal year 2015 to support our personnel and operations. The women and men of the Capitol Police work tirelessly to ensure that the legislative process of our government functions without disruption or lapses in security or safety 24

hours a day, 365 days a year. But none of this would be possible without your support and that of the Capitol Police Board.

My management team and I are very proud of the close partnership that has evolved between us to make this possible. Your confidence in us, and the support you have provided to the Capitol Police over the years, has indeed been a remarkable contributor to our success in achieving our mission. You and your staff have taken the time to work closely with the Department's leadership team and have shown a keen awareness of the complexity of our mission and the challenges we face.

While our mission has not changed, the scope of the threats that we face is changing – and the ways in which we continue to adapt to those threats has to change. We will continue to meet our mission by finding ways to sharpen and adapt our capabilities while remaining true to our core values. Our ability to thwart attacks and safeguard the Capitol Complex hinges on our flexibility to adapt operations and administrative capabilities to the changing environment.

Before I begin the specifics of my fiscal year 2016 budget request I would like to express again our appreciation to the Committee and the Congress for providing the essential salaries and general expenses funding

for fiscal year 2015 to support our personnel and operations, which has ensured a high-level of capability and mission readiness.

During fiscal year 2014, we were able to provide training to all of our officers in the areas of active shooter and security screening, which are key skills that need to be constantly refreshed for our officers in this environment. In addition, the Department was awarded the Gold Standard in Advanced Law Enforcement Accreditation, our fifth Accreditation, from the Commission on Accreditation for Law Enforcement Agencies. The Gold Standard is awarded to law enforcement agencies that have exhibited strong organizational health and an absence of issues that detract from the professionalism of the agency. Assessors were onsite validating policies and procedures, interviewing employees, and performing field observations.

Our fiscal year 2016 mission-focused request is grounded in the framework of our Strategic Plan. To achieve our vision as a nationally recognized results-oriented law enforcement organization, the Department continues to reinforce a culture that supports effective planning, communication, accountability and employee empowerment. We are developing the internal framework to employ smart policing by taking a results-oriented, data-driven approach that effectively meets current and future threats and challenges. We will continue to deliver safety and security

by deploying effective law enforcement services through collaboration, adaptability and innovation. We will strive for organizational excellence to maximize efficiency and effectiveness through best practices, while promoting accountability through employee engagement and a positive work environment. As we carry out these programs, employees are engaged through routine communications and are given an opportunity to provide feedback.

At this time, I would like to offer the Committee an overarching summary of our fiscal year 2016 request. I will follow this summary with a discussion of specific budget items of particular significance to you and the Department.

The Department's fiscal year 2016 request totals nearly \$379 million and represents an overall increase of 8.9 percent, or nearly \$31 million over the fiscal year 2015 enacted funding level of \$348 million.

As with other law enforcement agencies, personnel salaries and overtime represent the majority of our budget each year. As you know, we are a service organization, and we need dedicated and trained professionals to provide that service.

The Department's fiscal year 2016 personnel request reflects our continuous efforts at all levels of management to effectively and prudently manage our existing resources to achieve the best possible balance of staff versus overtime to meet mission requirements. We are constantly analyzing our workforce to align job functions, assignments, workload, risk management, and organizational readiness along with the ever-changing threat assessments and mandatory mission requirements within a dynamic environment.

In light of the fiscal constraints of the Department and the entire Federal government, our fiscal year 2016 request again only includes funding for 1,775 sworn and 370 civilian positions. These are the staffing levels funded during fiscal year 2015. While the staffing levels remain static in the fiscal year 2016 request, the funding request represents an overall increase of approximately 7 percent over the FY 2015 enacted level. This increase is necessary to address the natural salary increases incurred by the Department, and increased overtime costs to meet our needs, especially for the 2016 presidential conventions.

As you are aware, the Department's current sworn staffing levels do not entirely provide the necessary resources to meet all our mission requirements within the established sworn officer utility or the number of

work-hours in a year that each officer is available to perform work. This "utility" number is used to determine overall staffing requirements, and balances the utility of available staff with annual salary and overtime funding along with known mission requirements such as post coverage, projected unscheduled events such as demonstrations, late sessions and holiday concerts, and unfunded requirements that occur after the budget is enacted, such as unforeseen critical emergency situations. Because of the need to fill the mission requirement gap through overtime, the Department has struggled to pull our sworn personnel offline to conduct training. In order to achieve mandatory training, we must utilize overtime to ensure that the officers may be offline for training, while meeting our daily mission requirements. There are flexibilities in other law enforcement agencies in offsetting or deferring daily requirements to allow for training that our unique mission does not afford.

Thus, mission requirements in excess of available personnel must be addressed through the identification of efficiencies such as post realignment and/or reductions, technology, and cutbacks within the utility. Where necessary, we meet this requirement through the use of overtime. The Department is currently in the process of implementing an automated scheduling system to find more efficiency through information-based management, while developing training and guidance for supervisors on

methods for reducing overtime. Once fully implemented, this will result in enhancements to a number of policies and procedures that have a direct and indirect impact on our overtime needs. At the requested funded staffing levels, the Department's fiscal year 2016 overtime projection is \$30.9 million. This amount will cover base mission requirements, the conventions, our support of non-reimbursable events at the Library of Congress and the ability for sworn employees to be backfilled while they attend necessary and mandatory training.

The second area I want to cover in some detail is our requested general expenses budget, which includes protective travel; hiring, outfitting, and training of new sworn personnel; supplies and equipment; management systems; non-personnel presidential convention support and other non-personnel needs. We are requesting \$71.4 million for general expenses, which is an increase of \$10 million over the fiscal year 2015 enacted level. No new initiatives or program increases are included in this request. The increase results from normal increases in operating costs, convention costs, the cost to life cycle key items and routine equipment and systems, and the restoration of annual levels reduced in previous fiscal years to meet regular Department needs.

With resources provided to the Department, our officers provide a safe environment for the facilities of Capitol Hill. For the U.S. Capitol Building alone, we provided a secure and open environment for well over 1.5 million square feet, over 600 rooms, approximately 850 doorways, and miles of corridors; which speaks to the vast magnitude of our mission and how our ability to remain agile and prepared to respond is key to the accomplishment of our mission. In fiscal year 2014, the Department performed over 9.6 million screenings of people entering Congressional buildings (including over 1.4 million visitors to the Capitol Visitor Center). Outside the buildings we kept the Capitol grounds safe by conducting more than 125,000 K-9 vehicle sweeps and nearly 27,000 offsite vehicle inspections.

For the fifth year in a row, the Department has implemented uniform procedures to effectively measure and justify U.S. Capitol Police planning, program, and resource requirements through a comprehensive, standardized, and repeatable management process, which we call the "Force Development Business Process." It provides for a transparent decision-making process, including reviews and approvals by an Investment Review Board made up of key agency management, and provides a structure that is results-driven and based on meeting operational needs. In addition, in order to ensure the accuracy of our budget request, our fiscal year 2016 budget

went through multiple layers of review and validation, and is traceable to supporting documentation for each budget element.

Further, we continue our work to close audit recommendations and to address our material weaknesses from prior audits by working closely with our Inspector General and the Government Accountability Office to address identified issues and by providing the evidence necessary to close findings. In particular, I am pleased to report that the Department received a fourth consecutive unqualified "clean" opinion on our financial statements. Also in fiscal year 2014, we have worked closely with the Office of Inspector General to close 29 recommendations and have completed actions that we believe could lead to closure of another eight recommendations. Also, the Department successfully closed all findings from outstanding GAO reports and closed four complete OIG audits that have been open since 2008. Further, we are working on the resolution of a number of other recommendations in order to achieve efficiency and effectiveness of our administrative programs. The long-term resolution of recommendations related to internal controls, business processes and material weaknesses remains of the highest importance to our management team.

I am grateful for your time today. We will continue to work closely with you to make sure that we meet the needs of our mission in a

reasonable and responsible manner. I want to thank the women and men of the USCP for their commitment to our mission and their support. I appreciate the opportunity to appear before you today and would be glad to answer any questions you may have at this time.

## PLANS TO ADDRESS DEPARTMENT MORALE ISSUES

Mr. GRAVES. I will begin with our Ranking Member Wasserman Schultz if you are prepared with any questions.

Ms. WASSERMAN SCHULTZ. Thank you very much.

As I alluded to in my opening remarks, Chief, it really is nearly impossible at this stage to miss that there are morale issues with your department. And when those morale issues have not been addressed, they play out in public, which is really not a comfortable place to have those grievances be aired. It is not a tenable situation, and the morale issues clearly, definitely impact the department's readiness and the readiness of the officers. The last thing you want is distraction from protecting a complex that is as sensitive and critical as this one is.

So do you have a plan to improve morale? I mean, we talked a little bit about it yesterday, so if you would share that with us. And I will just ask just for the sake of time, my other question really focuses on the idea behind community policing, which is that there really doesn't seem to be a sense or an embedded understanding on the part of your entire force what direction there is and how widely outside the campus that they are expected to police and for what types of offenses.

Chief DINE. Yes, ma'am. Thank you very much, and thank you for your time yesterday. I appreciate that.

Ms. WASSERMAN SCHULTZ. You are welcome. No, I also I appreciate yours as well.

Chief DINE. It was very helpful.

First let me start by thanking and praising the women and men of the United States Capitol Police. The sworn and civilian employees do an incredible job 24 hours a day, 7 days a week. I am very proud of the work they do. They do it often unsung, and, frankly, as an agency, we are pretty quiet about what we do every day.

If I could just take a moment and tell you that this past fiscal year these officers did over 9.5 million screenings of people, over 600 arrests, conducted over 125,000 canine sweeps, conducted over 25,000 off-site vehicle inspections, engaged in dozens of security outreach briefings, handled suspicious packages, vulnerability assessments, conducted thousands of investigations regarding threats, packages, criminal complaints, suspicious activity, and coordinated and successfully managed over 600 special events, including successfully managing the African summit, which actually was one of the largest meetings on Capitol Hill of international heads of state in recent memory, if not ever.

We are very proud of the fact that we protect the First Amendment of the Constitution, and as you know from reading police articles across the country, that is an important issue, how people deal with folks that come to any city, let alone the Nation's capital to express their First Amendment rights. Our officers do that professionally and calmly. One rarely reads about it because of the masterful way in which they do their job. We rarely make arrests.

On a daily basis, we live and work with the heads of the Metropolitan Police Department, the Secret Service, the FBI, the State Department, and not only all the law enforcement agencies in the Council of Government region, but because of our protection func-

tions we literally work with police agencies across the United States. It is because of the professionalism of our men and women, that we get a lot of assistance.

The morale of our personnel is critical and important to the agency to both me personally and professionally. I take it very seriously, both personally and professionally, because, as you noted, if people are not happy with the work conditions, then they are not thinking about what they need to do.

Last year, I met with officials around the clock in small groups of 20 or less just so I could hear them, listen to them, hear what they have to say, hear some of their concerns, but also talk about where I want to take this police department. We conducted those meetings on their schedule, on midnight tour of duty, on evening tour of duty, day work, wherever they were working, I went to them to meet with them.

We have been working hard to work out our new strategic plan, which includes feedback from the agency. The plan focuses on our mission and people. One of the things that we also want to improve upon is the communication between everyone—between me, our executive team, our executive management team, and all members of the agency. Communication is often the key to dispel issues, concerns, and rumors.

One thing we did last year, and we are still working on perfecting the value of this, was I hired a labor specialist whose sole function is to work with both of our unions to hear complaints, concerns, and resolve issues. He tracks all of those issues, and we review them, on a weekly basis, to see where we are on resolving issues and concerns.

That kind of enhanced communication is very good. It doesn't replace the interaction that the executive team and I have had with the executive board of the Fraternal Order of Police. Contrary to what we read sometimes, the relationship between the executive board and USCP, is frequent and healthy. Sometimes we have disagreements, but we meet regularly to work through issues and to move the agency forward. That is important.

This year, one of the things that we will be doing is reinstating what I call the Chief's Advisory Committee. That is something that the agency has done in the past where we gather members from all ranks and have informal sessions to hear issues and concerns, in addition to what we are doing with our labor specialist. The committee will serve to increase communication and help people resolve issues.

Those are not meant to be gripe sessions. They are meant to hear what people are thinking and saying and to make sure that the vision that we are talking about is making its way throughout the entire department.

One of the things we did at the end of last year, was to hold a mentoring session with staff. Of course, that didn't include all of the agency because of limited space. It is also one of those events where sometimes you think the people need to be there aren't and the ones that are, they don't need to be there. The feedback we got was overwhelming in terms of how positive the event went. We had senior members of the agency come and do a formalized mentoring session. We actually had an outside person help us run it. It was

excellent to provide feedback and to share experiences and to mentor our people and help them understand how you progress in an agency, how you solve problems, and how we need to work together.

Those are two things that we are going to continue and improve upon, and one of the things I have asked our Chief of Operations and our Chief administrative Officer is to look at those kinds of employee engagement efforts and increase them.

Those are examples of what we will be doing and what we want to do. Chief Malloy or Mr. Braddock, I don't know if you want to elaborate on a few of those employee engagements.

Mr. GRAVES. Chief, if I might, I know each member is probably going to have a question or two, and I would love to afford them that time, if you don't mind.

Ms. WASSERMAN SCHULTZ. And I yield back, Mr. Chairman. Thank you.

#### COLLABORATING WITH OTHER AGENCIES

Mr. GRAVES. Okay. Thank you.

Mr. Jenkins from West Virginia.

Mr. JENKINS. Thank you, Mr. Chairman.

Chief, welcome. Glad you are here.

Chief DINE. Yes, sir.

Mr. JENKINS. I appreciate what you all do.

A couple of quick questions. One, with regard to working with other agencies, General Hoyer of the National Guard in West Virginia—I am from West Virginia—talked about being on site and working collaboratively with the Capitol Police for the State of the Union. Is this kind of joint task force or reaching out for other law enforcement entities, agencies, and working in collaboration, is that something you do often? I am complimentary of what you have done with the West Virginia National Guard, and General Hoyer gave high marks to working with you and the Capitol Hill Police.

Chief DINE. Yes, sir. Thank you very much for those comments.

Yes, sir, we do that very often. And as you know, we have very large events yearly. They take an unimaginable amount of planning and coordination. I am exceptionally proud of the manner in which our people do that. We seem to be egoless when we engage these other agencies, which, perhaps, is why we have such good working relations with them. There is no way possible for us to put on an event like the Inauguration of the President of the United States or State of Union or the African summit that I mentioned without the kind of assistance that we get and that we give to other agencies.

#### FISCAL YEAR 2016 BUDGET INCREASES

Mr. JENKINS. Secondly, being an appropriations hearing, it looks to me like you are not asking for any funding for an increase in the number of officers or civilian positions.

Chief DINE. No, sir, we are not. As you know, with most service agencies like we are, a police agency, 80 percent or even more of our budget is for the people that we employ to keep the operations going. We have not requested new initiatives or new positions. It is for maintenance.

Mr. JENKINS. We have got a \$30 million, \$31 million proposed or requested increase, and that is all driven from, as I see, COLAs, mission-essential training and the like. Is this a number that because we are keeping staffing at the same level, would the Appropriations Committee, and me being a new member, expect essentially an 8, 9 percent increase every year just for COLAs, mission-essential training, overtime, et cetera?

It just seems to me to think that are we going to see a proposed 8, 9 percent increase every year? Is that the natural growth of the financial needs? Because it seems like a pretty significant growth rate if we just dial in at 8 percent per year without any new staffing.

Chief DINE. The requested increase, is 8.9 percent, and it is split between salary costs and non salary costs. Salaries is approximately two-thirds of the increase and non salary costs is the other third. What we will do is catch up in areas of our contracts, equipment and lifecycle replacement in fiscal year 2016. This may not be every year. We are significantly behind in a couple of areas, such as our video teleconference.

Mr. JENKINS. This two-thirds of the 8, 9 percent may be some catchup from the lack of increases provided to officers and civilian workforce positions historically.

Chief DINE. Yes, sir, and also as it relates to our contracting and lifecycle issues.

Mr. JENKINS. What is the COLA proposed increase as a percentage in this budget? Is it 1 percent, 2 percent, 4 percent? Is there a number that for me to say you all are seeking funding for an X percent increase for officers and civilian?

Chief DINE. I would like to turn that over to Mr. Braddock, our CAO, so he could elaborate.

Mr. BRADDOCK. In the budget is a 2.2 percent cost of living increase, and that is something that is coordinated across all the legislative branch financial management divisions so that we are consistent in our approach. Also, if I may, included in that increase are costs associated with the Presidential conventions, which would not typically be in our annual request. They occur every 4 years.

#### STREAMLINING THE GROWTH OF USCP

Mr. JENKINS. Okay.

Thank you, Mr. Chairman.

Mr. GRAVES. Mr. Farr.

Mr. FARR. Thank you very much. It is a pleasure to be here. In my district, I represent over 25 different law enforcement agencies and deal a lot with it.

I have concerns about the Capitol Police force and how big it has grown and what I see as the unintended consequences of that growth. There are fewer people coming into the Capitol. There is essentially a feel that the Capitol campus has turned from a city on the Hill to a fortress on the Hill. I know why you are doing it, but the visual effects of long guns, which weren't here before, and sort of SWAT team dress, I think discourages the passing tourist who, in the past would have come into the building, now doesn't feel comfortable about coming in.

As a percentage, your budget increase is bigger than that of the Pentagon. You get better pay, better benefits, better COLAs than the congressional staff who are coming through the magnetometers who aren't getting those benefits. It is harder for staff to get in to the buildings because not all the magnetometers have officers on them. I think your mission has grown to areas that you didn't at first get into. I know you have a bomb squad and a SWAT team and other specialty teams. We are also surrounded by the Metropolitan Police and the Park Police and the Secret Service and the Metro Police all in this geographical area who also have these specialty teams.

I am thinking that maybe we ought to be pulling officers out of those specialty teams and specialty training, which is I think causing a lot of this overtime, which is way over too much. We are doing less of the kinds of things that really the force is supposed to do, which is to guard the facilities. For example: staff can't get into the garages at night because entry is restricted and the lines get too long to get into the building.

I mean, I would hope that what we start doing is to spend some more money on equipment and surveillance and things like that that don't make it so difficult for people to get access into the building. I mean, you want the bad guys not to get access, but most of those people are not bad guys. So the public comes away with a bitter feeling: I had to wait too long.

Many people are angry when they come here to see us anyway. A lot of people come in, I want to see my Congressman, I want to petition him, give him a piece of my mind, and then we have to wait in line to get in. So now you have really gotten them charged up come into our office.

I love law enforcement, and I know you are going to do your mission and you are going to try to do everything, but there are limits and tough choices have to be made. And I have talked to other law enforcement officers around here too and I don't know whether we need to be so expansive and then have all these high-tech specialty teams, which the city has and other federal agencies have. I mean, if there is a fire in this building, mutual aid from all over would come and respond to it. We don't have a fire department on campus here. We certainly saw when the Pentagon was hit, the mutual aid for all the responders that came in was from the whole region. And I think that if there is an incident here, you certainly have, among law enforcement, mutual aid programs with all these other law enforcement agencies.

I think we ought to think about how do we make some tough choices and bring policing back to making access to our buildings primary. We ought to have some way of working with technology to fast track our staff. You know, I travel to California every weekend. I have been doing it for 20 years. Four million miles of flying back and forth. I go through a lot of security. We now have global entry to get into this country with fast track. We have PreCheck for going through TSA so you can get into a faster line. And why can't we start developing that kind of technology and ability to get our staff through these buildings so that they don't have to wait in line like others?

I was shocked the night of the State of the Union. I have gone to a lot of the State of the Unions. I have never seen so much law enforcement. I ran into officers, who were the bomb squad from the White House and the bomb squad from here. There were dog squads from all over town. Everybody with their shirts on of what unit they were in. There was more law enforcement in this building than there were civilians.

As I said, there have got to be tough choices made, and I think that it is time that we start thinking about them. I am not lecturing you. Your other law enforcement agencies have these same discussions. I have told you that in my city of Salinas there is a murder a week by youth gangs. If I told Salinas what the budget for the Capitol Police is when I can't get them COP grants and things like that, I would be run out of town, because my constituents would say, you care about your protection, you don't care about our protection.

So that is not your problem because you are not hired to protect me at home, but I do think we have to make tough choices. I mean, how we can bring down your overtime and get people back to manning the doors and using technology and smart process to get people through fast. I mean, it doesn't affect us because we have got our buttons and we can go, but for my staff that has been here longer than I have, for them to have to go every time they go through that door to go through process, it is not right.

Chief DINE. Yes, sir. Well, I look forward to working with you on a number of those issues. I will make a couple of quick points, if I may.

Part of our strategic plan is to increase our use of technology. In fact, some of the increase this year is for the card reader system that we currently use, so that is in part of this budget. We continue to advance the use of cameras and virtual patrol from our command center. We actually monitor the lines that you referenced, and the lines rarely go past 4 minutes, so we try to keep those moving. And then if we see lines, we direct additional officers to help people through or move them to other areas so they can get in quickly.

As you know, being the Nation's capital, we are one of the top terrorist targets in the world, and we have an open campus, which you referenced. People can access the campus from multiple directions, multiple doors. Our law enforcement challenge is to keep it friendly and open and for our officers to be ambassadors, which they are. They literally represent American policing, and we want to represent the best in American policing in a very open environment, but also be cognizant and have the ability to keep threats of all types away. Our goal is to actually keep threats away from this campus before they get here. Clearly we need the types of quick response units to do that should those occur. While we do have wonderful relationships with all of those agencies that you mention, they are also taxed pretty well also. While they would willingly assist us and we assist them all the time, we do have to have a quick response ability in case of an emergency here. It is a very challenging policing environment to keep it open but safe for all of you and literally the millions of people who come here every year.

## CLOSING REMARKS OF CHAIRMAN GRAVES

Mr. GRAVES. Chief, Mr. Amodei doesn't have a question, so he reports to me.

Mr. AMODEI. I do want to, with your indulgence, Mr. Chairman, thank you, Chief, and your staff. We spent a little bit of time trying to find stuff out. And so I appreciate the openness and I look forward to continuing that in terms of some of the questions that we have. So I just wanted to say publicly thanks, and look forward to continuing to do that.

Mr. GRAVES. Ms. Wasserman Schultz, do you have any further questions or comment?

Ms. WASSERMAN SCHULTZ. I do not.

Mr. GRAVES. Well, Chief, we want to thank you for coming before us and for the work you do. You are right, it is not an easy job, and I imagine we don't make it any easier oftentimes. But we know your commitment is true and dear, and your team is with you and works with you on a daily basis not only on our behalf, but on behalf of all the visitors and all the staff here. Your job is tough, but you are doing the best you can with what you have, we know that, and we will take your request and give it good consideration and look forward to working with you.

Chief DINE. Thank you, sir. We appreciate you having us here today and providing an opportunity to talk about our budget, who we are and what we do.

Mr. GRAVES. You are more than welcome.

The subcommittee stands adjourned until tomorrow afternoon. Thank you.

[Questions for the record follow:]

## Hearing on the U.S. Capitol Police FY 2016 Budget Request

Questions for the Record  
Tom Graves, Chairman

FY 2016 Budget Increases

*Question:* The FY16 budget request for the Department is \$378.9M, a nearly 9% increase over FY15, and, despite that, you are not requesting funding for additional employees or any new initiatives. Can you explain why such an increase is needed considering there are no new employees or new initiatives requested?

*Response:* The requested increase of nearly 9 percent is split between salary and non-salary costs. Salary costs are approximately two-thirds of the increase and non-salary costs are the other third. The only item in our request that is different from our mission in FY15 is the protection we provide for the Presidential conventions in FY 2016. This is a long standing function we perform every four years and requires additional funds in those years primarily for additional overtime and travel costs for the Department. Nearly \$2M of overtime and \$3M of travel costs go to fund these activities.

Over \$5M is attributed to other increases in overtime. As you know, our current mission exceeds our available staffing, and overtime is used as a means to handle the differences. This increase will fund the projection for our current mission going forward into FY 2016, and factors in normal cost increases as well.

The rest of our salary increase, about \$13M, will fund our existing officer strength of 1,775 and 370 civilians. These funds will cover increases due to normal within grade increases for existing staff, annualization of the 2015 cost of living increase and the projected 2016 cost of living increase, increases in benefits costs, and the additional day of pay due to leap year in 2016.

Regarding our non-salary costs, we plan to restore full annual funding to our existing needs, including contracts and lifecycle replacement to systems and equipment. Besides the convention travel costs previously mentioned, which will not repeat in FY 2017, there is \$7M going for this purpose. Some prime examples of our restoration needs include nearly \$1M for the lifecycle replacement of our card reader system (the back end system of all the card readers on campus). The typical lifecycle of that system is five years and ours is 10 years old. We also have requested over \$300 thousand for replacement of our video teleconference equipment that we utilize weekly, if not daily, between our buildings. This also has a typical replacement of 5 years and is currently twice that age. We also have additional costs to recruit and hire officers as we need to do more in-house background investigation to ensure quality and avoid data breaches.

To put our non-personnel budget into perspective, our FY 2015 non-personnel budget is \$61.5M. Our FY 2012 budget was \$63M, which was pre-sequester. During sequester, our primary and only mission decrease was to overtime costs resulting from door and other closures, some of which have been restored. Our non-personnel needs did not change. We were able to reduce cost on human resources system by performing functions on an older mainframe system, but we now need to upgrade those functions to a new platform and has found alternate ways to do them more cost effectively. Therefore, the levels we are asking for in terms of non-personnel costs are in line with normal increases since FY 2012

#### Financial Statement Audit Report

*Question:* In the last audit report of the financial statements of the Department, there were findings related to time and attendance and it was referenced that some of the findings have existed over the last eight years. Can you provide more information on these findings and advise the committee as to how these findings will be ultimately resolved?

*Response:* In 2011, our Chief Administrative Officer, upon his appointment, asked our Inspector General if they could reassess our outstanding audit findings related to time and attendance so I could ensure I directed the right resources to the remaining problems. The Office of the Inspector General released their report in FY 2012 which resulted in nine recommendations for the Department to implement. Of those nine recommendations, we have closed two of the recommendations to date.

When the audit report was issued, there were no funds available to do an upgrade of our time and attendance system, and this situation continued in FY13 due to sequester. We were finally able to fund the upgrade we needed to resolve most of the remaining recommendations in late FY14.

The Department is currently upgrading our time and attendance system to include an automated scheduling component. The functionality we are putting in place now will include the online capability for employees to attest their time worked, the functionality for managers to confirm employee time worked, and the online ability to request leave and manage leave. It is anticipated that these new features will be automated by FY16, and then the Department will submit evidence to close several of the remaining open recommendations.

The Department as a whole takes audit recommendations very seriously.

- In FY13 the OIG performed an audit of the building access card process, which resulted in seven recommendations. All seven recommendations have been resolved, and the audit was officially closed within nine months of the audit implementation date.

- Three other FY13 OIG audits have more than half of the recommendations closed and we are nearly in the same place with FY14 audits as we have more recommendations closing soon.
- In calendar year 2014 the Department was successful in closing four long-term open OIG audits from before as the tenure of the current CAO.
- For 2014 as a whole, the Department closed a total of 23 OIG audit recommendations which includes five complete audits.

Finally, in December, the Department received the fourth consecutive "clean" audit opinion on its financial statements and had the lowest amount of material or significant findings since the Department began receiving financial statement audits.

#### Status of Door Closings

*Question:* During last year's hearing, the topic of re-opening doors was prevalent throughout the hearing. A follow up report on the topic was even required as a result. Please provide the Committee an update on the status of the doors on the campus and what steps the Department is taking to ensure that access to the buildings is effectively and efficiently occurring.

*Response:* The thorough and efficient screening of staff and visitors is one of our core responsibilities that enable us to ensure the protection of the Capitol Complex. This continues to be a priority for our commanders and officers in the field. Over the last year, our building patrols actively check on building entrances and provide assistance as necessary. Through community outreach, when we are informed by staff that large groups are visiting the Capitol Complex, we can pre-stage manpower resources to assist their arrivals.

During the morning rush hour periods when the House is in-session, we continue to utilize outside patrol units to assist with line reduction measures. In addition, during the morning rush hour period the Command Center has implemented a program where access points are actively monitored to identify any potential issues. By estimating the potential wait times, the Command Center and commanders are able to identify possible issues before they occur and send officers to provide assistance. It allows us to be proactive rather than reactive in nature. These officers assist by providing direction to those in line to alternative entrances and providing guidance on the actions to help facilitate the screening process. For example, they ask that all metal objects are removed from pockets before they arrive at the screening portal and what visitors can expect during the screening process. When delays do occur, these delays provide officers who are assisting with prescreening outside of the entrances the opportunity to interact with visitors. Through these interactions we not only provide assistance to visitors

by providing direction, we are also able to potentially identify individuals who may pose a threat to the Complex.

As the spring tourist season approaches, we will continue to actively monitor and facilitate access to the buildings while ensuring a safe environment.

## Hearing on the U.S. Capitol Police FY 2016 Budget Request

Questions for the Record  
Mr. Farr

Staffing Levels

*Question:* At one point in your budget submission (page 5) you say that you are requesting no changes in your staff levels, calling for

- o 1775 in sworn officers, and
- o 370 civilian personnel, for a total of
- o 2145 staff altogether.

At another point (page 26) you state you are requesting

- o 1798 in sworn officers, and
- o 435 civilian personnel, and another
- o 10 appointed persons, (including you, Chief!) for a total of
- o 2243 staff altogether – which is your maximum authorized level.

What I don't understand is the different numbers for the sworn and civilian personnel. Will there be 1775 officers on The Hill this year or 1798 of them?

*Response:* There will be 1,775 officers on the Hill this year. We are requesting funding for 2,145 staff altogether (1,775 sworn and 370 civilians). Our authorized levels are currently 1,800 sworn (two of which are appointed and 1,798 are regular sworn positions) and 443 civilian positions (eight of which are appointed and 435 are regular civilian positions). The two sworn appointed positions are the Chief of Police and the Assistant Chief of Police. The eight civilian appointed positions are the Chief Administrative Officer, the General Counsel, the Inspector General and five other positions within the Office of the Inspector General.

At the time of the merger of Library of Congress Police with the U.S. Capitol Police, effective 2009, the Congress authorized 1,779 total sworn positions and 444 total civilian positions (later changed to 1,800/443). This authorized number is considered to be the optimal number to execute USCP's mission. However, due to budgetary issues, including continuing resolutions and sequestration, funding has been below this authorized strength in the past years. Cognizant of national fiscal challenges and reduced budgetary allocations, the Department's FY 2016 request is for 2,145 positions (1,775 sworn & 370 civilians) only. To staff up to the authorized levels (1,800/443), it would require additional funding of over \$10 million dollars, which we felt would be untenable in the current tough budgetary environment and in a year we need nearly \$5M for the Presidential Conventions. Our current request without additional staff is already nearly \$31M above last year's levels (a nearly 9% increase).

U.S. Capitol Police Core Mission

*Question:* The authorized number of sworn officers has been at 1800 for a number of years. Your testimony infers that that number is not high enough to do the mission you have set for the force, thus the need for significant overtime expenditures. I believe the reverse might be true: that the number of sworn officers is actually sufficient to do the core mission but the mission laid out for the force by its leadership has over-expanded (mission creep). If the core mission was the priority for the force there would be sufficient funding and much less overtime would be required. I would like to know what specialized activities do the Capitol Police perform that duplicate the activities of neighboring police forces and how much could be saved if the Capitol Police were to rely on those other forces for assistance rather than standing up an in-house capability. For example: why does the Capitol Police need its own bomb squad? The DC police have one as does the FBI, the Pentagon and several other overlapping police jurisdictions.

*Response:* The USCP has several units to support emergency situations to include the Hazardous Devices Section (established in 1974), the Containment Emergency Response Team (established in 1975), and the Hazardous Materials Response Team (established in 2003 after the anthrax attack). These units provide mission critical capabilities to support not only the continuation of the legislative process but to also ensure that Members and staff are able to continue their operations with minimal impact. In addition these specialty units also provide critical services in the form of protective sweeps of the chambers, support for visiting Heads of State and VIPs, and Congressional delegations.

Some key examples of support from these units include the following:

- During FY 14 the Hazardous Devices Section responded to 54 suspicious packages & vehicles and conducted 1,241 sweeps for explosive devices and the Containment Emergency Response Team assisted with 106 Head of State and VIP visits.
- Several Ricin attacks have occurred since 2003 through the congressional mail system that the Hazardous Materials Response Team has addressed.
- A potential drone bomber planning to attack the Capitol was apprehended close to the Capitol in coordination with the FBI.
- During 2014 the Department seized over 175 weapons and ammunition, dealt with 60 criminal threat complaints, and over 2,000 direction of interest investigations regarding the safety of Members and Congressional leaders.

To rely on outside agencies to provide support would not be in the best interest of the Congress. Not only would they be unable to support the level of service currently provided by the USCP, the response time would be dramatically delayed. The responding units from outside agencies also would not have the level of familiarity as our personnel which would hinder their effectiveness. Additionally, in today's current threat environment, Congress needs to have dedicated capabilities in the event that multiple events are occurring throughout the region where outside agencies response units are otherwise engaged. The mere fact that we have

these specialized capabilities that are readily available may be a deterrent for some desiring to do harm to Congress.

#### Staff Access to Buildings

*Question:* What alternatives can you provide to “fast-track” staff into the buildings? Making them wait in line – sometimes very long lines – seems so inefficient. The Pentagon has a system where staff IDs have a chip in them that activates a turnstile to admit cleared personnel. Is that system an option for House buildings?

*Response:* The USCP thorough and efficient screening of staff and visitors continues to be a priority for our commanders and officers in the field. Our building patrols actively check on building entrances and provide assistance as necessary. During the morning rush hour periods, the Command Center monitor and track door lines throughout the complex. Through predictive models, the Command Center is able to identify doors which a line may be forming of extended wait times. Using these calculations, officers can be assigned to assist at specific doors before the wait becomes extended. Over the last year, the average wait time is typically less than two minutes for any given door. Only on a rare occasion do lines extend past four minutes.

To also help facilitate the screening process, there are designated staff only entrances during rush hour (Northeast Door of the CHOB and the Southeast Door of the CHOB). Unfortunately, the configuration of the buildings at the access points restricts the ability to install additional screening equipment to have dedicated staff lanes.

Any system involving admitting cleared personnel without screening would need to be an effort coordinated with the House Sergeant at Arms and approved by the Capitol Police Board.

QUESTIONS FOR THE RECORD SUBMITTED BY

**Ranking Member Debbie Wasserman Schultz**

Kim Dine, Chief Capitol Police

FY2016 Budget of the Capitol Police

**Question:** Can you describe the current pay scales for officers in the Dignitary Protection Division.

**ANSWER:** The Dignitary Protection Division currently has 167 sworn positions of varying ranks. A total of 150 officers are classified as Private First Class (PFC) whose current salaries range from \$65,888 to \$102,233, with the average salary being \$81,686. There are also 13 Sergeants whose salaries range from \$87,454 to \$121,016, with an average salary of \$101,408. The other four officials are comprised of two Lieutenants, a Captain, and an Inspector. The current pay band is given below:

Rank	CY15 Pay Band	#Count	Avg. DPD Salary
PFC	\$62,789 - \$102,233	150	\$ 81,686
Sergeant	\$72,674 - \$121,016	13	\$ 101,408
Lieutenant	\$85,702 - \$130,091	2	\$ 106,765
Captain	\$93,771 - \$146,132	1	\$ 146,132
Inspector	\$108,746 - \$168,411	1	\$ 158,246

In addition to the base pay above, officers receive overtime, night differentials, Sunday differentials, and Holiday pay.

**Question:** If there were to be a Special Agent Pay Band instituted what would be the range of budgetary impacts to the Capitol Police budget request for FY 2016? For this scenario it should be assumed that the Special Agent Pay Band is equal to the current Detective/MPO Pay Band.

**ANSWER:**

If a Special Agent Pay Band is instituted, the FY 2016 Salary requirement will go up by approximately \$1.7 Million in addition to any resulting overtime cost. This increase is not part of our FY 2016 budget request.

Rank	Calendar year 2015 Pay Band	Count (#'s)	Avg. Salary
PFC	\$62,789 - \$102,233	150	\$81,686
Detective/MPO	\$69,223 - \$112,711	150	\$90,058
	<b>Difference in average base pay</b>		<b>\$8,372</b>

**Budgetary impacts:**

- As illustrated in the table above, the base salary for each PFC will increase by an average of \$8,372
- The benefits and overtime rate based on the base salary will increase proportionately.

**Operational impacts**

Currently, the Department can re-assign work as emergencies arise since the ranks are the same. When additional resources are needed on a temporary basis in Dignitary Protection, for example, the Department is able to utilize officers in Uniformed Services Bureau to fill the need. Having different ranks between these functions will prohibit this movement.

There have been suggestions to rotate officers in and out of Dignitary Protection Division due to the workload on those positions. We will no longer be able to do that when it would result in the officer having a reduction in rank when they leave DPD.

When a DPD agent is not performing at an acceptable level or has personal issues and needs to leave DPD, the only loss of pay currently is the decrease in overtime, which is commensurate with working less. The change to Detective/MPO scale could therefore generate a secondary negative pay factor in losing base pay - effectively an adverse personnel action.

Currently the Department's ranks promote more cohesion between units. Adding this rank will segregate the units with Special Agents from the ones without. This concept exists within the Secret Service where there is such a clear delineation between uniform and non-uniform personnel. This is not a model that is supported by the Department as it will encourage individuals to stay in particular units within the Department and not rotate and grow with expertise throughout the Department.

This action will have detrimental morale effects on the remaining 1500+ sworn members of the workforce who will view their work as less valuable. This will diminish the invaluable service in support of one of our core missions - security screening - and we believe will exacerbate existing issues of complacency. This could lead to security issues and is an issue the Executive Team and Executive Management Team struggle with on a daily basis.

**Question:** What is the maximum pay officers in Dignitary Protection Division are able to receive per year currently? Under a new pay band equivalent to Detective levels, what would be the maximum salary level?

**ANSWER:** The maximum pay officers in USCP are able to receive per year is set at \$168,411 (including differentials, holiday pay, and overtime) so as not to exceed the Speaker's pay cap. Under the pay band equivalent to Detective levels, the maximum base salary is \$112,711. Such an increase in salary will result in officers reaching the salary cap earlier in the year creating a need to increase overtime and requiring more temporary agents from Uniformed Services.

THURSDAY, FEBRUARY 26, 2015

**ARCHITECT OF THE CAPITOL**

**WITNESS**

**HON. STEPHEN T. AYERS, ARCHITECT OF THE CAPITOL**

**OPENING STATEMENT**

Mr. GRAVES. The subcommittee will come to order. We have, of course, today Mr. Stephen Ayers—thank you for joining us—the Architect of the Capitol. The Architect of the Capitol is requesting, excluding the Senate Office Buildings, which will be considered by the other body, a total of \$577 million. And when including the Senate numbers, the Architect of the Capitol's budget request will be a little over \$661 million.

Now, it goes without saying, Mr. Ayers, that operating within the current budget environment and our ever-increasing Federal deficit, an increase of this nature will be very difficult, if not impossible, to achieve.

I point out for the benefit of the new members that the Office of the Architect of the Capitol has estimated that to address the campus-wide deferred maintenance, the Architect would need \$671 million and, for the capital renewal backlog, another \$776 million, for a total of over \$1.4 billion.

Our ability to maintain and keep in appropriate working order the buildings and grounds under our jurisdiction has been a difficult task. However, the committee has always had as the top priority those projects that are life safety in nature. We understand fully that the increasing deferred maintenance in the capital renewal backlog must be addressed at some point.

So, Mr. Ayers, I understand that your custodial requirements as the caretaker of the Buildings and the Grounds of the Capitol Complex and the associated funding levels—funding needs—have not fallen on deaf ears. We understand your needs, and we continue to try to address these with your assistance, the most critical projects.

Now, I would like to turn to our ranking member, Ms. Debbie Wasserman Schultz for any opening comments she may have.

Ms. WASSERMAN SCHULTZ. Thank you very much, Mr. Chairman. And, Mr. Ayers, welcome back to the subcommittee.

Mr. AYERS. Thank you.

Ms. WASSERMAN SCHULTZ. I appreciate the work of you and all the employees of the Architect of the Capitol.

You have only to look around the campus to know that we have a lot of balls in the air. So it is a complex system and one that you manage very capably. So thank you.

In that vein, the agency has embarked on a pretty aggressive effort to improve our many buildings on campus, including some pretty high-profile and visible projects. Whether it is the Capitol

dome or the Cannon revitalization project, these are multiyear projects that will require scrutiny at the highest level to ensure that we don't suffer through another Capitol Visitor Center fiasco.

Other less visible but important work is being done at the Power Plant by now. And the Architect has been in discussion with this subcommittee for some time about financing a cogeneration project. It is a substantial commitment with a long payback time. And, I know we need more steam capacity. You and I have talked about this before, there really still remain questions that need to be answered. Part of the issue with that cogeneration project, for the Members that have not been on the subcommittee before, is that that project does not go through the regular budget justification process because the funding mechanism would be a utility energy service contract. And that also removes the requirement that the AOC prioritize this project amongst its other needs. So it sort of takes it off the books.

While I am pleased to see the continuation of the Historic Buildings Revitalization Trust Fund, which has been in place since I was the chair, I do want to discuss this morning, Mr. Chairman, as I mentioned to you and to the Architect when I met with him privately, the appropriate use of the fund and how it should be broken out.

The Cannon project is now in full swing. The Revitalization Trust Fund was established before it even began. And the subcommittee, I really think, needs to determine if it is appropriate to continue to fund that project completely through the Revitalization Fund or if those resources should be dedicated strictly to future projects, which was the trust fund's original intent. And I will ask that in my questions, and I look forward to discussions and yield back.

Mr. GRAVES. Mr. Ayers, there is a lot of interest in what you are doing around the Capitol Grounds. And I know there is going to be a lot of questions. We would love to hear from you as you want to summarize your statement and know that your full statement will be submitted for the record.

Thank you.

Mr. AYERS. Thank you so much, Mr. Chairman, and Ms. Wasserman Schultz, and members of the subcommittee. I am delighted to be here with you today.

I am pleased to present the Architect of the Capitol's budget for fiscal year 2016 and our incredibly talented team of professionals has worked diligently to prioritize the challenges we face as our magnificent Capitol Campus continues to age. And thanks to outstanding support from you, we are hard at work on delivering our common mission of stewardship for the Buildings and Grounds of Capitol Hill.

The start of the Dome Restoration project in the fall of this year is a prime example of how we have worked together to invest the necessary resources in a project that will save America's inspiring Capitol. And I am pleased to report that we are nearly halfway through the work on the exterior of the Dome Restoration. We currently anticipate the completion of that exterior work at this time next year.

However, beyond the Capitol dome, enormous challenges remain, from falling stone to aging infrastructure, coupled with safety and operational issues, the problems of Capitol Hill are continuing to get worse and more acute over time. This year's budget request addresses several critical projects across the campus. I would like to point out just one or two of them for you.

First, we launched the 10-year renewal of the Cannon House Office Building. And this past January, we began the first of five 2-year phases on that project. The current phase focuses on installing new utilities, enabling future work and future phases to connect to those systems, thereby minimizing future shutdowns and disturbances.

Starting with the next phase in January 2017, work will impact a quarter of the building, one side at a time, beginning with the west wing along New Jersey Avenue. Members in the Cannon Building facing New Jersey Avenue will be relocated in December of 2016 in advance of this construction. This phase will be followed by additional 2-year phases to complete the north wing, the east wing, and then the south wing.

The second project that I think is critical to our success is the West Refrigeration Plant Chiller System Replacement at the Capitol Power Plant. This project will replace two old inefficient chillers, dating back to the 1970s, as well as water pumps and other essential equipment to make them operate. The Capitol Power Plant plays an essential role in our long-term energy conservation efforts and our cost-reduction efforts. And these existing chillers were installed in the 1970s and are far beyond their useful lifespan.

The final project I would like to highlight in my opening remarks is the Rayburn Garage Rehabilitation project. This is a comprehensive multiyear project to fix the severe corrosion in the structural framing system dating back to 1950 in the Rayburn building. It continues to corrode at a rapid rate, posing a safety hazard to our congressional community. This will address part of the \$222 million of deferred maintenance in capital renewal necessary in the Rayburn Building alone.

Those projects, among others highlighted in our budget request, are indicative of the critical nature of the work necessary to maintain the Capitol Campus. I know, when I walk around Capitol Hill every day, I am reminded that the work that we do directly affects you, your staff, visitors, and your ability to do the important work of our government. And it is important for you to know that the proud men and women of the Architect of the Capitol are your partners, and we are here to work with you, and we will focus and dedicate ourselves to our mission. So, with your support, I am certain we will face our challenges head on.

[The prepared statement of Stephen Ayers follows:]

**Statement of the Honorable Stephen T. Ayers, FAIA, LEED AP  
Architect of the Capitol**

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**Architect of the Capitol Fiscal Year 2016 Appropriations**

**Statement before the Subcommittee on Legislative Branch,  
Committee on Appropriations, U.S. House of Representatives**

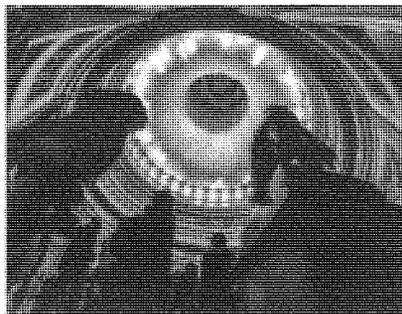
Thursday, February 26, 2015

**Statement of the Honorable Stephen T. Ayers, FAIA, LEED AP  
Architect of the Capitol**



Chairman Graves, Representative Wasserman Schultz and members of the subcommittee, thank you for the opportunity to testify today regarding the Architect of the Capitol's (AOC) Fiscal Year 2016 budget request.

With the support of Congress, the AOC is a strong steward of the buildings and grounds that comprise Capitol Hill. The incredibly talented and skillful employees of the agency care for facilities that are decades and even centuries old — buildings that were constructed without the modern equipment and efficiencies we now take for granted.



**Safety canopy over the Rotunda in support of the Capitol Dome Restoration.**

In support of the U.S House of Representatives, AOC employees continue to deliver day-to-day excellence. This year they conducted 190 member office moves in just 21 days. In a continuing commitment to improve efficiencies, and reduce costs, the AOC House Superintendent's Office implemented electronic time keeping for all employees. This effort included training staff in the use of computers and the ability to submit leave requests online — saving time and improving accountability.

Recognizing that AOC employees are our most important assets, we continue to make investments to empower them. In 2014, we held more than 30 town halls, sharing critical information and soliciting feedback from our staff. In addition, we conducted an organizational assessment survey and are pleased that more than 80 percent of AOC employees participated. Based on this feedback, AOC was ranked eighth out of 25 mid-sized federal agencies by the Partnership for Public Service's Best Places to Work in the Federal Government rankings.

AOC is also working to strengthen our supervisors. We have launched a "Supervisory Academy," a week of intense supervision, management and leadership theory and skills development to help our supervisors become extraordinary leaders. Beyond our supervisors, we have launched two programs to encourage our staff to further improve their abilities. This includes the Architect's Mobility Program that allows employees who lack qualifying experience to move into positions where they can gain a specialized skill set, enabling them to progress according to their abilities. And our Exchange of Critical Expertise and Learning (ExCEL) program serves to improve organizational productivity, enhance strategic efficiencies and increase employee knowledge.

As strong as our employees are, our buildings are in need of additional help. Materials like stone, cast iron and bronze are key elements that provide the character and charm that thousands of

**Statement of the Honorable Stephen T. Ayers, FAIA, LEED AP  
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members of Congress, their staff and visitors have enjoyed throughout our nation's history. Yet even these robust materials degrade over time. The maintenance needs of the Capitol campus continue to grow every year, allowing small problems to become major life-safety and infrastructure problems requiring significant investments and resources to remedy.

Taking into account the emerging priorities and looming urgent repairs for Fiscal Year 2016, we are **requesting \$661.8 million — a decrease of 2.2 percent from our Fiscal Year 2015 budget request.**

To address capital projects categorized as urgent or immediate, we are requesting \$144.5 million. This is a \$12 million or 7.7 percent decrease from our Fiscal Year 2015 request, leaving \$182.9 million of deferred maintenance work to be requested in future fiscal years. We recognize that not every project can be funded at the same time, and the deferred work will continue to be added to future funding requests. While we work to mitigate the risk of major failure by carefully monitoring and maintaining the facilities and systems, we know that delaying critical projects will inevitably result in increased fiscal demands on future budgets.

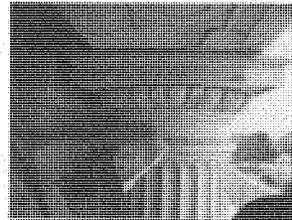
Ongoing budget constraints mean we must carefully weigh competing demands by utilizing our expertise to recommend investments in the most critical projects. Our Project Prioritization Process ranks every project based on its importance and urgency so that we can effectively recommend to Congress the investments that are most needed to ensure the Capitol campus remains safe, functional and protected for all who work and visit the buildings and grounds.

### **Aging Buildings Require Critical Investment**

Viewed from a distance, the buildings of Capitol Hill are inspiring and impressive, but up close, the buildings are more distressing than impressive, as weather, age and deferred maintenance are destroying many of the finer details of these awe-inspiring stone edifices.

When stone is properly maintained, it is one of the world's most enduring materials; but when exterior stone deteriorates, major problems such as water infiltration, rusting of steel structures, mold and energy loss can occur within the building.

While our dedicated employees perform the work necessary to maintain our buildings and grounds, they can only ensure the integrity of the materials when they are given adequate resources and



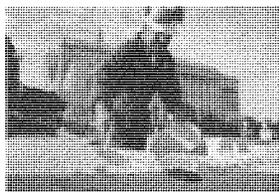
**Deteriorating stone on the Cannon House  
Office Building exterior.**

Statement of the Honorable Stephen T. Ayers, FAIA, LEED AP  
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support. Years of austere budgets have already resulted in the loss of many irreplaceable heritage assets.

Stone preservation continues to emerge as one of our most important priorities. The condition of the exterior stone on most, if not all, of the buildings on Capitol Hill is rapidly deteriorating. The



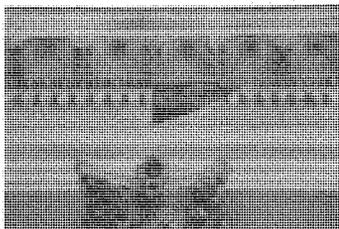
AOC stonemason makes repairs to the  
Olmsted Terrace Walls.

AOC's historic preservationists, structural engineers and stonemasons are in a race against time as the infrastructure rapidly deteriorates and deferred maintenance projects accumulate.

Stonemasons from our Construction Division have been hard at work making repairs to the Olmsted Terrace — the first in more than a century. Designed by Frederick Law Olmsted in 1874, considered the founder of American landscape architecture, the terrace walls provide a strong visible base to the Capitol and a heightened sense of grandeur and scale. Unfortunately, the terrace conditions have deteriorated over time. But through the expertise of our Historic Preservation Officer and our stonemasons — funded from Capitol Construction and Operations — we are able to make the critical repairs needed to save these assets and restore the Olmsted Terrace to its former splendor.

The longer these stone buildings are left to the destructive effects of time and the elements, the more the problems compound. Instances of cracking and spalling stone grow more serious and more costly to repair every year, and the temporary fixes the AOC undertakes to prevent catastrophic failures are not enough to prevent conditions from worsening. Investing in stonework projects will pay long-term dividends and preserve these historic buildings for decades to come.

At the U.S. Capitol Building, an investment in the rehabilitation of the exterior stone will prolong the building's life expectancy and preserve its historic features. The U.S. Capitol South Extension Exterior Stone and Metal Preservation work will include mortar replacement, fabrication and installation of Dutchman repairs, and stone cleaning. This work will help stem the water infiltration that has been destroying the existing historic fabric of the building.



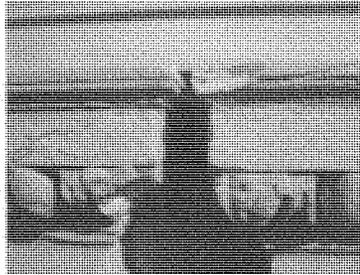
Spalling stone on the U.S. Capitol Building.

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AOC is also recommending a \$70 million investment into the **House Historic Buildings Revitalization Trust Fund**.

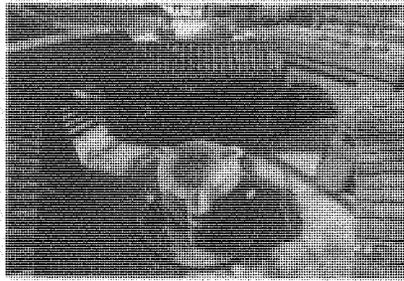
Established by Public Law 111-68, the fund allows the AOC to invest in the revitalization of the major historical buildings and assets of the U.S. House of Representatives. This investment is critical for our work on the 10-year renewal of the Cannon House Office Building (CHOB). In 2015, the Cannon Renewal Project began Phase 0. This phase includes installing building utilities, primarily in the basement and the moat area of the courtyard, and enables future work to connect to the new systems, minimizing shutdowns and disturbances.



Spalling stone on the Cannon House Office Building.

Phases 1-4 each impact a quarter of the building, one side at a time, starting with the west wing in 2017 (New Jersey Avenue) followed by the north wing, east wing and concluding with the south wing. Members in the CHOB will not be relocated until December 2016 in advance of the Phase 1 construction. Construction activities are expected to take place during normal business hours, with the noisiest work activities occurring after business hours.

The Summerhouse, a favorite Capitol Grounds respite during the hot summer months, is rapidly deteriorating and requires intervention to restore the structure to its former grand condition. In particular, the terra cotta roof and bricks are crumbling, leading to an increase in life-safety issues, and the center fountain and grotto lack a recirculating water system, which is an inefficient use of resources. If the **Summerhouse Restoration** project is completed, it will ensure that this Capitol Grounds treasure is preserved for generations.



Cracking of the terra cotta roof on the Summerhouse.

In future fiscal years, stone preservation will continue to be the AOC's main focus, as nearly every building on Capitol Hill is built from stone and nearly all are in need of repair. Scaffolding already surrounds parts of the U.S. Capitol Building and will soon be visible around the Cannon House Office Building and Russell Senate Office Building as well. These critical stone restoration efforts will ensure that the work of Congress can continue for decades to come.

Statement of the Honorable Stephen T. Ayers, FAIA, LEED AP  
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### Critical Projects

In our Fiscal Year 2016 budget request, we are requesting funding for projects that will ensure necessary investments are made in our historic infrastructure and increase the safety and security of those who work or visit Capitol Hill. Providing superior service to our customers and executing numerous large-scale and highly visible multi-year construction projects is a formidable challenge that we are addressing by managing risk and transparently communicating with Congress and the American public.

AOC is responsible for meeting a wide range of fire, life safety, accessibility and performance standards, while also balancing operational needs and challenging working conditions that are unique to Capitol Hill and our aging buildings. In particular, we are focused on energy efficiency, addressing safety deficiencies and repairing crucial building infrastructure.

The Capitol Power Plant (CPP) will continue to play an essential role in the AOC's long-term energy conservation and cost reduction efforts. The CPP's existing chillers, located in the West Refrigeration Plant (WRP), were installed in the 1970s and are rapidly approaching the end of their useful life expectancy. The risk of chiller failure increases as we continue to rely on this equipment to provide environmental control to the buildings on Capitol Hill. The next phase of the **WRP Chiller System Replacement** will replace two old, inefficient chillers and primary chilled water pumps with a new chiller, in addition to making other essential upgrades and repairs. The chiller replacement will reduce the Capitol Power Plant's energy consumption, increasing efficiency and simultaneously providing a significant electrical cost savings.

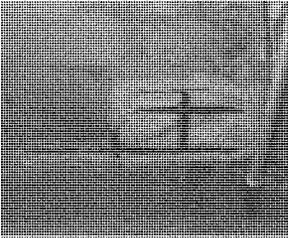


Chiller reaching the end of its life expectancy.

To mitigate Office of Compliance citations across the Capitol campus, we are requesting funding for the second phase of the **Library of Congress Thomas Jefferson Building North Exit Stair B**, which will address important egress deficiencies in the building. The AOC will construct a new self-supporting masonry exit stair in the northeast stacks that extends from the cellar to the top floor of the building, in addition to constructing new fire-rated exit passageways. The project will ensure that occupants of the Jefferson Building will be able to efficiently and rapidly exit the building during an emergency evacuation.

Damage to our crucial building infrastructure, such as garages, is especially concerning. The Rayburn House Office Building Garage, constructed in 1965, is in need of a comprehensive project to ameliorate severe corrosion of the structural framing system. The **Rayburn Garage Rehabilitation**

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Deteriorated concrete slab in  
Rayburn Building Garage.

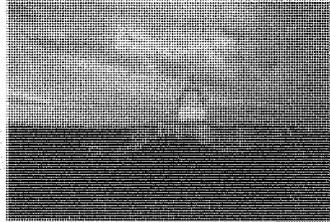
work will address part of the \$222 million of deferred maintenance and capital renewal backlog in the Rayburn Building. The reinforcing steel at the top and bottom of the concrete decks continue to corrode at a rapid rate and pose a safety hazard to the congressional community. Our request would fully fund the first of four phases and will include architectural modifications for life safety, accessibility, lighting, electrical, mechanical, plumbing, fire protection and physical security. Failure to stop the continued deterioration of the garage would seriously jeopardize the garage structure. Concrete slab failures create life-safety concerns and increase rehabilitation costs.

The longer these projects are delayed, the more the conditions of the buildings will decline. Proper investment is needed to ensure the historic fabric of these buildings is not lost to the ravages of time.

### Conclusion

Chairman Graves, Representative Wasserman Schultz and members of the subcommittee, funding our recommended capital projects in Fiscal Year 2016 ensures that necessary investments are made in our aged infrastructure, and maintains the unique and historic buildings that serve Congress and the American people.

We appreciate the previous investments, support and trust Congress has placed in us to address critical construction projects across the Capitol campus. The investments made in the AOC have enabled us to preserve history and ensure Congress can accomplish its daily functions.



The buildings of the Capitol campus are well cared for by the dedicated men and women of the AOC who use their incredible talents and skills to maintain the buildings and grounds. Day after day, our employees deliver inspiring and professional service to our customers. Each employee's contribution is vital to our success as an organization.

There is much work to be done, but we believe that there is no greater mission than upholding the historic buildings entrusted to our care. The American people and future generations are counting on us to work together to invest the necessary resources to sustain the treasures of Capitol Hill.

Mr. GRAVES. Thank you, Mr. Ayers, for your comments. I will turn to Ms. Wasserman Schultz for any questions you may have of Mr. Ayers.

HOUSE HISTORIC BUILDINGS REVITALIZATION TRUST FUND

Ms. WASSERMAN SCHULTZ. Thank you, Mr. Chairman.

I have a couple of questions, and I will just ask your continued indulgence although I will try to ask them quickly. I limited my statement to the concern that I have. When we—for the Members' edification—when we established the Historic Buildings Revitalization Trust Fund, it was, in part, in the wake of having brought the CVC construction in for a landing, which was years—7 years overdue, hundreds of millions of dollars and many more millions. Chuck was here all the way through that process and would remember better on how many millions over budget it was—

The CLERK. About \$400 million.

Ms. WASSERMAN SCHULTZ. \$400 million. Right. I thought I was right, but I just didn't want to make a mistake. \$400 million more than it was originally budgeted for.

So when we created the Revitalization Trust Fund, it was with the idea that these very expensive projects, like the Cannon revitalization, like when we have to revitalize Longworth, and the dome and other projects, that it would make more sense, given our small bill and our financial constraints, to start banking money in that trust fund so that we would have money to start projects. You wouldn't have to rely on the \$70 million annually to fund projects and then have to start over when you were finished with that funding and not have actually planned for the amount of spending we would ultimately need, which is what happened with the CVC.

So where we are now, Mr. Ayers, is that the Cannon revitalization project has begun, and you have not requested funding for Cannon's revitalization in your budget. You have instead drawn down the money from the Revitalization Trust Fund, which means that essentially we are turning it into not a Historic Preservation Revitalization Trust Fund but a Cannon revitalization trust fund, and that wasn't the intention originally.

So what I would like to know is, can we, in this fiscal year, when we write this bill, establish a threshold amount that should come out of the trust fund so that we continue to be able to save for future projects and establish what the appropriate amount is in your budget in the above-the-line, below-the-line projects that you always populate for us, so that we can make sure that we are being fiscally responsible and taking a balanced approach. So if you could comment on that, it would be most helpful.

Mr. AYERS. I think that is a really important thing to think through and to get right. And you are absolutely right that the purpose of the trust fund was to enable us to bank money for future projects. Taking the Visitor Center or the Cannon Building Renewal project as an example, the committee cannot appropriate \$600 million or \$700 million in one fiscal year. That would severely limit our ability to do other work and buy down the backlog of work that is already going on.

The current approach of funding the Cannon building at \$70 million a year through 2022, still leaves \$85 million available at the

end in the trust fund, I think we need to take a more measured approach and first understand what our needs in the future will be, what our needs for Longworth and Rayburn will be—

Ms. WASSERMAN SCHULTZ. Right.

Mr. AYERS [continuing]. And begin that investment strategy today and not figure that out 10 years from now.

So I think challenging us to do that is a great thing. I think it is the right thing that we should be doing.

Ms. WASSERMAN SCHULTZ. Thank you.

Mr. AYERS. And we will work on that and work, of course, in close collaboration with this subcommittee.

#### FORT MEADE

Ms. WASSERMAN SCHULTZ. Thank you, Mr. Ayers. I appreciate that.

And just a couple of other questions, not as detailed. The land at Fort Meade, which has to be acquired, the 7.34 acres of land at Fort Meade, which, the Architect didn't know or I am not sure at what point you discovered you didn't own it. This is the land that is needed to build the storage unit for the library. The library is in such a dire situation with the need to build a facility that they even put money in their own budget for temporary storage facilities.

But the budget justification that says that AOC will need to execute environmental mitigation along the railroad easement on a case-by-case basis with future land-use development. Can you be more clear for us on what this means? How much does this add to the cost of building the storage modules? And is not owning that piece of the land going to slow down the construction of the project?

Mr. AYERS. I am sure not owning the land will not slow down the construction of module 5 or any future modules. We have worked out an agreement with the State of Maryland that currently owns that land, which is a right-of-way for an abandoned railroad. We have negotiated a right-of-way allowing us to use that property during our construction activities in the short term. So it won't impact the schedule of Fort Meade Module 5 or any of the other modules.

I think longer term, there is certainly potential along any railway line for arsenic contamination and lead contamination, which are very typical along railways from contaminants from railroad ties and railway operations. So, as we have to do construction across that easement, we will likely have to make some investment. I don't know what that is. I don't anticipate it to be significant. Typical cleanup of a railway line is excavation of a foot of earth; maybe 2 feet of earth underneath a railway line is all that is really necessary for typical arsenic and lead. I am not too concerned about it.

Ms. WASSERMAN SCHULTZ. How did we not know that we didn't own the land? How did that happen?

Mr. AYERS. We have known that from the beginning. This is a transferred property—and we acquired this 100 acres at Fort Meade in the early 1990s, and we knew that from the beginning. Part of our real estate agreement was for the Army to do all the real estate transactions and to deliver the property to us. And the

Army and the State of Maryland have not been able to deliver that piece of property for us.

#### COMMEMORATIVE AND MEMORIAL TREES

Ms. WASSERMAN SCHULTZ. And, lastly, Mr. Chairman, last year I had the great privilege of being able to sponsor a tree that was planted on the Capitol Grounds honoring the legacy of Anne Frank. That sapling was from the tree that Anne looked at when she wrote in her diary. Not long after that planting, there was a planting of a tree honoring the legacy and memory of Emmett Till. That was an American sycamore that was planted on the Capitol Grounds. Unfortunately, Emmett Till and Anne Frank share the unenviable connection of being victims of intolerance. Obviously, so many young people across our country learn about both the civil rights movement and the Holocaust when they are in school. They have an opportunity to be exposed to those stories.

Are there any programs that you are aware of being developed by the Botanic Gardens to incorporate these trees into educational opportunities? And if there are not, then, if I could ask for your commitment that we begin that effort. I think it would really be an incredibly special thing for us to do and use those as a unifying way to educate our youth.

Mr. AYERS. That is something we are working on right now, actually, not through the United States Botanic Garden. But my office is actually working on enhancing our web site to provide some of the stories behind the memorial and commemorative trees that are across Capitol Grounds. There are some really fabulous stories behind some of these memorial and commemorative trees. And people don't know those stories. They are not written or captured anywhere.

So we are working on a map of Capitol Grounds that has these trees identified where you can click on them, read the story, read the context, see who sponsored it, see photographs and images from the planting to make it come alive for people. We think that would be a good thing to do. And my office is working on that now. And we would love to show it to you sometime.

Ms. WASSERMAN SCHULTZ. Maybe you could even work with the Young Readers Room in the Jefferson Building at the Library of Congress because they already have young people coming in as well as authors. And they have an incredible web site as well. So maybe there is a synergy that you could develop with them.

Mr. AYERS. Great idea.

Ms. WASSERMAN SCHULTZ. Thank you very much.

I yield back.

Mr. GRAVES. Mr. Young.

#### CANNON BUILDING RENEWAL

Mr. YOUNG. Thank you, Mr. Chairman.

Mr. Ayers, thank you for being here.

I share a lot of the concerns that our ranking member shares about looking back over at the CVC, when I was a staffer at the time in the Senate, and watching from the groundbreaking to how that was supposed to end, and then supposed to end, and the dollar amount that just skyrocketed.

We are going to want some reassurances here that with what is going on with Cannon that you just keep Members updated periodically about how the progress is going, the dollar amounts being spent, and particularly folks who have their offices in Cannon are wanting to know what the timeline is particularly. Those in Longworth and Rayburn couldn't care less maybe. But, eventually, it could get to that point where, down the road, is there going to be some work to be done on Longworth and Rayburn in a similar fashion? And what do you anticipate and how far do you look down the road?

Mr. AYERS. You certainly have my commitment to keep the Congress and this subcommittee, in particular, updated on the status of the project in general and specifically the status of funds and our schedule and cost commitments on the Cannon Building Restoration project.

And you are absolutely right, you know: The Longworth Building dates back to the 1930s, and the Rayburn Building the 1960s. So, certainly, at some point in the future, they are going to be undergoing a very similar kind of program that the Cannon House Office Building is undergoing. And our master plan looks out typically 20 years. So, certainly, right on the heels of the Cannon Building, intuitively, we believe that one of those two buildings will need to undergo a very similar restoration.

Mr. YOUNG. Okay. Well, can you start on one that we are not going to be in? Okay.

Mr. GRAVES. You know you are on the fifth floor of Cannon right now.

Mr. YOUNG. You are right. I am up in the attic.

Ms. WASSERMAN SCHULTZ. Ten years in Cannon. That is why I moved.

Mr. YOUNG. There you go.

Mr. AYERS. Well, we get to you in phase 2, which is a number of years away.

#### U.S. CAPITOL DOME AND ROTUNDA RESTORATION

Mr. YOUNG. I can't wait.

The rotunda and the dome, can you just do a quick timeline of the interior and exterior work—how is the integrity of the art within that rotunda? Could that be compromised in a way with what is going on, on the outside?

Mr. AYERS. We certainly haven't had any artwork compromised to date by the water leaks that we suffer because of the condition of the dome. We are able to protect them and divert water away from the artwork. We certainly understand how important that is to us and the American public. So we work really, really hard at that.

The dome project, of course, is three phases. The exterior work that is underway now and will take about another year to complete. The second phase will happen—in fact, we are working on that now, and that is the space between the outer dome and inner dome, what we call the interstitial space. So that is happening now. That will be about another year in construction.

And then lastly is the rotunda itself. And the rotunda will be scaffolded this August. During the recess, for about 6 weeks, we

will erect scaffolding in the rotunda. It will close for that period of time. That restoration work will happen through the year, and we will take it down the following, 2016 August recess.

Throughout that process, we have our conservators and historians and preservationists integrally involved in our protective efforts for—not only the frescos and the oil paintings that are there but as well as the architectural stone that is there as well.

Mr. YOUNG. I would ask you to consider this, within the funds that you have—this doesn't happen too often—and maybe do some visual documenting of the restoration for history's sake so that we can preserve that. And it is also a great educational tool as well for our history. So thank you for that.

I yield my time, sir.

Mr. GRAVES. Thank you. Might I add, your team is very generous to give some of us a brief tour of the Cannon restoration project and as well as the dome and the amazing work. And, if I remember correctly, the dome project is at or under budget.

Mr. AYERS. Correct.

Mr. GRAVES. It might be good to point that out. And thank you for your commitment to keep us updated as well.

Mr. FARR.

#### ACCESSIBILITY

Mr. FARR. Thank you very much, Mr. Chairman.

As Architect of the Capitol, you are a member of several boards, including the Police Board and the Congressional Accessibility Board.

Mr. AYERS. Yes, I am.

Mr. FARR. How can we have a public open hearing in a room that isn't accessible to Members of Congress and members of the public, this room?

Mr. AYERS. There are many rooms in the Capitol, and in the Office Buildings that remain to be fully accessible. You are absolutely right.

Mr. FARR. Well, shouldn't we not be having public hearings, inviting the public to attend if a Member of our committee couldn't get in here? Shouldn't we not be using it?

Mr. AYERS. If there is a Member that cannot get in the room, it seems to me we should find another room.

Mr. FARR. Well, what about members of the public? Maybe the rooms that aren't accessible ought not to be used for public purposes. I mean, think about it. I just saw you were on the board. It was not a question I was going to ask you.

#### FORT MEADE

I want to follow up on Debbie Wasserman Schultz' question because and I am on the MILCON committee, and I have been very interested in base closure and excess military property. You are right that the records indicate that the Army was to acquire the property from the State of Maryland and transfer it to you. And, as you said, the Army has never done this.

In the fiscal year 1994 MILCON appropriations bill, Mr. Chairman, the Appropriations Committee directed the Secretary of the Army to transfer to the Architect of the Capitol specified real es-

tate property at Fort George G. Meade, Maryland, to be used to provide facilities for very long-term storage and service needs, the Library of Congress and other legislative branch agencies.

The Army was to acquire that, clean it up, because it had Army pollutants in it. I understand they were supposed to give you 3 million bucks to do that. Did they ever pay it? Did you ever get it?

Mr. AYERS. We have not received any money from the Army on that property. But certainly the Army retains all of the cleanup responsibility for the 100-acre parcel of land that we did acquire from them. The Army was to get this right-of-way for the railway line from the State of Maryland and give that to us, and they have not done that.

Mr. FARR. So what is your—how are you going to move on this? Are you going to acquire the land? You are not going to have to—Congress isn't going to have to pay to clean it up, is it?

Mr. AYERS. So there is a potential, for those areas that we will do construction on, that we will have small areas to clean up.

Mr. FARR. Well, why? It is the Army's responsibility to clean it up. Strict liability. Supersite fund, all military bases, everything. They have got to clean up the dirt.

Mr. AYERS. In the railway line, I think it is the State of Maryland that would be required to do that, not the Army. The Army is committed to cleaning up anything on that site that is beyond the—

Mr. FARR. The point is you are not going to acquire this land and have to pay for cleanup because the others have not done it.

Mr. AYERS. [Nonverbal response.]

Mr. FARR. So the answer is you are not getting it until it is cleaned up. Right?

Mr. AYERS. Correct.

#### THE MONOCLE RESTAURANT

Mr. FARR. Thank you. I was just curious—it is not the House's responsibility, but you are the budget of both Houses. How come the Senate owns the Monocle Restaurant?

Mr. AYERS. The Monocle Restaurant is right next to the Capitol Police headquarters, and the Architect acquired that land as part of the expansion of the Senate Office Buildings. And it has never been demolished. And we own it today on behalf of the Congress and lease it to The Monocle Restaurant.

Mr. FARR. And I understand we get about \$53,000 in rent?

Mr. AYERS. I don't recall exactly what the lease payments are, but I am happy to answer that for the record.

[The information follows:]

Currently the property at 107 D Street NE is leased to the Monocle Restaurant for \$58,184 per year.

Mr. FARR. But the building is over \$1 million in arrears in maintenance?

Mr. AYERS. That doesn't surprise me at all.

Mr. FARR. Why should we own it? I mean, is it—

Mr. AYERS. We have no use for that building. And it is something that happened many, many years ago. And we do have an income

stream from it. We do lease it to the proprietor of the restaurant today.

Mr. FARR. Perhaps if we cleaned it up, Mr. Chairman, it would destroy the social life of Senators.

#### ACCESS TO OFFICE BUILDINGS AND GARAGES

I think you have an awesome responsibility. This is one of the most incredible buildings in the world. I think, as I raised with the Capitol Police yesterday—and you are sitting on the board that oversees them—that I am really worried about their mission creep and becoming bigger and broader and, in the process, sort of fortifying The Hill, giving an image that we are no longer a publically owned, accessible—not room accessibility but campus accessibility—and essentially hurting, I think, the message of democracy.

If we know how to use smart designs, including appropriate technology then perhaps we could fast track staff into these buildings, not have them have to wait so long in lines. I also think some of that Capitol Police activity needs to be reined in and supervised a little bit better. I hope, as a board member, you will look after that.

Mr. AYERS. I did see the hearing and did hear your questions. I found them to be very thought-provoking and ones that I assure you the board will take seriously and consider.

Mr. FARR. Well, what frustrates me is that, if airports can quickly move people, why can't we? For example, in airports now travelers can get a global entry card. It allows you to bypass check in and go right to a computer, put your passport in there, and, boom, you are through.

Frequent fliers also qualify for what is called precheck. It is a shorter security line. You don't have to take off your shoes and belts and things. You just go through.

Why can't we have those kinds of things built into our system here that would allow the staff, who are essentially frequent flyers, and, I mean, coming into this building every single day, users, regular users have a fast track for getting in?

And another thing we would like to do is try to keep the garages open because I am a West Coast legislator, and oftentimes we do town hall calls and other things, you know, after 9 o'clock and you can't get into the garages. So my comment to the Chief was that essentially, they have been able to lock off or block off more area that they don't have to patrol, just close it, and yet their forces are growing and growing. So they have less real estate they have to monitor when they are getting into all these other kinds of programs that there are, you know, SWAT teams and special bomb squads and canine squads and things like that. Perhaps we ought to ratchet that back and just be responsible for the passage in and out of the buildings that we are trying to secure.

So those are concerns that I have. And as a board member, I hope you will address them because they really have to do a lot with architectural design and technology.

Mr. AYERS. Thank you.

Mr. GRAVES. The gentleman raises good points. Thank you.

Mr. Rigell.

## HOUSE HISTORIC BUILDINGS REVITALIZATION TRUST FUND

Mr. RIGELL. Well, thank you, Mr. Chairman.

Mr. Ayers, thank you for being here today. I think there are some very special jobs in this town, and you have one of them. We all share this commitment to the preservation of these buildings, and to pass them onto the next generation.

I am learning a lot. I am new on the committee. The Revitalization Trust Fund, I want to know more about that. I come from a business background. So I have a good sense of, a reserve fund being set up to buffer the organization from extraordinary expenditures. Help me to understand how it is funded, and importantly, the ranking member's point, which I found very interesting, is that is there any allocation whatsoever or is there any guidance carried over from previous Congresses and committees here that says these funds were set aside anticipating these large expenditures down the road? Or is it simply something that—and I would like for you to comment, too, on your authority—do you have the unilateral authority to move these funds around? I would like to understand more about that, please, in the time I have.

Mr. AYERS. First, regarding authority, I don't have the authority to move funds in or out of that account and require the approval of this subcommittee to do so.

Secondly, you know—from my perspective, the fund was set up to fix—the biggest problem that I face; a \$1.4 billion of backlog deferred maintenance in capital renewal work. We could not continue to do that work and at the same time fund major rehabilitation projects. We can't do both out of the bandwidth that we had before. So setting up a fund that would enable us to continue to appropriate dollars to allow us to do the deferred maintenance work that you see in my budget and invest for the future restorations is of the overarching purpose for that.

Today we request \$70 million a year in our budget. The vast majority of that through 2024 will be invested in the Cannon Building Restoration project. At the end of that project, our current projections are \$85 million remaining in that fund.

Mr. RIGELL. What is the fund balance now, approximate?

Mr. AYERS. Approximately \$200 million.

Mr. RIGELL. Okay. So we are—simultaneously putting money into the fund and then taking money out of the fund?

Mr. AYERS. Correct.

Mr. RIGELL. So we have got more going in the fund? I mean, what is the investment in the fund?

Mr. AYERS. I think that is what Ms. Wasserman Schultz challenged us on, that today our request of \$70 million does not include a future investment. It only includes enough money to enable us to execute the Cannon Building Renewal project.

Mr. RIGELL. Okay.

Mr. AYERS. At the end, there will be some money left over.

Mr. RIGELL. You know, we are all trying to get to the same place. So I ask these questions in a constructive way, and I think I am going to have to take some of this offline just to get briefed by the staff, who has been so supportive and I know they are always available to us.

It just seems to me that there would be—that these funds, to the extent that we are looking forward, they be allocated to the—we have some guidance on what projects we think we are funding in the future and that that would be actually placed on a spreadsheet, and then, you know, we would be looking at that and being able to review that and give guidance to it.

RAYBURN HOUSE OFFICE BUILDING AND GARAGE

And I might have just another minute or two here left, and I am going to finish with this, to say that I was struck by the corrosion in the Rayburn foundation. I mean, that is a scary thing, I mean, just because—thinking, how do you even get to it?

So could you give us a sense of how severe it is, how you might go about it, and when do you think you have to go about it? I think in my—just coming on the committee, if you said, “What are my priorities,” I would say, well, safety first, keeping people safe, staff, members, the public, and then, to the extent at all possible, historic preservation. And the reason I mention that is because I am saying—I am putting that above even cost. I will say we will find the money. Historic preservation comes right after safety, and then the cost of everything, we will find the money.

But, on Rayburn, could you just give us a sense of where we are with that and how dangerous—I mean, I know it is not imminent right now. But you look at it, and it is a pretty serious situation, isn't it?

Mr. AYERS. It is a serious issue and one that we think needs immediate attention. We requested funds in our budget last year, and the committee was able to provide those funds. It is a four-phased project. So we will be requesting money over the course of four phases.

We are well versed in how to do it. In fact, the East and West House Underground Garages were in worse condition than the Rayburn garage. And these are the two garages that are under the park, south of the Rayburn Building. We have recently completely rehabilitated those, and we use a water-jetting technique that essentially eliminates the concrete—

Mr. RIGELL. That is amazing.

Mr. AYERS [continuing]. Deteriorated steel. It is all put back and all replaced.

Mr. RIGELL. Am I out of time, Mr. Chairman? I will bet I am.

Mr. AYERS. It is a very efficient process.

Mr. GRAVES. Do you have another—

Mr. RIGELL. Well, just one little question. A constituent of mine was really concerned about some road safety things, and he took me out on a big highway construction project we have there. And I watched him putting steel in. And when the steel was down, they would actually roll it with grease before the—and then right behind it, all the concrete trucks were queued up. And I know it is way too long to think we can go back and there is any liability on the builder, but is it reasonable for one to assume that a foundation would last even longer than—I know 1965 is—okay, I was 5 years old or so. But it seems to me that we wouldn't have to—as an architect, what should we hold as reasonable on how long that foundation should have lasted?

Mr. AYERS. I think 50 years is reasonable.

Mr. RIGELL. That is about it?

Mr. AYERS. That is about it. A garage is so difficult because they bring in water and road salts.

Mr. RIGELL. Right.

Mr. AYERS. And those two things—

Mr. RIGELL. Okay.

Mr. AYERS [continuing]. Against the steel reinforcement in concrete just work against you.

Mr. RIGELL. Okay. Well, that is helpful to know that we weren't like just—you know, we just didn't get a bad deal on that.

Mr. AYERS. Okay.

Mr. RIGELL. It is what it is.

Ms. WASSERMAN SCHULTZ. Would the gentleman yield?

Mr. RIGELL. Oh, I think I have to anyway. But I am delighted to. I have enjoyed the exchange.

#### HOUSE HISTORIC BUILDINGS REVITALIZATION TRUST FUND

Ms. WASSERMAN SCHULTZ. Just to be helpful, Mr. Chairman. The language from the original appropriations act that created the Historic Preservation Revitalization Trust fund reads as follows: The Capitol Complex faces a large and growing backlog of deferred maintenance and capital renewal projects. Its facilities are aging and continue to deteriorate. Without a significant infusion of additional funds, key facilities and building systems may eventually fail. At the same time, the Architect of the Capitol must meet energy savings requirements, address increased security needs, and cover the cost of operating and maintaining additional facilities. In all, over \$4.9 billion worth of capital projects are planned over the next 10 years. The normal appropriations process is not an effective mechanism for addressing a backlog of this magnitude. The Historic Buildings Revitalization Trust Fund will improve the situation by enabling the Architect of the Capitol, upon approval of the House and Senate Appropriations Committees, to move forward on large-scale, historic buildings projects while preserving resources for more routine but critical deferred maintenance and capital renewal projects.

My only point is that if we continue down the road that we are going, we won't have achieved the goal of the creation of the Trust Fund, which I think the Architect—

Mr. RIGELL. It is a good point. I thank the ranking member for bringing this up.

Thank you, Mr. Ayers. I appreciate it.

Mr. AYERS. Thank you.

Mr. GRAVES. Do you have any further questions? Ms. Wasserman Schultz?

Mr. Young.

#### CAPITOL POWER PLANT

Mr. YOUNG. Thank you, Mr. Chairman.

The energy plant that we have, how long have we used that? Where is the source of energy coming from? What kind of source is it? Is it running smoothly? Do we have any problems with that?

Are we going to have an investment in that at some point? Talk a little bit about that, please, sir. Thank you.

Mr. AYERS. The Capitol Power Plant was established in 1910, and we have been providing steam and chilled water since then. It was built to serve the Cannon House Office Building as the first House Office Building on the campus. We made electricity at that time as well and stopped making electricity in the 1950s and have since then bought electricity from commercial power providers here in the City of Washington, D.C.

Today we purchase all of our electricity from local providers. And we make steam and chilled water; steam to heat our buildings and to humidify them and for cooking operations, and chilled water to air-condition our buildings. We make those two products today and purchase all of our electricity.

There are very significant investments happening now to replace our chilled water capacity as well as our steam-generating capacity. We are making investments there today with the generous support of the subcommittee, and we will continue over the next 5 or 6 years to make pretty significant investments in the plant.

It is so important to the smooth operation of the Congress; when I and my team reflect, "What is the most important building that we need to keep running to ensure we don't interrupt the functioning of the Congress?" It always comes down to the Capitol Power Plant. If we can't heat or cool this building, the Congress is not going to be able to effectively do its job.

Mr. YOUNG. Is there a backup plan in case that just went out?

Mr. AYERS. Of course. We typically have sufficient redundant capacity.

Mr. YOUNG. Good to know.

Mr. AYERS. Yes. We typically have sufficient redundant capacity, both on the steam and chilled water side. And with our cogeneration system, we will have backup for electricity as well.

Mr. YOUNG. Thank you.

And one last comment. My colleague mentioned The Monocle. Are there any other private restaurants or entities, you know, within the Complex? And I am thinking of the Library of Congress as well. Is there a Dunkin' Donuts in one of the Library of Congress?

Mr. AYERS. There is a Dunkin' Donuts, and there is a Subway. But all of the restaurant operations across Capitol Hill are operated by private vendors.

Mr. YOUNG. Okay. Thank you. I yield.

Mr. GRAVES. Okay.

Mr. FARR.

Mr. FARR. I am fascinated by that discussion.

Mr. YOUNG. I kind of am too.

#### SUSTAINABILITY

Mr. FARR. I am not so fascinated by the food. I am very fascinated by the fact that if you think about architecture being used as a tool, as a functional art form, and that these were all symbols of incredible genius put into architectural form, why can't this next century where we are going to be so concerned about energy be a statement for energy conservation alternatives? Why can't the Cap-

itol be the most energy-efficient building in America? When people come to look at it, "Oh, it is beautiful." This is just really smart engineering. And our office buildings as well? I mean, why don't we use solar. I run an entire property on just solar panels because I don't have any way of getting any electricity otherwise. But, in the process, it has showed me what incredible things we can do without having to be reliant on the grid. This campus was built as its own enclave and generates its own electricity.

Mr. AYERS. That is right.

Mr. FARR. We don't need to do that anymore. But maybe we could, for example, for heating water, use solar and other things. Are we exploring these ways to make this building and our offices models of energy efficiency? I know we get into the politics of coal. I will tell you, there are people here that want everything in the world to run on coal, and there are people that want everything to run on fossil fuels. Those out in the West, you know, we use everything. We run things on garbage.

Mr. AYERS. We love our ethanol.

Mr. FARR. But it is just—I think we ought to always emphasize it, when you come to a place like this, not only is the American public so proud of it for its beauty and its functionality, but it ought to be a statement that the government is a leader also in advanced smart technology, including energy savings and energy generation. Do you build that into your plan and can you build it into your future?

Mr. AYERS. Well, we certainly can. And I think we do today. The Congress passed the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007 that required all Federal entities, including us, to reduce our energy intensity by 3 percent a year for 10 years for a total of 30 percent reduction. 2015 is the 10th year of that. And by the end of this year, we will have achieved a 30 percent reduction in our energy intensity across the Congress. And I think that is something that—

Mr. FARR. How is most of that? Changing light bulbs?

Mr. AYERS. You should be proud of, I am proud of, my team is proud of, it took a lot of work and great deal of investment and support by this subcommittee to make that happen. So we do it by investments in the Capitol Power Plant, generating steam and chilled water more efficiently. We do it by making sure our steam distribution systems in our buildings are efficient as they could possibly be.

We do it on things like daylight harvesting. Daylight harvesting is monitoring the amount of sunlight that comes in the windows and dimming the fluorescent lighting systems in many of our buildings, depending upon how much daylight comes in. And there are many offices that we get a 50 percent reduction in lighting load just from that small investment.

But solar, generally speaking, has not been able to pay back dividends in a reasonable period of time. Until photovoltaic technology gets better and cheaper, those investments are going to be difficult for us to get a payback. We can get better paybacks on other investments today.

Mr. FARR. Even in steam generation, not using solar panels to heat the water?

Mr. AYERS. So we think—

Mr. FARR. Preheated.

Mr. AYERS. We think the most important thing we can do on steam generation today is the installation of a cogeneration system, and we are ready and prepared to do that. And that is where we make electricity. And in the process of making that electricity, we are able to boil water and make steam. So that combined heat and power is 75 percent efficient, far more efficient than anything else out there on the market.

Mr. FARR. This is exciting news. Is there any way that tourists can understand that we are doing these things? Do we write that up anywhere or tell it in any way, explaining in the tour of the Capitol that we are really a model for energy conservation and energy greening, so to speak?

Mr. AYERS. I think we do it in two ways. One, the Energy Policy Act and the Energy Independence and Security Act requires me to submit to the Congress an annual report, and we do so highlighting the achievements that we have made.

Mr. FARR. But we don't have any brochures that say this?

Mr. AYERS. That report is in a brochure format, so to speak. It is very graphic.

And then, secondly, we make good use of that on our web site.

Mr. FARR. Thank you, Mr. Chairman.

Mr. GRAVES. And I thank you for your questions.

And going from California to Virginia—

Mr. RIGELL. There we go.

Mr. GRAVES [continuing]. I am sure we have some questions about energy as well.

#### CAPITOL POWER PLANT

Mr. RIGELL. All right. Thank you.

Thank you for your perseverance here, Mr. Ayers. I want to follow up on the Power Plant. It is an intriguing and a critical part of the whole Capitol Complex, and I am learning a lot by this. Could you explain to me what is meant by cogeneration? I think I understand, have a working knowledge of it, but it would be helpful to hear your concise definition so it will allow a few couple of follow-up questions if you would, please.

Mr. AYERS. "Co" meaning two and "generating." We are generating electricity and steam using one process. So we burn natural gas to spin a turbine to make electricity, and we use that electricity to run the chillers in the Capitol Power Plant.

Mr. RIGELL. Okay. Now, is that more cost-efficient than us just buying that, the power, the electrical power from an area provider?

Mr. AYERS. Very significantly more cost-efficient, yes.

Mr. RIGELL. All right. Well, let's look at this. I thought the only thing that we were producing at that Power Plant was actually steam and chilled water. Is that correct?

Mr. AYERS. It is today. We are about to embark on this cogeneration piece of equipment that would—

Mr. RIGELL. Okay.

Mr. AYERS [continuing]. Enable us to generate the electricity.

Mr. RIGELL. And you are saying it is significantly less expensive?

Mr. AYERS. Absolutely.

Mr. RIGELL. Okay. Now is that amortizing the cost of the equipment?

Mr. AYERS. Absolutely.

Mr. RIGELL. Okay. There were how many—

Mr. AYERS. So—

Mr. RIGELL. I am just intrigued. I am not being argumentative with you, but I would like to see the actual mathematical and fiscal and financial justification for the purchase, just to see if the cost per kilowatt hour, with full amortization of the investment factored in, it still has, you know, that cost savings that you are mentioning there.

So what is the initial source of energy that is producing the energy? It is natural gas?

Mr. AYERS. It is natural gas. Our plan is to purchase and install this piece of equipment with private money and pay that back with a proven energy savings that it will provide.

Mr. RIGELL. I would be really surprised—and, again, not to be argumentative—but I would be really surprised if we could produce energy on relatively small scale compared to what a power plant is going to produce it out, that we could invest and provide just enough power to do what we need to do here, which is to provide the steam, and that we could actually produce electricity to kilowatt hour with full amortization of the hard cost and it be less than we could pay than if we just bought it straight from a regional electrical provider.

Mr. FARR. That is what every home in California is doing, generating its own.

Mr. RIGELL. Well, I thought that was with, like, electrical—I mean, by the solar. And then you are actually pushing it back to the producer, right, the electrical provider?

Mr. AYERS. Generally speaking, an electrical provider generates electricity at about 40 percent efficiency and then they have to transmit it. A cogeneration system will generate that at at least 75 percent efficiency, and we don't have to transmit it anywhere.

Mr. RIGELL. Well, you know, I have said in my public service, I want to be—I am really committed to be guided by the facts, and I am open to new information. I am a data-driven person. So I am very open to looking at this. It just, on the face of it, it is just hard for me to understand how those numbers could work that we could buy this equipment, produce a relatively small amount of electricity compared to what a regional provider is producing, and amortize the cost fully, and produce just enough electricity—not to power the lights and everything but just to run the steam generator. That is intriguing to me, but I am open to the argument.

I do think—you can expect that I will be taking an objective fiscally, you know, driven look at this, just because I think it is important.

And I would say to Mr. Farr's point, I was raised by a NASA engineer, and I love technology. And I believe in investing in the future. And when somebody says we have 200 or 300 years of some fuel or another, and they tell me that like it is supposed to comfort me, I am like, hey, it is going to roll on around, you know, what I mean. Time is going to come around. I think about that.

I want us to transition. We can't keep pulling energy out of the dirt, and I get this. Even from underneath the ocean, which I am a strong advocate for, but we use it to pivot over. And so if we could find a way to do what Mr. Farr is saying but not in a way that is fiscally irresponsible—and really I would like to think these major companies would perhaps appreciate the opportunity to be almost like an Epcot situation of maybe a small area where they could demonstrate their very best, the very leading edge of American ingenuity and hardware and maybe up on the fifth floor of Cannon or something or out there on that terrace area, put up some panels. But let the private sector do it just for the privilege of being in the Capitol, you know, and having their name associated with it or something like that. I am open to what Mr. Farr said.

Thank you. That is all I had. I just will take a look at that cogeneration. Thank you.

I yield back.

Mr. GRAVES. Always fascinated by the experiences of our committee members and interests.

Just to follow up on cogeneration, the cost of that you are estimating is \$50-something million. Is that right?

Mr. AYERS. That is construction cost. I think the total cost of that program is about \$100 million. The cost of interest and the cost of financing has a net present value of about \$7.8 million.

Mr. GRAVES. And you have not signed any agreements to move forward? I know you were using some tentative type words, apprehensive words.

Mr. AYERS. Yes. We have not signed that contract yet.

Mr. GRAVES. Okay.

Mr. AYERS. At the direction of this committee, we are awaiting an analysis by the Government Accountability Office before we sign that contract. We want to see what their analysis is and their take on the situation before we commit to it.

Mr. GRAVES. And what was the payback period you estimated?

Mr. AYERS. The interest rate was 3.1 percent at 21 years.

Mr. GRAVES. And the lifecycle of the equipment?

Mr. AYERS. I think a manufacturer would typically tell you 25 years, but we think we can stretch that to 30 to 40 years.

Mr. GRAVES. Okay.

Mr. FARR. Mr. Chairman, is that presented in some kind of context so you are comparing it with alternatives, or is it just the raw cost?

Mr. GRAVES. We are talking about the cogeneration equipment. It is what he was speaking to there.

Mr. FARR. No. I think so often, you know, we look at numbers. But there is no context, like, compared to what?

Mr. AYERS. So we have choices in much of that analysis.

Mr. FARR. I mean, for example, what is it going to cost to run it off of the old system? Or what is some other entity who has tried this new technology getting? I am just trying to make it simple.

I think we need to more often in the fiscal world begin to make choices as consumers make choices. You know, you have got this product that costs this much, and here is a competitive product that costs that much. If we could do that in our budgeting a little

bit, we would be a little more rational about how we come to decisions.

Mr. GRAVES. Well, I am glad you referenced the Governmental Accountability report because I think that will probably provide some of the comparisons as well.

And one thing that I have heard from all of our Members is they would like the opportunity to come visit the facility, learn more about it, see it firsthand. And I imagine there will be a lot more questions and maybe we could have an additional hearing in the future maybe.

When do you expect a report to be released?

Mr. AYERS. I think it is expected in April of this year.

Mr. GRAVES. April of this year. And that may be a good time to revisit this topic.

Mr. RIGELL. Mr. Chairman, I have a follow-up question on this. And I think Mr. Farr—I think he was heading in this direction anyway.

The investment in the regeneration is—again, I am just very intrigued by it and I am actually encouraged to hear the numbers. I am still—I would have to see the analysis. But it is very different than the other projects. I mean, we are talking about actually generating electricity and which then generates the steam, and the numbers are large. The claims are large, I mean, the claims of savings and these things.

So I would very much like to have—and I think it is reasonable to ask for this—the information that was given to—is it the GAO? Okay. I would just like to see what your office gave the GAO to begin their analysis.

Mr. RIGELL. And I think that would be a good first step because I will learn something from the process, and also, I hope that these conclusions are accurate because it is very, very intriguing.

Mr. AYERS. I would be happy to do that.

Mr. RIGELL. That would be great. Okay. Thank you.

#### CLOSING REMARKS

Mr. GRAVES. Any other questions from the committee? It has been very interesting.

Mr. Ayers, we want to thank you for being a part of this today and entertaining all the questions, and we look forward to working with you. And, as always, I am fascinated by our committee members, their interest, their intrigue in what is going on around here. So thank you very much—

Mr. AYERS. My pleasure.

Mr. GRAVES [continuing]. For coming here today.

For our committee, we need to adjourn briefly.

[Questions submitted for the record follows:]

**Fiscal Year 2016 Budget - Questions for the Record - Architect of the Capitol  
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Committee on Appropriations, U.S. House of Representatives  
February 26, 2015**

**EMPLOYEE AWARDS AND TUITION ASSISTANCE**

**Question.** Employee Awards – For the record provide the following information with regard to the awards execution across the AOC in 2014: The numbers of individuals receiving an award, the average award, the lowest and highest award given.

*Response.*

AOC 2014 Payroll Funded Awards				
All AOC Awards	Count	Average Award	Lowest	Highest
	3,001	\$759	\$111	\$6,000
Awards By AOC Jurisdiction	Count	Average Award	Lowest	Highest
Capitol Construction & Operations	379	\$1,443	\$153	\$4,000
Capitol Building	403	\$493	\$111	\$3,300
Capitol Grounds	67	\$888	\$140	\$2,500
Senate Office Bldgs.	723	\$635	\$153	\$6,000
House Office Bldgs.	788	\$527	\$108	\$4,500
Capitol Power Plant	99	\$732	\$140	\$2,000
Library Bldgs. & Grds.	269	\$637	\$140	\$4,000
Capitol Visitor Center	135	\$1,620	\$153	\$4,700
Capitol Police Bldgs. Grounds & Security	20	\$946	\$153	\$2,500
Botanic Garden	118	\$589	\$153	\$2,000

**Question.** Does the AOC have a tuition support program? If so, for the prior three fiscal years provide the number of employees receiving this benefit with the low, high and average amounts received?

*Response.* Yes, the AOC has a tuition reimbursement program. Tuition reimbursement benefits provided by the AOC for the last three fiscal years are delineated below.

AOC Overall	Number of Payments	Total Cost	Lowest Payment	Highest Payment	Average
2012	43	303,344	1,279	8,000	7,055
2013	57	376,035	781	10,000	6,597
2014	59	391,899	1,071	8,000	6,642
Total	159	1,071,278			

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**Question.** The Subcommittee understands that the policy for pay overtime or compensatory time off instead of compensation seems to change on or before any given pay period. What are the AOC rules or regulations governing the payment of overtime vs. compensatory time off?

*Response.* AOC policy provides that compensatory time may be earned for eligible employees instead of overtime pay for overtime work. Compensatory time may not be ordered by management for non-exempt employees (Wage Grade and some General Schedule employees). It must be at the employee's request. However, compensatory time may be required for exempt employees (professional employees). This policy is in accordance with applicable labor laws.

- Is this done on a pay period by pay period basis?

*Response.* Wage Grade and some General Schedule employees who work overtime may request compensatory time in lieu of overtime pay on a pay period by pay period basis, but it must be at their request. It cannot be required by management to accept compensatory time instead of overtime compensation.

- If you are granting compensatory time off in lieu of paid overtime is it not a requirement, government wide, that no agency can grant compensatory in lieu of paid overtime to achieve salary savings?

*Response.* Compensatory time may not be ordered for non-exempt employees for overtime work as a way to achieve salary savings.

- Is this a policy of the AOC?

*Response.* AOC operational requirements may sometimes make it necessary to authorize overtime work for its employees. Our written policy provides that, in general, overtime should be minimized to contain AOC costs and only be authorized when essential work cannot be accomplished during regular work hours.

#### **DEFERRED MAINTENANCE AND CAPITAL RENEWAL BACKLOG**

**Question.** For the record provide a list of the deferred maintenance and capital renewal backlog that equates to your estimate of \$1.4 billion dollars.

*Response.* Below list shows jurisdictional backlog (deferred maintenance plus capital renewal) per cost category:

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AOC Backlog by Category - Data as of October 2014

Category	AOC Total	CCO	CB	CG	SOB	HOB	CP	LBG	CPBG	BG
Plumbing	\$153,001,650		\$68,661,250	\$3,471,360	\$180,570	\$40,048,270	\$606,080	\$30,738,700	\$15,210	\$280,210
Exterior Enclosure	\$163,180,630	\$73,530	\$29,408,000	\$6,804,640	\$34,220,490	\$46,304,800	\$2,479,320	\$32,851,280	\$7,438,250	\$3,600,320
HVAC	\$257,115,450	\$23,220	\$38,721,750		\$6,896,740	\$113,194,250	\$1,530,630	\$58,786,440	\$25,723,410	\$12,239,010
Interior Construction	\$30,864,990				\$640,180	\$22,342,830	\$2,451,430	\$5,430,550		
Superstructure	\$123,488,940	\$11,610	\$46,039,250	\$1,757,550	\$8,705,550	\$40,509,550	\$7,377,240	\$19,097,190		
Electrical	\$117,354,970		\$51,005,500	\$1,459,210	\$360,040	\$23,281,730	\$3,725,390	\$24,730,580	\$12,322,160	\$270,360
Fire Protection	\$273,821,260		\$29,426,250		\$26,215,110	\$102,059,260		\$115,943,680		\$177,160
Roofing	\$54,412,750	\$281,640	\$919,000	\$141,120	\$564,800	\$6,534,100	\$2,490,400	\$37,846,680	\$5,292,100	\$342,910
Interior Finishes	\$50,832,650				\$3,288,350	\$36,418,980	\$449,910	\$9,854,380	\$363,790	\$57,240
Equipment	\$72,216,900		\$18,380,000	\$144,640	\$123,360	\$15,790	\$55,542,160		\$10,950	
Site Improvement	\$41,378,120			\$16,651,650	\$11,594,640	\$1,587,620	\$63,360	\$6,336,960	\$2,355,330	\$2,788,560
Furnishings <sup>1</sup>	\$229,320				\$3,970	\$62,110	\$6,380		\$41,080	\$165,780
Special Construction <sup>2</sup>	\$62,141,950		\$5,514,000	\$4,867,830	\$2,328,000	\$944,710	\$19,058,150	\$19,211,950	\$10,217,310	
Room Renovations	\$23,000					\$23,000				
Site Mechanical Utilities	\$21,765,380				\$1,395,180		\$19,812,450	\$248,350	\$309,400	
Site Plumbing	\$60,480				\$60,480					
Site Preparation	\$337,640			\$154,440				\$183,200		
Foundations	\$5,570,520				\$32,900	\$5,204,160			\$293,460	
Corrosion	\$17,446,220					\$7,688,640		\$8,433,600	\$1,102,530	\$271,450
Site Electrical Utilities	\$1,203,020				\$466,000				\$735,020	
Selective Building Demolition	\$864,600						\$86,100	\$778,500		
Stairs	\$414,160							\$414,160		
<b>Backlog Total</b>	<b>\$1,447,774,600</b>	<b>\$390,000</b>	<b>\$288,075,000</b>	<b>\$36,981,000</b>	<b>\$108,482,600</b>	<b>\$433,318,000</b>	<b>\$14,079,000</b>	<b>\$379,886,000</b>	<b>\$66,420,000</b>	<b>\$20,143,000</b>

Note 1: Backlog equals total Deferred Maintenance plus Capital Renewal expected to become Deferred Maintenance within a five year window

Note 2: Backlog figures as of October 2014

Note 3: Special Construction category is used for construction elements not typical (e.g. Capitol's Air Intake Tunnel, Capitol Police Kiosks, etc)

Note 4: Furnishings category are built-in items not regular furniture

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**CONSTRUCTION DIVISION WAREHOUSE**

**Question.** What is the Construction Division Warehouse in Alexandria, Va used for?

*Response.* The Construction Division (CD) warehouse is 36,150 usable square feet that supports a \$30-\$50 million annual program of in-house (self-performing) construction, repair and maintenance projects in support of AOC jurisdictions serving their Congressional and Supreme Court clients.

In 2011, the AOC reduced the amount of this leased space from 70,460 square feet to the current 36,150 square feet. The warehouse receives, stores, maintains and ships equipment in support of CD projects and operations. Because CD projects are typically many in number and varying in duration, they are not provided with significant construction lay-down areas across the Capitol campus.

In addition, because the Construction Division is designed to be flexible and start/restart projects on short notice. They also respond quickly to urgent requests and emergencies (broken pipes, falling plaster, etc.), therefore they need materials on hand to quickly respond to these events, and easy access to the supplies housed in the Alexandria warehouse allows CD to perform effectively and efficiently.

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**SCAFFOLDING**

**Question.** In fiscal year 2016, the Capitol Building appropriation has a request of \$60,000 to fund temporary scaffolding units for maintenance purposes. If this is an annual request, would it be more cost effective for the AOC to purchase these units?

*Response.* This request covers the cost of renting scaffolding in support of our Operations and Maintenance. In situations where a simple scaffold is required, the Capitol Building Labor Division has the materials and the expertise to provide the required scaffold. However, there are locations where a complex scaffold design is necessary to support our O&M work and must be accomplished by trained certified contractors. An example is replacement of lights above the escalators in the CVC which are inaccessible without a complex cantilevered scaffold spanning the escalator.

**CAPITOL DOME RESTORATION**

**Question.** For the record provide an update on the Capitol Dome project. Is it on time and within budget?

*Response.* The Dome Program is currently on budget and on schedule. The Dome Restoration Program consists of three distinct phases including the restoration of the Dome's exterior shell (Phase IIA), the interior (or interstitial) section of the Dome (Phase IIB), and the Rotunda's inner space and systems (Phase IIC). As a program (all phases), the project is on track for completion by late October 2016. Phase IIA is scheduled for completion by early 2016, Phase IIB by late 2015, and Phase IIC by late October 2016. Since the construction activities related to the 2017 Presidential Inaugural will commence in early September 2016, the Dome Restoration program will be nearly complete and will have no impact on the Inaugural site preparation activities.

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**CAPITOL POWER PLANT**

**Question.** The Capitol Power Plant is requesting funding for railroad track lease for a total cost of \$43,703 dollars. What are the terms of the lease?

*Response.* The lease is for 99 years and per our agreement, we can cancel the agreement by providing 30 days' advance written notice. The lease essentially pays for access to the railroad spur that services the plant from the main line. It compels the railroad to maintain a working switch and safe tracks to the unloading area. Should we cancel this lease, there is no guarantee that at a future date, should we require the service, the spur could be reactivated or the track restored. There could be alternatives that might be cheaper such as hauling trucks, but these options come with drawbacks such as trucking coal through the neighboring areas. The AOC can certainly look at and analyze alternatives to train deliveries but would recommend the status quo until after the cogeneration plant is operational.

**Question.** How many times a year have we used the railroad tracks?

*Response.* CPP requires infrequent deliveries, typically once or twice a year. The CPP received a delivery of 1,674 tons of coal in April of 2014.

**Question.** The Capitol Power Plant Fiscal Year 16 request for Roof Replacement, PPBG and PPGP project description states it will be conducted in a sequence of five phases. Clarify as to whether this is a phased project or segmented project?

*Response.* As the roof replacement begins, the removal of materials, cleaning and preparation, and replacement of materials will be completed in five segments in one phase only.

**Question.** What are the specifics pertaining to the Capitol Power Plant reimbursable rates? When were they last updated and what's included in the rate calculation? Are capital improvement costs part of the reimbursement?

*Response.* Capitol Power Plant provides steam and chilled water on a reimbursable basis to some of its clients. The AOC/PPP was given the authority by the FY 2012 Appropriations Bill to increase the reimbursement offsetting collections from FY 2011 from \$8M to \$9M in FY 2012 which this number currently stands. The overall reimbursement cost includes steam and chilled water for Folger Shakespeare Library, Postal Square, Government Printing Office, Union Station Complex, Thurgood Marshall (TJMF) Bldg., and Supreme Court. Capital improvements costs are included in the calculation. The rates are evaluated once a year and the last evaluation was completed in October 2014.

**Question.** Which two chillers at the Capitol Power Plant are at the end of their useful life?

*Response.* There are currently three 1978 chillers (Chillers 5, 5A and 6) at the end of their useful life which show signs of excessive wear (such increased failure of components such as chiller seals, condenser and evaporator tube and end-sheet leaks, compressor motor and vane assembly failures). Two of these chillers (5A and 6) will be replaced by this project. The chillers still operate but are unreliable and have failed to start when needed. The expected life of this type of chiller is typically 25 years, these chillers are over 35 years old. The Fiscal Year 2016 Budget

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Request included funding for the Refrigeration Plant Revitalization (RPR), Phase 3A which will remove Chiller 5 and remove and replace Chiller 6. Chiller 6A will remain in place pending a future project phase.

**Question.** How much energy will the chiller replacement save?

*Response.* The new chillers installed as part of the Refrigeration Plant Revitalization (RPR) program are approximately 50 percent more efficient than the existing 1970s chillers, however this does not directly translate to a 50 percent reduction of energy consumption due to the other auxillary plant equipment. We estimate an annual energy savings of 16,500 MW-hrs. for the overall RPR program. At the completion of this phase (FY 2016 funded), we estimate an annual energy savings of 4,125 MW-hrs.

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**ELECTRIC VEHICLE RECHARGING STATIONS**

**Question.** Provide the reports submitted to the Committee on Rules and Administration in October 2014 on the financial administration and cost recovery of the Senate and House Electric Vehicle Charging Station activities.

**Response.** See below picture of the letter submitted to the respective Committee.



Architect of the Capitol  
 U.S. Capitol, Room 5D-15  
 Washington, DC 20515  
 202.224.1793  
 www.aoc.gov

October 30, 2014

The Honorable Candice Miller  
 Chairman  
 Committee on House Administration  
 U.S. House of Representatives  
 Washington, DC 20515

Dear Madam Chairman:

Per Public Law 112-170, I am writing to report on the financial administration and cost recovery of the House Electric Vehicle Charging Station activities for Fiscal Year 2014.

The Architect of the Capitol's House Superintendent's Office monitors program participation and collects all fees. The Committee on House Administration approved a fee structure of \$27.00 per month.

In Fiscal Year 2014, the House Superintendent's Office collected a total of \$378 from representatives and covered employees. The fees collected were sufficient to cover Fiscal Year 2014 operating costs and the second year's portion of the capital construction costs. Per the statute, the fees were deposited with Treasury and posted to the Capitol Power Plant appropriations.

Should you have any questions or require additional information, please contact me at 202.228.1793.

Sincerely,

Stephen V. Ayers, FAIA, LEED AP  
 Architect of the Capitol

cc: The Honorable Robert A. Brady, Ranking Member, Committee on House Administration

Doc No. 141021-04-02

**Fiscal Year 2016 Budget - Questions for the Record - Architect of the Capitol**  
**Subcommittee on Legislative Branch**  
**Committee on Appropriations, U.S. House of Representatives**  
**February 26, 2015**



Architect of the Capitol  
U.S. Capitol, Room SB-15  
Washington, DC 20515  
202.228.1793  
www.aoc.gov

October 30, 2014

The Honorable Charles E. Schumer  
Chairman  
Committee on Rules and Administration  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

Per Public Law 112-167, I am writing to report on the financial administration and cost recovery of the Senate Electric Vehicle Charging Station activities for Fiscal Year 2014.

There are active charging stations in the Hart, Dirksen and Russell garages, as well as in Lot 17. The Architect of the Capitol's Senate Superintendent's Office monitors program participation and collects all fees. The Committee on Rules and Administration approved a fee structure of \$8.00 per day or \$27.00 per month.

In Fiscal Year 2014, the Senate Superintendent's Office collected a total of \$312 from senators and covered employees. The fees collected were sufficient to cover Fiscal Year 2014 operating costs and the second year's portion of the capital construction costs. Per the statute, the fees were deposited with Treasury and posted to the Capitol Power Plant appropriations.

Should you have any questions or require additional information, please contact me at 202.228.1793.

Sincerely,



Stephen T. Ayers, FAIA, LEED AP  
Architect of the Capitol

cc: The Honorable Pat Roberts, Ranking Member, Committee on Rules and Administration

Doe No. 141021-04-01

**Fiscal Year 2016 Budget - Questions for the Record - Architect of the Capitol  
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February 26, 2015**

**GEO-LOCATION TAGGING**

**Question.** Capitol Construction and Operations has requested an increase of \$150,000 for geo-location tagging of select facility management information and computer aided drawings (CAD). Provide additional descriptive details, what does it accomplish, and this be a reoccurring cost for the AOC?

*Response.* Geo-location tagging is the process of assigning position information (latitude and longitude) to facility assets in order for these assets to be used in Geographic Information System (GIS) tools and applications. This benefits AOC by providing a more complete data set of facility assets with known locations which will be used to develop work planning and visualization tools. The \$150,000 request will complete the geo-location tagging of exterior Capitol Hill assets.

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**O'NEILL BUILDING LEASE**

**Question.** What is the O'Neill Building lease and associated cost?

*Response.* Costs for FY 2016 are as follows:

\$ 13,061,020	<i>Tenant Lease Fees</i>
\$ 1,490,846	<i>Department of Homeland Security for security services</i>
<u>\$ 1,448,134</u>	<i>GSA for additional utility, security, and tenants modification</i>
<b>\$ 16,000,000</b>	<b><i>Total Funds Allocated</i></b>

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**LIBRARY BUILDINGS AND GROUNDS**

**Question.** What is the total construction cost for the Thomas Jefferson Building's Fall Protection system?

*Response.* Total construction cost is estimated to be \$3,584,260.

**Question.** Under Library Buildings and Grounds you are requesting \$3.3 million dollars for Emergency Lighting System upgrades. Your justification states that 70 to 75 percent of the John Adams Building has inadequate or non-existing emergency lightning. Non-existent is self-explanatory what areas have inadequate lightning? Has this been an issue brought to your attention or citation given from the Office of Compliance?

*Response.* Buildings have both normal and emergency lighting systems. Emergency lighting is required by life safety codes and is designed to remain on or automatically turn on when a building experiences a power outage. A study of the emergency lighting system in the John Adams Building revealed that the existing system does not meet current life safety codes and that approximately 70% - 75% of the building has inadequate or non-existent emergency lighting in areas including restrooms, hallways, exhibit spaces, cafeterias, electrical rooms, mechanical rooms, elevator machine rooms and pedestrian tunnels.

**Question.** You are requesting language that will give the Architect of the Capitol the authority to acquire a 7.34 acre parcel of land from the Maryland State Highway Administration at Fort Meade, Maryland that was not transferred to the Architect of the Capitol pursuant to P.L. 103-110. P.L. 103-110 authorized the Secretary of the Army to transfer, without reimbursement, to the Architect of the Capitol a portion of real property consisting of not more than 100 acres located at Fort George G. Meade, Maryland. Section 122 of P. L. 103-110 states: "the exact acreage and legal description of the property to be transferred under this section shall be determined by a survey satisfactory to the Architect of the Capitol and the Secretary of the Army." In 2002, the Architect of the Capitol completed construction of the first Library of Congress book module at Fort Meade. Since that date 3 additional modules have been constructed and funding has been provided for the construction of a fifth module. In addition to the book modules a water tank and parking facilities have also been constructed on the property. Why has it taken 22 years from the date that the Public Law was signed and after construction of numerous facilities has this acquisition become necessary? Why was this not part of the original acquisition? What went wrong? If the transfer was from the Department of the Army why are you not seeking acquisition from the Army instead of the Maryland State Highway Administration? Is the Highway Administration in agreement with this acquisition? If there is any kind of toxic cleanup that needs to be done on this property who will be responsible for the cost?

*Response.* See images on next two pages.

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**Subcommittee on Legislative Branch**  
**Committee on Appropriations, U.S. House of Representatives**  
**February 26, 2015**

**Request for Authority to Acquire  
Real Estate at Fort Meade**

March 4, 2015



**BACKGROUND**

Public Law 103-110, Section 122 (October 1993) provided for the transfer of up to 100 acres at Fort Meade from the Department of the Army (Army) to the Architect of the Capitol (AOC). In September 1994 a transfer agreement was signed that included the 7.34 acres of property designated as the Baltimore and Ohio Railroad right-of-way owned by Maryland State Highway Administration (MSHA). The railroad property slices horizontally through the entire site (see site plan). The Army was in the process of acquiring the MSHA land in order to transfer to the AOC. This would have made the property one contiguous area. With this transfer agreement in place and the Army's discussions with MSHA underway, the AOC began to develop the site with the Library of Congress' book storage Modules 1 through 4. The Modules were completed in 2009.

In September of 2011, the Army notified the AOC that due to internal policies they would not acquire the MSHA property as originally planned. Unfortunately, Public Law 103-110 does not currently permit the AOC to acquire the segmenting parcel directly from the State of Maryland. Unable to resolve the property transfer issue with the Army, the AOC initiated discussions with MSHA to develop alternative solutions in lieu of direct ownership. These negotiations led to right-of-entry (ROE) and agreements that will allow the AOC to build Modules 5 without direct ownership of the land.

Although the Army is responsible for clean-up activities only associated with the transferred property, they executed environmental investigations including the 7.34 acres of MSHA property. Out of approximately 60 samples, only three samples on MSHA property showed elevated levels of arsenic in the soil due to previous railroad activities. This limited contamination can be easily mitigated. The Environmental Protection Agency and the Maryland Department of the Environment were provided these sample results and no additional investigation or mitigation has been required to date.

**CONSTRUCTION**

The construction of the Library's Book Storage Module 5 at Fort Meade is designed up to the MSHA property line and includes several surface improvements and underground utility crossings through the railroad right-of-way. A ROE was received "for the purpose of constructing Book Storage Module 5 and certain other improvements". The soil within the construction zone of the railroad right-of-way will be removed and tested to confirm proper disposal to a general landfill. Based on the information currently available, the AOC believes the financial risk and environmental liability of future development at the Fort Meade site is negligible.

**FUTURE DEVELOPMENT AND CONSTRUCTION**

Continued development of the AOC property at Fort Meade will rely on the use of the railroad property. Without direct ownership of this real estate, each effort to develop the site will be impacted because of the requirement to negotiate access from MSHA. Ownership is clearly preferable than obtaining ROEs. Based on the information currently available, the AOC believes the financial risk and environmental liability of future development is negligible and can be easily mitigated with each new project. Since the AOC can only acquire this land from the Army and the Army is unable to obtain or transfer the MSHA property as originally planned, the AOC is now requesting in the FY 2016 budget request the authority to negotiate with MSHA to acquire the property directly. MSHA is supportive of the AOC acquisition of the property. This will result in the property being one contiguous area as originally intended.



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**CANNON HOUSE OFFICE BUILDING RENEWAL PROJECT**

**Question.** Will you briefly give us an overview of the entire Cannon Renewal project and explain the 5 phases of the project (0 to 4)?

*Response.* The Cannon Building is the oldest office building on the Capitol campus, dating to 1908. The building is plagued with serious safety, health, environmental, and operational issues that are rapidly worsening. Without action, the essential systems housed behind the walls and in mechanical rooms will continue to crumble and fail, impacting Members, staff, and constituents. To address these urgent problems and to ensure the Cannon Building provides an effective congressional workplace into the next century, AOC is undertaking a complete renewal of the building. Overall, the project improves the quality and ensure the reliability of key building systems such as heating, cooling, lighting, plumbing, fire and life-safety, accessibility, and structural integrity. The project also improves the functionality of the building for both Members and staff, making it far more efficient.

The Cannon Renewal is a 10-year project. A construction compound was installed in the parking lot to the south of the Cannon Building and will remain there for the 10-year duration of the project. Construction in the building started in January 2015, and this initial phase (Phase 0) focuses on upgrades to the building-wide utilities and infrastructure, primarily in the basement.

Beginning in 2017, the project will renew one entire wing of the Cannon Building every two years. The west wing is scheduled to be renewed first, followed by the north wing, east wing and concluding with the south wing. Construction fencing and access adjacent to each wing will begin a few months prior to work. The renewal is scheduled for completion by the end of 2024, with close-out through early 2025 (the building will be fully open during these close-out activities).

***Order of Renewal by Wing:***

Basement and Enabling Infrastructure:	January 2015 - December 2016
West Wing (New Jersey Ave and Rotunda):	January 2017 - November 2018
North Wing (Independence Ave):	January 2019 - November 2020
East Wing (First Street):	January 2021 - November 2022
South Wing (C Street):	January 2023 - November 2024

**Question.** The cost of the project in March 2013 based on completion of the Schematic Design was one contractor that produced a construction estimate for construction only of \$708 million dollars. This was \$208 million above the current construction estimate of \$500 million and would have brought the price of the Cannon renewal to over \$960 million.

- How were you able to reduce the cost?

*Response.* We were able to lower costs through both cost reconciliation and value engineering/analysis conducted by the Architect/Engineer, Construction Manager and Constructor team. Through cost reconciliation, the team compared two independent cost

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estimates and lowered costs by identifying assumptions in need of adjustment. Through value engineering/analysis, the team identified more efficient and economical ways to achieve same overall Renewal goals. Some examples of cost effective solutions include: routing new piping above ground rather than underground; re-use of existing materials and pathways rather than replacing with new; using stone rather than marble in some locations.

- Will this diminish the ultimate outcome you hope to achieve?

*Response.* No, the ultimate result is a renewed Cannon House Office building within budget. Process of cost reconciliation combined with value engineering and value analysis is effective to achieving overall project scope within budget.

**Question.** Given the fact that so many cost estimates had to be adjusted upward during the construction of the CVC which was new construction renewal of a 100-plus year old building with the potential for unknowns such as asbestos and lead paint seems the task at hand for the price estimate will be hard to achieve.

- What assurance does the Committee have that this current estimate of \$752 million is realistic?

*Response.* AOC implemented number of strategies to ensure \$752.7 million total project cost is achievable. These include comprehensive Program of Requirements identifying all aspects of project at the outset; early contractor involvement; and a design-to-budget to identify, and adjust as needed, cost-drivers early on. Additionally, as a part of design effort, the team conducted as many surveys as allowable during the design phase such as conduit, asbestos, stone, and on-site mock-ups to identify and quantify potential unforeseen site conditions as well as off-site mock-ups to mitigate constructability issues. The contractor estimates during design effort provide the most accurate cost data based their experience and on industry standards. The construction target is approximately 67% of the project budget. There is approximately 10% in project contingency to address any future unknowns encountered during construction, which is typical for similar-type contracts. AOC requires the contractor to present a Guaranteed Maximum Price (GMP) for Phases 1-4 to reflect a construction budget cap. In addition, AOC conducted two independent risk analyses (cost and cost-schedule) based on GAO cost estimating guidelines resulting in an appropriate confidence level for project delivery within budget. Prior to award of Phase 1, another cost-schedule risk analysis is planned.

- If you determine that a significant cost overrun is getting close what further action if any could be a possibility for a scope change rather than requesting additional funding?

*Response.* We are incorporating “add” and “deduct” line items in the contract award schedule at the time of each construction phase award. These lines items enable AOC to make renewal scope adjustments to best align with the established budget.

- I assume that a complete renewal is your Plan A. Do you have a “Plan B”? Have you considered a Plan B?

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*Response.* The oldest office building on Capitol Hill, the Cannon House Office Building has deteriorated to the point where normal maintenance is not sufficient to remedy its many failing systems within an occupied building. Full-building renovation was studied extensively, with a strategy of a whole building renewal requiring phased occupant relocation from each wing, and was determined to be the most cost-effective and safest strategy to correct multiple building systems' deficiencies with minimum disruption to Congressional operations. The contract consists of 5 phases. Once awarded, each phase must be completed in its entirety to fulfill contractual requirements of a complete and usable facility. Any lag in funding between the phases results in requirement for significant additional funding due to future escalation and additional contractor preconstruction management. Project execution is within current budget and contingent upon adherence to current timelines. Any deviation to the current plan requires adjustments to the scope of renewal work in order to respect funding constraints.

**Question.** You began in January of this year what is called Phase Zero of the project that has a current cost estimate of \$133.7 million and is projected to be completed by December 2016.

- If no further funding could be provided for this project would the Phase Zero expenditure be a total loss and what would we salvage?

*Response.* Phase 0 is an enabling phase to provide new utility backbone for the four sides to tie into as well as new structural roof in the center courtyard. However, there is value in permanent improvements to the Cannon Building independent of execution of subsequent phases. These improvements include: new major building wide electrical equipment as well as expand emergency power via a dedicated generator currently shared by Longworth building; new central utility loop for better distribution, efficiency and reliability into existing building; new isolation valves for chilled water and steam systems provided by Capitol Power Plant; new main IT closet and equipment to handle expansion of components; and a restored southwest terrace entrance. Full systems improvement extending into occupant suites, conference and main circulation areas are realized upon completion of each wing. If only Phase 0 is completed, occupants may continue to experience failures related original systems slated for replacement in subsequent phases.

**Question.** At the end of this year you will request an additional \$20 million in obligational authority to complete Phase Zero of the project.

- Is it at this point that we will have committed ourselves to completing the entire project, or will that be before the beginning of Phase 1?

*Response.* We will not be fully committing to entire project when \$20M is requested. About 75% of the \$20M is required for the second year of Phase 0 to fund AOC management, USCP Officers and construction contingency. The remaining 25% supports swing space and fixtures, furniture and equipment requirements for space and equipment moves prior to Phase 1 construction.

At the completion of each phase, the building will be operational without execution of subsequent phases. However, goals of the renewal is only achieved upon completion of all phases.

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- What is the exact point at which we reach the point of no return?

*Response.* Once each phase is awarded, stopping work in the middle of a phase results in an incomplete product, with the possibility of inoperable systems. If a phase were stopped in the middle, the government would also be required to pay for contract termination and associated fees. If project stops after any given phase, the building is still usable with a portion of value gained. The full benefit of work performed in any given phase is not realized until project is complete in its entirety.

The execution of each phase requires Congressional approval (funds appropriation and authorization). Contract award for each phase is planned for the Fiscal Year (FY) prior to start of construction of that phase.

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**CAPITOL POWER PLANT – COGENERATION**

**Question.** Please explain the Cogeneration Program. Is it still your professional opinion that Cogeneration is the most cost effective method of improving the aging infrastructure at the plant?

*Response.* Cogeneration is the most cost effective, energy efficient and environmentally-friendly solution to provide for the utility needs of the Capitol campus. Our strategy to execute this project through a Utility Energy Service Contract (UESC), allows us to request less appropriated dollars and allow other critical infrastructure issues to be addressed through direct appropriations.

The Capitol Power Plant is critical to the reliable operations of the Capitol campus. The infrastructure equipment is aging and needs to be replaced. Specifically, two of the oldest boilers have deteriorated and need to be replaced as soon as possible. The old boilers can either be replaced in kind (with another boiler) or can be replaced with a cogeneration system. While both a boiler and a cogeneration system could produce the same amount of steam, a cogeneration system also produces electricity as a by-product, offering a more comprehensive resilient and environmentally-sound solution to modernizing the plant.

We performed an extensive comparative analysis between a boiler and a cogeneration system and have determined that cogeneration is the preferred option for a variety of reasons.

Cogeneration is a superior investment. Over a 25-year forecast, we have calculated a net savings of \$21M if directly appropriated. That return on investment is so compelling that if financed through a third party UESC, we have shown our net savings to be between \$7M and \$8M. The ability to use third party financing for this effort allows us to modernize the plant while freeing up valuable appropriated dollars for other critical needs.

Cogeneration is more energy efficient than a boiler. This technology is inherently more energy efficient than producing steam and electricity separately. The overall energy efficiency of cogeneration is typically 75% efficient but the overall energy efficiency of producing steam and purchasing electricity is between 45% and 50% efficient.

Cogeneration lowers the impact on the environment. By burning less fuel than the boiler option of producing steam and purchasing electricity, our cogeneration project reduces emissions of hazardous air pollutants by 18% and has a lower carbon foot print, equivalent to taking over 3,100 cars off the road.

Cogeneration provides increased energy reliability and security for Congress. This 7.5MW system allows the plant to continuously produce enough electricity to fully power the steam plant

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and about 20% of the refrigeration plant which, along with emergency generators, better supports the Capitol campus in the event of a power failure.

Cogeneration is a proven technology. The General Services Administration, the National Institutes of Health, the University of Maryland, and both Johns Hopkins University and Hospital, among others, have installed cogeneration systems. Locally, both George Washington University and DC Water are currently installing cogeneration systems. Cogeneration is considered a best practice and supported by the Department of Energy and the Environmental Protection Administration for use in district energy systems (a central utility plant providing utility services to multiple buildings).

Based on this analysis, as supported by a panel of national experts and validated by the National Renewable Energy Laboratory, in our professional opinion, cogeneration is the most cost effective, energy efficient and environmentally-friendly solution to modernize the plant.

**Question.** Can you explain the \$200,000 in U.S. Capitol Police overtime costs associated with cogeneration management?

*Response.* The project includes the delivery and installation of large equipment, some of which will not arrive to the site by way of standard entry and exit gates. When alternate delivery locations are used, security requirements dictate the entry gates be manned by USCP personnel. The overtime costs are planned to cover security for these instances during construction when alternate gates at CPP are in use.

**Question.** Please explain what a Utility Energy Services Contract is and how it works?

*Response.* The Department of Energy provides the following definition:

“Utility energy service contracts (UESCs) offer federal agencies an effective means to implement energy-efficiency, renewable-energy, and water-efficiency projects. Under 42 U.S.C. 8256, federal agencies are authorized and encouraged to participate in energy-efficiency, water-conservation, and electricity-demand programs offered by gas, water, or electric utilities. In a UESC, the utility will provide the analysis, design, and installation and when necessary, arrange financing. Agencies may implement a UESC with no initial capital investment or may use appropriated funds strategically to maximize the impact of their projects.”

“Section 432 of 42 U.S.C. 8253 authorizes agencies to combine appropriations and financing. When a project is financed, the financed amount is repaid over the contract term from cost savings generated by the project.”

**Question.** We understand that after 22 years as of 2039 cogeneration is expected to save approximately \$4 million-plus annually in utility costs that would reduce your budget request because we will have finally paid for the construction cost. These seem like a rather significant amount of time 22 years before we begin to achieve utility cost savings that reduces your request.

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- Is this still the current estimate of time before achieving budget savings or has that changed?  
*Response.* It is important to note that the utility savings and other project related benefits begin immediately upon completion of the construction. The financial savings are used to pay back the loan. While we still anticipate approximately \$4 million annually in savings, our current projection is a 21-year payback term.

- What is the useful life of the cogeneration equipment?  
*Response.* In conducting life cycle cost analyses, the useful life of a boiler, a cogeneration system, or any major plant equipment, is estimated at 25 years, an industry standard. The operational life of this type of major equipment is significantly extended with proper maintenance. In conducting life cycle cost analyses, the useful life of a boiler or a cogeneration unit is estimated to be approximately 25 years.

**Question.** If you are using 25 years as the standard useful life of the COGEN equipment shortly after we begin to achieve savings we could be faced with once again the possibility of replacing this equipment. Will this be an ongoing never ending program?

*Response.* All facility management programs require ongoing maintenance, periodic repair and renewal, and modernization. Although 25 years is used for conducting life cycle cost analyses, with periodic service and proper maintenance, the operational life of this type of equipment is significantly extended.

**Question.** The Committee understands that the current coal boilers are 60 plus years old. If we get 60 years of workable life out of a coal boiler how is cogeneration the most cost effective way to proceed?

*Response.* The useful life of a boiler, a cogeneration system, or any major plant equipment is often expressed as 25 years. The two CPP coal/gas boilers are nearly 60 years old and their operational life has been extended due to periodic service and proper maintenance. However, they now show signs of extreme wear and are prone to failure. Although they still operate, they are unreliable and suffer frequent break downs requiring emergency repairs. When completing our life cycle cost analysis for a new boiler or a cogeneration system, the industry standard of 25 years was used for both and our business case shows cogeneration to be the most cost effective.

**Question.** Can it be expected that you will get or could get 60 years of useful life out of the cogeneration equipment?

*Response.* Although 25 years is used for conducting life cycle cost analyses, with periodic service and proper maintenance, the operational life of this type of equipment is significantly extended.

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**CAPITOL POWER PLANT – CHILLER REPLACEMENT**

**Question.** For the record provide us with an overview of the entire RPR project.

*Response.* The overall purpose and goal of the Refrigeration Plant Revitalization (RPR) program is to rehabilitate the CPP refrigeration plant to meet the current and future chilled water demands of the Capitol campus. This includes replacing aging chillers, repairing aging cooling towers, repairing the aging concrete structure and building new cooling towers. In turn, this will increase plant reliability as well as increase energy efficiency since the new chiller will use approximately 50 percent less energy as compared to one of the obsolete chillers. One obsolete 1978 chiller uses as much electricity as the U.S. Capitol and CVC combined.

The RPR program, as currently phased, is as follows:

**Work complete**

RPR Phase 1 included the addition of two “half-size” chillers. Work is complete.

**Work on-going**

RPR Phase 2A includes the demolition of one 1978 chiller and the addition of two “full-size” chillers. It also includes the removal and addition of some system pumps.

RPR Phase 2B includes the addition of three cooling towers on the roof of the West Refrigeration Plant Extension (WRPE).

RPR Phase 3S repairs the existing West Refrigeration Plant concrete structure and the flashing and waterproofing near the older cooling towers..

**Work requested in FY 2016**

RPR Phase 3A, includes the demolition of two older chillers, the addition of one “full-size chiller”, the addition of a chiller variable frequency drive (VFD) and the demolition of some system pumps. It also includes some repairs to extend the useful life of two of the four older cooling towers.

**Future requests**

RPR Phases 3B & 3C replaces substantial portions of the older piping and some system pumps. Installs new VFDs, two new 5 MVA transformers, new portions of 15kV switchgear, and three new 5kV switchgears.

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RPR Phase 3D removes the last old chiller, installs the last new chiller (currently under evaluation to verify need). Renovates the last two cooling towers of the older portion of the plant. Installs a new transformer and new 5kV switchgear.

Phase 3E replaces the last portion of the 15kV and 5kV switchgear lineup and 480V switchgear lineup. Relocates chiller VFDs to their permanent locations. Relocates temporary electrical service to CH-2's permanent feed. Replaces mechanical and electrical aspects of older cooling towers. Installs the last system pumps and replaces cooling tower mechanical parts. The phase also includes the transfer of all 480V services to the new substation.

**Question.** Based on your estimates, including this year's request, we still need to provide another \$106 million to complete this project.

*Response.* Phases 3C through 3F are currently being re-designed which may result in higher costs as a result of construction escalation, extended services and the cost of temporary equipment to be constructed and then later removed. FY2017 – FY2021 anticipated funding is based on a Program of Requirements completed in 2010. Costs are currently being updated.

- Is there any way that this year's request could be decreased with the work being performed over two years rather than one?

*Response.* We believe the RPR program has been successfully phased to balance the utility infrastructure requirements of the Capitol campus within the budget restraints of the current fiscal environment. We will work with the Committee to further evaluate project phasing to potentially decrease this year's request.

- If any, how does cogeneration figure within this program?

*Response.* The RPR program operates independently from the cogeneration project and is designed to use electricity from the local utility provider. However, when cogeneration is constructed, it will be interconnected with the RPR equipment.

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**CAPITOL DOME RESTORATION**

**Question.** Mr. Ayers, last year we provided \$21.2 million for the final phase of a program to restore the Capitol Dome, which has not undergone any major repairs in over 50 years. This has been a multi-year funded project that upon completion is estimated to cost in excess of \$106 million. Would you briefly explain the entire project and give us a progress update?

*Response.* The Dome Program is currently on budget and on schedule. The Dome Restoration Program consists of three distinct phases including the restoration of the Dome's exterior shell (Phase IIA), the interior (or interstitial) section of the Dome (Phase IIB), and the Rotunda's inner space and systems (Phase IIC). As a program (all phases), the project is on track for completion by late October 2016. Phase IIA is scheduled for completion by early 2016, Phase IIB by late 2015, and Phase IIC by late October 2016. Since the construction activities related to the 2017 Presidential Inaugural will commence in early September 2016, the Dome Restoration program will be nearly complete and will have no impact on the Inaugural site preparation activities.

**Question.** Have you encountered any major problems that have caused the project timeline to slip that will preclude completion prior to the next inaugural or an adjustment to the budget estimate?

*Response.* We have not encountered any major problems that have caused the project timeline to slip that will preclude completion prior to the next inaugural or an adjustment to the budget estimate

While there are risks associated with the exterior shell's restoration portion of the Dome Program (Phase IIA) due to the fact that the cast-iron corrosion and cracks are more prevalent on the exterior shell than within the Interstitial space (Phase IIB) and Rotunda's interior (Phase IIC), we have taken steps to mitigate potential delays.

For example, in addition to night hours, we are performing work during the daytime for non-noise and non-odor producing activities. And, we've added in-house labor to assist with the asbestos sealant removal.

In addition, the contractor is re-sequencing within their schedule due to revised engineering calculations for the scaffold – For example, originally the large containments could be built 360 degrees around the scaffold at only one horizontal enclosure at any given time (the horizontal containment covers multiple levels of scaffold...i.e. the current enclosure is scaffold level 1-8). The construction of containments at levels above (i.e. scaffold levels 9-13 for the next one), could not be constructed until after blasting was completed, and the containment was removed at the lower level. With the revised sequencing, the Contractor can blast in lower containments while simultaneously erecting the next containment above. Smaller containments can also now be combined due to the revised engineering in the design that will allow this to take place.

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We are also performing some cast iron repairs (lock-n-stitch, ornament removal) out of sequence by performing this work before blasting has been performed. The lead paint is removed using power tools (Bristle blasters) around cracks for lock-n-stitch to be performed. Finally, the cast iron work originally was not scheduled to commence until after a containment was blasted of lead paint and cleaned. Currently, the cast iron workers have received training and PPE that allows them to enter the lead containments during the day while lead blasting is performed at night

With regard to the project budget, Phase IIB (Interstitial space) and Phase IIC (Rotunda space) are in the initial stages of the construction activities and the contingency for these phases remains intact with no indications at this point of potential change order that will necessitate the use of these funds. Regarding the ongoing Phase IIA, the discovery of asbestos containing sealants at the various joints, and other minor issues have necessitated the issuance of contractual change orders. However, we believe the available contingency remains sufficient.

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**RAYBURN BUILDING GARAGE REHABILITATION**

Mr. Ayers, you are requesting \$13.2 million that, added to the \$17.8 million provided in fiscal year 2015, will be used as a down payment on an estimated \$130.3 million, which by the way is up \$2.1 million over last year's estimate, for a project to be accomplished in four phases to rehabilitate the Rayburn Building Garage parking areas.

The Committee understands that significant slab deterioration has and is occurring. As part of this project you are proposing architectural modifications for life safety, accessibility, lighting, electrical, mechanical, plumbing, fire protection, and physical security.

Briefly explain this project and how each of the elements I just mentioned are part of the project. *Response.* The purpose of the Rayburn Garage Rehabilitation project is to enhance safe use of the parking structure, prolong the life of the facility, maintain garage function, reduce the required extent of deferred and corrective periodic maintenance, improve accessibility, and provide modifications that comply with current building code and life-safety requirements to the maximum extent possible.

The work includes the following:

**ARCHITECTURAL/LIFE-SAFETY/ACCESSIBILITY**

- Repair deteriorated and failed internal and exterior waterproofing.
- Upgrade ADA egress route for full code compliance.
- Update garage and wayfinding signage.
- Repair garage finishes, concrete, concrete masonry unit and plaster wall, ceiling surfaces, floor strips, floor directional arrows, traffic toppings and garage color designation systems (garage levels, life-safety, communications, security, equipment controls).
- Update parking layout including additional handicapped parking spaces and accessibility, parking striping and numbering.
- Restore aluminum garage doors to maintain historic significance.

**STRUCTURAL**

- Remove and replace deteriorated garage concrete slabs.
- Remove and replace garage expansion joints.
- Remove and replace garage structural features including deteriorated curbs, ramps, and masonry walls.
- Repair structural beams and columns.

**FIRE PROTECTION**

- Provide new sprinkler system to replace the original system that is at the end of its useful life.
- Provide new fire alarm system including additional strobe devices for the hearing and sight impaired with improved coverage.

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**MECHANICAL**

- Remove and replace aging deteriorated mechanical ventilation systems with energy efficient systems.
- Install new carbon monoxide monitoring and alarm systems.
- Upgrade mechanical ductwork supply systems.
- Install new and energy efficient mechanical control system.

**ELECTRICAL/LIGHTING/PLUMBING**

- Install new energy efficient lighting system and controls.
- Replace aging electrical panels, transformer and electrical conduits.
- Update building communication and security systems.
- Control and monitor garage lighting system into building automation system.
- Remove and replace deteriorated domestic water piping system.
- Upgrade garage drainage system.
- Replace aging deteriorated sump pumps, waste receptor, and floor drains.

**Question.** If we provide the additional requested funding, when would you expect to award a contract and begin construction?

*Response.* Award for Phase 1 is anticipated for fall 2016, approximately 6-9 months after funding is received. After award, approximately 3 months of contractor mobilization, logistics, submittals, and relocation of existing occupied areas within the garage footprint would be required prior to construction. Construction is anticipated for winter 2017 (to coincide with completion of Cannon Renewal Phase 0 and the start of the 115<sup>th</sup> Congress).

**Question.** What will be the impact on Members and staff that utilize parking in the Rayburn garage?

*Response.* The Rayburn Garage Rehabilitation project will be executed in four phases. Members and staff displaced by the Rayburn Garage Interior Rehabilitation phases will be relocated to other parking lots and garages across the House campus.

**Question.** Considering we lost over 120 parking spaces as part of the Cannon Office Renewal Project, can the campus take another parking space reduction resulting from this project?

*Response.* Work on the Rayburn garage would **not** occur while the Cannon Garage is closed. Work in the Rayburn Garage would begin when only minimal parking losses are anticipated for the Cannon Garage. The Rayburn Garage Rehabilitation project work would begin after the completion of Phase 0 of the Cannon Renewal. The total parking impact across the House campus during the Rayburn Garage Interior Rehabilitation and the Cannon Renewal is close to the total parking displacement which occurred during the East House Underground Garage Rehabilitation project. Members and staff displaced by the Rayburn Garage Interior Rehabilitation phases will be relocated to other parking lots and garages across the House campus.

QUESTIONS FOR THE RECORD SUBMITTED BY  
**Ranking Member Debbie Wasserman Schultz**  
Stephen Ayers, Architect of the Capitol  
FY2016 Budget of the Architect of the Capitol

**Move to O'Neill Building**

**Question:** As part of the Cannon Restoration, many offices moved to either the O'Neill Building or Ford Building. The O'Neill building is owned by GSA and not the Architect. Please describe the working relationship with GSA and any issues, if any, that have been experienced at the O'Neill Building. How has GSA operated as the landlord?

**Answer:** The AOC officially entered into the lease agreement with GSA for the O'Neill Building in March of 2014. To assist in the transition of staff from the House Office Buildings to a GSA owned and operated facility, the House Superintendent, the Chief Administrative Officer (CAO), and the House Sergeant at Arms (HSAA) established a Joint Service Center on the 5<sup>th</sup> floor of the O'Neill Building. This office acts as the liaison between GSA, GSA's on-site maintenance contractor, Federal Protective Services, and the Congressional committee and support staff that have moved into the building.

As with any new building, small inconveniences were experienced during the first few months of moves. In general, these issues are attributable to differences in the services and timing of services that the AOC provides, compared to the services and timing of services that GSA provides.

One example is cleaning services. GSA offers day cleaning while the AOC offers night cleaning. GSA cleans restrooms and public spaces less frequently than they are cleaned by the AOC in the House Office Buildings. Additionally, staff has had to adjust to Leadership in Energy and Environmental Design (LEED) features of the building. Items such as automated window shades, optimal building temperatures with no fans or space heaters, and lights cycling off upon lack of motion have not always been well received. Temperature comfort is a priority for the AOC and we continue to work with GSA to provide appropriate temperatures within the occupied suites.

The relationship between GSA and the Joint Service Center is good. Since moving into the building, both GSA and their on-site maintenance contractor have replaced their management teams. When congressional staff issues are brought to the attention of the Joint Service Center, GSA and their on-site maintenance contractor are engaged and respond in a timely manner. In general, corrective work, procurement, etc. appears slightly slower than what the AOC provides in the House Office Buildings, but emergency repairs are handled quickly.

Security is provided by a contractor through Federal Protective Services (FPS). Congressional staff remain uncomfortable with the differences between FPS and the United States Capitol Police (USCP) related to security screening procedures. With only one entrance to the building, screening can be slow, cumbersome, and occasionally intrusive. The HSAA actively works with

FPS and chairs a monthly meeting to discuss site-specific security concerns with all parties including the U.S. Department of Health and Human Services. As House Committees continue to move into the O’Neill Building, the logistics of one entrance will need to be reviewed.

#### **Fairchild Building**

**Question:** The Architect leases the Fairchild Building for use by the Capitol Police from a private owner. The lease cost in FY 2016 is in the budget for \$5.4 million. The lease was executed in 2004.

- How much has been spent on the lease in total, including any improvements made to the building?

**ANSWER:** The total amount expended on the Fairchild Building from 2004-2014 is approximately \$70,382,972.51 and is broken out as follows:

- Rent (including property taxes): \$49,324,804.69
  - Cleaning and O&M: \$2,883,289.03
  - Improvements: \$18,174,878.79
- What is the long term plan for that building? Is there a long term plan on how to house the Police at the headquarters or a less expensive option?

**ANSWER:** The Fairchild Building was initially leased to accommodate USCP personnel growth across the campus. The initial lease was for 10 years, with two options for an additional five years each, thus providing adequate housing for the USCP for a total of 20 years, from 2004-2024. Generally, a leased facility is not the most cost effective way to meet enduring space needs of an organization. Accordingly, the Capitol Complex Master Plan provides for construction of a new Headquarters on Lot 724, which is a parking lot just north of the Dirksen Senate Office Building near the existing headquarters. Another option would be to purchase and modernize the Fairchild Building. However, either of these two options would require significant one-time outlays that would be difficult to support in the current fiscal environment. To provide continued flexibility until a permanent solution is identified for the USCP, AOC has recently renegotiated the Fairchild Building lease to provide additional extension options through 2034, for which we have recently requested the Committee’s approval. Finally, we continue to look for other options that can meet the long-term requirements of the USCP.

REP. SAM FARR  
FEBRUARY 26, 2015  
BUDGET HEARING – CAO, CLERK OF THE HOUSE, SAA, GAO AND CAPITOL POLICE

QUESTIONS FOR THE RECORD

Architect of the Capitol

**What will it cost to acquire the 7.34 acre parcel at Ft. Meade from the Maryland State Highway Administration? What is the estimated cleanup cost of this parcel?**

*Response:* Since the AOC can only acquire land from the Department of the Army (Army) at Fort Meade per Public Law 103-110, Section 122 (October 1993), and the Army is unable to obtain or transfer the Maryland State Highway Administration (MSHA) property as originally planned, the AOC is requesting authority to negotiate with MSHA to acquire the property directly. MSHA is supportive of the AOC acquisition of the property. This will result one contiguous AOC property at Fort Meade as originally intended. We will be very cognizant of any potential cost to taxpayers and negotiate favorable terms for the Congress. Based on the information currently available, the AOC believes the financial risk and environmental liability of future development at Fort Meade is negligible and can be easily mitigated. As an example, of the 7.34 acres of MSHA land requested for acquisition, the Library's Module 5 project will only impact 120 feet of the railroad bed which is less than 1% of the entire acreage. We estimate that the mitigation costs for this area will be less than 1% of the total amount programmed for Module 5.

**I understand that the FY1994 emergency supplemental appropriations bill (PL 103-75) provided \$3 million to your office to “maintain and convert” the property and facilities at Ft. Meade for purposes of the Library of Congress. Were these funds specific to the 7.34 acres or the larger 100-acre parcel that was to be transferred to the AOC? Did your office ever get those funds and how they were spent?**

*Response:* Public Law 103-75 was an emergency supplemental appropriation. This funding bill did not appropriate any funds directly to the AOC. The Army Corps of Engineers may have transferred some of these funds to the Library of Congress at a later date, and some of those funds may have been subsequently transferred to the AOC. However, our records from that time are limited and we could not find anything conclusive.

THURSDAY, FEBRUARY 26, 2015.

**LIBRARY OF CONGRESS**

**WITNESSES**

**HON. JAMES H. BILLINGTON, THE LIBRARIAN OF THE CONGRESS**

**DAVID MAO, THE DEPUTY LIBRARIAN OF CONGRESS**

**ROBERT NEWLEN, CHIEF OF STAFF**

**MARIA PALLANTE, REGISTER OF COPYRIGHTS**

**MARY MAZANEC, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE**

**MARK SWEENEY, ASSOCIATE LIBRARIAN FOR LIBRARY SERVICES**

**OPENING STATEMENT OF CHAIRMAN GRAVES**

Mr. GRAVES. Okay. We will bring the meeting to order and we have Dr. James Billington the Librarian of Congress with us.

Thank you very much for joining us.

He is requesting a budget of \$624.5 million.

Dr. Billington, as I have said to the agencies that have already appeared before us, increases, considering the current economic climate, will be difficult, if not impossible, to achieve. However, understand that this subcommittee and our members will work very hard with you and your budget office as we move forward on the appropriations process. And we are very grateful for what you do to house so much of our history as a country but also world history and so much literature.

And, at this point, I would love to recognize Ranking Member Wasserman Schultz, if she has any comments she would like to make.

**OPENING STATEMENT OF MS. WASSERMAN SCHULTZ**

Ms. WASSERMAN SCHULTZ. Thank you, Mr. Chairman.

And, Dr. Billington, welcome back to the subcommittee.

And to your team, welcome.

Welcome to them particularly because they are a new team. I was happy to meet with all of you in my office the other day.

The Library of Congress, which is the longest serving cultural institution in our country, I have always considered—and I know most Members consider—the crown jewel of our entire complex as an institution but also the crown jewel of this leg branch appropriations bill. From the rare book collection to the world-renowned lecture series, it is a reminder of the great responsibility that we have on this subcommittee.

The Library's important role in acquiring and preserving collections is one that is well-known, and this budget reflects those important priorities.

One area that is different, though, from basic library functions is its role in operating the country's Copyright Office. Last year

began what I hope will be a multiyear effort and investment to ensure that we are fostering an environment within the Library to improve and grow the copyright system. Making the Copyright Office more efficient and reflective of the changing times must be a priority for this subcommittee. The Judiciary Committee has undertaken an extensive and complex review of our copyrights laws and, in fact, is holding hearings on this topic as we speak. Part of that discussion has addressed bringing the Copyright Office into the future.

Now, Mr. Chairman, I would ask for unanimous consent to enter a Copyright Alliance article into the record.

Mr. GRAVES. Sure.

[The information follows:]

**The Next Great Copyright Act,  
or a New Great Copyright Agency?  
Responding to Register Maria Pallante's Manges Lecture**

Sandra M. Aistars\*

In March 2013, U.S. Register of Copyrights Maria Pallante gave the Horace S. Manges Lecture at Columbia Law School. Settling in to her role as Register, she compared some of the issues of the day to issues that had faced previous Registers, and urged Congress, the copyright bar, the creative community and the public at large to consider beginning work on “The Next Great Copyright Act.”<sup>1</sup>

Now, after more than a year of comprehensive review hearings before the House Judiciary Committee’s Subcommittee on Courts, Intellectual Property and the Internet,<sup>2</sup> and simultaneous inquiries into various copyright topics by the U.S. Patent and Trademark Office (USPTO)<sup>3</sup> and by the Copyright Office itself,<sup>4</sup> it is possible to explore whether a “Next Great Copyright Act” is the best approach to

\* Chief Executive Officer, Copyright Alliance. The Copyright Alliance is a non-profit, public interest organization representing the interests of professional creative workers across a variety of artistic disciplines. I am grateful for the open discussions with members of the Copyright Alliance about various topics related to this Article, but the views expressed in the Article are my own and not attributable to the Copyright Alliance or any of its members. I thank Terrence Hart, Sofia Castillo and Leo Lichtman for their generous research and editing assistance.

<sup>1</sup> See Maria Pallante, *The Next Great Copyright Act*, 36 COLUM. J.L. & ARTS 315 (2013) [hereinafter *The Next Great Copyright Act*] (extended version of Pallante’s Manges Lecture).

<sup>2</sup> For a regularly updated list of relevant congressional hearings, see *Congressional Hearings on the Review of the Copyright Law*, U.S. COPYRIGHT OFFICE, <http://perma.cc/CK5D-MVJR> (last visited Feb. 18, 2015).

<sup>3</sup> INTERNET POLICY TASK FORCE, DEP’T OF COMMERCE, COPYRIGHT POLICY, CREATIVITY, AND INNOVATION IN THE DIGITAL ECONOMY (2013) [hereinafter INTERNET POLICY TASK FORCE GREEN PAPER], available at <https://perma.cc/5XPS-FSJJ?type=pdf>; see also U.S. PATENT & TRADEMARK OFFICE, DEP’T OF COMMERCE ROUNDTABLE DISCUSSIONS ON REMIXES, STATUTORY DAMAGES AND DIGITAL FIRST SALE DOCTRINE [NO. 1] (2014), available at <https://perma.cc/VH5E-2QRB?type=pdf> (transcript of the first roundtable discussion in Nashville, TN on May 21, 2014); U.S. PATENT & TRADEMARK OFFICE, DEP’T OF COMMERCE ROUNDTABLE DISCUSSIONS ON REMIXES, STATUTORY DAMAGES AND DIGITAL FIRST SALE DOCTRINE [NO. 2] (2014), available at <https://perma.cc/BA6J-2XME?type=pdf> (transcript of the second roundtable discussion in Cambridge, MA on June 25, 2014); U.S. PATENT & TRADEMARK OFFICE, DEP’T OF COMMERCE ROUNDTABLE DISCUSSIONS ON REMIXES, STATUTORY DAMAGES AND DIGITAL FIRST SALE DOCTRINE [NO. 3] (2014), available at <https://perma.cc/ECB2-VU7R?type=pdf> (transcript of the third roundtable discussion in Los Angeles, CA on July 29, 2014); U.S. PATENT & TRADEMARK OFFICE, DEP’T OF COMMERCE ROUNDTABLE DISCUSSIONS ON REMIXES, STATUTORY DAMAGES AND DIGITAL FIRST SALE DOCTRINE [NO. 4] (2014), available at <https://perma.cc/9PSQ-G89U?type=pdf> (transcript of the fourth and final roundtable discussion in Berkeley, CA on July 30, 2014).

<sup>4</sup> Music Licensing Study: Notice and Request for Public Comment, 78 Fed. Reg. 14,739 (Mar. 17, 2014); Study on the Right of Making Available, Comments and Public Roundtable, 79 Fed. Reg. 10,571 (Feb. 25, 2014); Orphan Works and Mass Digitization: Request for Additional Comments and Announcement of Public Roundtable, 79 Fed. Reg. 7,706 (Feb. 10, 2014).

address the challenges facing authors and their audiences, or whether other bold approaches, such as a restructuring of the Copyright Office, might better serve the public interest.

As an advocate for artists and authors, I believe that the Copyright Act must first and foremost serve the public interest, which, as Register Pallante aptly noted in her remarks, is inextricably linked with promoting the well-being of authors and artists.<sup>5</sup> Put simply, if the public believes that art matters, then its authors matter. Consequently, a Copyright Act that encourages and empowers artists and authors in the creation and dissemination of works of authorship to the public best serves the public interest. These principles have been at the heart of copyright law in the United States since the beginning. Because copyright law is now more than ever also intertwined with the advancement of new technologies, we also cannot ignore the need to ensure a Copyright Act that is as “future proof” as possible. This suggests that a nimble approach to addressing the issues of the day is needed.

Like any law, the laws applicable to creative works must be understandable and respected by those whose activities they govern—authors, distributors and users of copyrighted works, as well as by the general public. In order for creators’ rights to be respected, and in order for authors to benefit from the commercial value generated by their works, the public must understand and respect the law. Comprehensibility is becoming more and more problematic. Register Pallante is not the only one to note that “the copyright law has become progressively unreadable during the very time it has become increasingly pervasive.”<sup>6</sup> Others have more colorfully referred to the copyright laws as “an obese Frankensteinian monster”<sup>7</sup> and “a swollen, barnacle-encrusted collection of incomprehensible prose.”<sup>8</sup>

Perhaps it is time to examine the underlying reasons why this is so. Today, no agency exists with comprehensive and independent rulemaking authority in the area of copyright law. The Copyright Office is a department within the Library of Congress, and the Register of Copyrights, as head of that department, is limited to establishing regulations for the administration of functions and duties of her office, subject to the approval of the Librarian of Congress.<sup>9</sup> In certain limited cases, such as the triennial rulemaking proceeding relating to exemptions from certain provisions of the Digital Millennium Copyright Act (DMCA), the Register is empowered to conduct notice-and-comment rulemaking, but she may only recommend regulations to the Librarian of Congress.<sup>10</sup> Likewise, the USPTO

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<sup>5</sup> *The Next Great Copyright Act*, *supra* note 1, at 340 (“As the first beneficiaries of the copyright law, authors are not a counterweight to the public interest but are instead at the very center of the equation.”)

<sup>6</sup> *Id.* at 338.

<sup>7</sup> Pamela Samuelson, *Preliminary Thoughts on Copyright Reform*, 2007 UTAH L. REV. 551, 557 (2007).

<sup>8</sup> Jessica Litman, *Real Copyright Reform*, 96 IOWA L. REV. 1, 3 (2010).

<sup>9</sup> See 17 U.S.C. § 702 (2012).

<sup>10</sup> See H.R. REP. NO. 105-796, at 64 (1998) (Conf. Rep.) (“The determination will be made in a rulemaking proceeding on the record. It is the intention of the conferees that, as is typical with other rulemaking under title 17, and in recognition of the expertise of the Copyright Office, the Register of Copyrights will conduct the rulemaking, including providing notice of the rulemaking, seeking comments from the public, consulting with the Assistant Secretary for Communications and Information of the Department of Commerce and any other agencies that are deemed appropriate, and recommending final regulations in the report to the Librarian.”); see also *Section 1201 Exemptions to Prohibition Against Circumvention of Technological Measures Protecting Copyrighted Works*, U.S. COPYRIGHT OFFICE, <http://perma.cc/DEV3-D24L> (last visited Feb. 18, 2015) (“[T]he Librarian of Congress, upon the recommendation of the Register of Copyrights, may exempt certain classes of works from the prohibition against circumvention of technological measures that control access to copyrighted works.”).

executes its duties with respect to intellectual property subject to the policy direction of the Secretary of Commerce.<sup>11</sup> Insofar as copyright matters are concerned, the USPTO Director and the USPTO act in consultation with the Register of Copyrights, and the powers and duties of the USPTO do not derogate or alter those of the Copyright Office.<sup>12</sup>

The lack of any administrative agency with comprehensive regulatory authority and expertise to address the many nuanced, technical matters currently at the intersection of copyright and technology law often results in detailed, industry-specific legislative compromises expressed in complicated language hard-wired directly into the Act. The end result: the Copyright Act today is many times the length of the original Act, contains numerous sections dealing with very narrowly focused issues<sup>13</sup> and, on some issues, provides little guidance for courts.<sup>14</sup>

All this suggests that rather than continuing on the current path of amending and expanding the Copyright Act, Congress should first take the bolder step of considering how the rules governing copyrighted works are themselves crafted and administered.

Congress could pursue a variety of paths to improve upon the current state of affairs. Even if it does nothing else, before Congress engages in a legislative rewrite of the Copyright Act it should examine how the Copyright Office currently operates and is funded, and should ensure that it has all the necessary infrastructure and critical resources to serve the needs of the public in both administering the copyright law and facilitating the innumerable transactions the public wishes to undertake involving copyrighted works.<sup>15</sup> Devoting attention to the structure and resources of the Copyright Office is consistent with the oversight role that the House and Senate Judiciary Committees exercise over the Copyright Office, and is an important part of exercising their jurisdiction over the intellectual property laws of the United States.<sup>16</sup>

If Congress wishes to leave a lasting and meaningful legacy on the development of copyright law, it could also consider options that remove practical, structural and constitutional impediments to more efficient lawmaking and regulation in copyright. For instance, Congress could expand the authority and autonomy of the Copyright Office to afford greater rulemaking authority, and allow it to take on additional adjudicatory functions while leaving it in its current form as a department of the Library of Congress. Or Congress could act more boldly to create a new agency that is able to engage both authors and the public to nimbly address technically and substantively challenging copyright issues.

This Article examines the range of options open to Congress. It first identifies the operational challenges facing the Copyright Office in its current configuration. Next, it outlines the benefits and drawbacks of different approaches to reorganizing the Copyright Office. Finally, it demonstrates how several of the major issues likely to be considered in any further review of the Copyright Act could be more

<sup>11</sup> 35 U.S.C. § 2(c)(5) (2012).

<sup>12</sup> *Id.*

<sup>13</sup> See *The Next Great Copyright Act*, *supra* note 1, at 338–39.

<sup>14</sup> *Id.* at 322–23.

<sup>15</sup> The Register has also advocated for an examination of the Copyright Office's funding and structure. See, e.g., Maria Pallante, *The Next Generation Copyright Office: What It Means and Why It Matters*, 61 J. COPYRIGHT SOC'Y 213 (2014).

<sup>16</sup> Note, for instance, that under Senate Rule XXV the confirmation of the Under Secretary for Intellectual Property, the Director of the USPTO and the Intellectual Property Enforcement Coordinator are referred to the Committee on Judiciary for consideration. See U.S. SENATE, STANDING RULES OF THE SENATE, S. DOC. NO. 113-18, at 25–26 (2013), available at <http://perma.cc/2WQS-5NZ6>.

readily resolved if Congress could partner with a responsible, well-resourced, politically accountable entity—a Next Great Copyright Office.

## I. IMAGINING A NEXT GREAT COPYRIGHT OFFICE

Copyright and the creative industries it supports play an important role in the economic, social and cultural well-being of the public. Copyright is the foundation for a thriving and ever-expanding market of cultural, educational and scientific works, one that in 2012 contributed over one trillion dollars to the U.S. economy and directly employed 5.4 million workers.<sup>17</sup> The significant economic impact of the creative industries in the United States justifies a dedication of specialized resources that fosters the continued development of this sector for the public welfare and facilitates smooth interactions between authors and users of copyrighted works.

With the rise of digital technology, and the ability of individuals to more easily create, manipulate and share works of authorship, copyright law has a broader impact on the day-to-day lives of the public than ever before. Ensuring that the Copyright Office has the resources it needs to serve stakeholders and that copyright law and regulations appropriately keep pace with their increasing importance is critical. Yet with its current budgetary and structural constraints, the Copyright Office faces challenges meeting some of the most basic functions stakeholders expect from it.

### A. UNDERSTANDING THE CHALLENGES FACING THE COPYRIGHT OFFICE

The Copyright Office as currently structured faces three major challenges: (1) insufficient funds, staff and infrastructure to efficiently perform its core functions; (2) operational impediments stemming from its integration with the Library of Congress and (3) potential risk of constitutional challenges to its decision-making authority should the Office take on increased regulatory or adjudicatory responsibility. Congress could improve the effectiveness of any future legislative work it undertakes regarding the Copyright Act by first addressing these structural challenges to ensure it has a strong partner in executing future copyright policy decisions.

#### 1. Registration and Recordation

Among the core functions the Copyright Office must serve for stakeholders is maintaining a reliable and efficient registration and recordation system. While registration has been voluntary since passage of the Copyright Act of 1976,<sup>18</sup> authors have important incentives to register their works.<sup>19</sup> Doing so also provides public benefits such as reducing transaction costs, limiting the risk of unintended infringement, facilitating commercial transactions, providing prima facie evidence of the validity of a copyright and constructive notice to third parties of the facts

<sup>17</sup> STEPHEN SIWEK, INT'L. INTELLECTUAL PROP. ALLIANCE, COPYRIGHT INDUSTRIES IN THE U.S. ECONOMY: THE 2013 REPORT 11 (2013), available at <https://perma.cc/Y8M9-6QY2?type=pdf>.

<sup>18</sup> Copyright Act of 1976, Pub. L. No. 94-553, § 408 (codified as amended at 17 U.S.C. § 408 (2012)).

<sup>19</sup> See 17 U.S.C. §§ 410–12 (2012) (establishing that registering a work, while voluntary, confers various legal benefits to a copyright owner such as the availability of statutory damages and attorneys fees as remedies for works registered prior to their infringement, and a prima facie presumption of validity of the copyright when promptly registered).

stated in a recorded document, and aiding transferees in perfecting claims where the underlying work has been registered.<sup>20</sup> As a result of these benefits, and despite the voluntary nature of registration, the United States attracts more registrations annually than all other major countries with public registries combined.<sup>21</sup>

Despite the central role that registration and recordation plays in the efficient and accurate operation of the marketplace for copyrighted works, the Copyright Office lacks autonomous decision-making power over the planning and implementation of the systems used to facilitate registration. The Copyright Office has testified that the current electronic registration system, implemented in 2008, is not optimal for the needs of its stakeholders and is merely an adaptation of “off-the-shelf software” that “was designed to transpose the paper-based system of the 20<sup>th</sup> Century into an electronic interface.”<sup>22</sup> Moreover, the recordation system by which transfers, licenses and security interests in copyrights are recorded has not been updated for many decades, and relies on manual examination and data entry.<sup>23</sup> These infrastructure challenges are exacerbated by the limited funding available to the Copyright Office and the high rate of vacancies in both registration and recordation staff.<sup>24</sup> As a result, the waiting times for processing copyright registrations are currently 8.2 months for paper applications and 3.3 months for electronic applications.<sup>25</sup> Recordation time lags are even longer, averaging 17 months, due to the fact that the work is performed manually and is not online.<sup>26</sup> Backlogs of this magnitude are incompatible with modern digital commerce.

Copyright owners and users alike have requested that the Copyright Office improve its registration and recordation system to ensure that, at a minimum, it can offer a searchable database with accurate, interactive and easily accessible information about registrations and renewals. Such a system could potentially link to private databases of information about copyrighted works on a voluntary basis through the use of Application Program Interfaces (APIs).<sup>27</sup> Improvements like this could be leveraged commercially by businesses operating in the digital space and would ameliorate some of the policy challenges Congress is currently considering in its review of the Copyright Act such as licensing, enforcement and avoiding the creation of so called “orphan works.”

## 2. Integration with the Library of Congress’ Systems

Although the Copyright Office resides within the Library of Congress, it serves a market-oriented function distinct from other departments of the Library. Recognizing that a modern and efficiently functioning Copyright Office is vital not only to protecting and promoting creative works, but also to serving the digital economy as a whole, the Senate Appropriations Committee has directed the Government Accounting Office (GAO) to “provide a legal and technical evaluation

<sup>20</sup> See Dotan Oliar et al., *Copyright Registrations: Who. What. When. Where. and Why*, 92 TEX. L. REV. 2211, 2217–19 (2014).

<sup>21</sup> *Id.* at 2212–13 (citing to STANDING COMM. ON COPYRIGHT & RELATED RIGHTS, WORLD INTELLECTUAL PROP. ORG., NO. SCCR/13/2, SURVEY OF NATIONAL LEGISLATION ON VOLUNTARY REGISTRATION SYSTEMS FOR COPYRIGHT AND RELATED RIGHTS, ANNEX II, at 1 (2005)).

<sup>22</sup> *Oversight of the U.S. Copyright Office: Hearing Before the Subcomm. on Courts, Intell. Prop., and the Internet of the H. Comm. on the Judiciary*, 113th Cong. 34 (2014) (statement of Maria Pallante, Register of Copyrights, U.S. Copyright Office).

<sup>23</sup> *Id.* at 35.

<sup>24</sup> *Id.* at 37–39.

<sup>25</sup> *Id.* at 39.

<sup>26</sup> *Id.*

<sup>27</sup> *Id.* at 33–34.

of the information technology infrastructure that the Copyright Office shares with the Library of Congress” to ensure that any taxpayer investments in modernizing the Copyright Office are used efficiently and effectively.<sup>28</sup> Ideally, the GAO report will consider not only technical issues, but also the strategic implications of separating the infrastructures of the Library and the Copyright Office so that each system is optimized to suit its main purposes and clients. Among the benefits of creating separate, purpose-oriented systems for each entity might be maximizing the use of digital deposits for copyright registration and examination, while separately resolving the delivery of deposit copies in appropriate formats for the Library to archive and make available to the public for research and scholarship.

### 3. Constitutional Concerns

Because the Copyright Office is a department of the Library of Congress, which has a rather unique constitutional structure, the constitutionality of the Librarian’s role in the appointment of officials responsible for administering the copyright laws has been challenged in the past. In *Intercollegiate Broadcasting System, Inc. v. Copyright Royalty Board*, a company unhappy with the decision of the Copyright Royalty Board (CRB) judges challenged the constitutionality of the Librarian’s appointment of the judges under the Appointments Clause.<sup>29</sup> The Appointments Clause requires principal officers of the United States to be appointed pursuant to a Presidential nomination and Senate confirmation, in contrast with inferior officers who may be appointed and dismissed by the heads of executive departments.<sup>30</sup> The court held that the CRB judges were acting as principal officers, and that their appointment violated the Appointments Clause. The court corrected the problem by striking part of the statute creating the CRB to clarify that the CRB judges could be appointed and dismissed at will by the Librarian, thus rendering the judges inferior officers. It then also made clear that for purposes of the Appointments Clause, the Librarian is the head of an executive department because the Librarian is appointed by the President, confirmed by the Senate and removable at will by the President.<sup>31</sup>

Although the opinion of the D.C. Circuit as a specialist court on matters of agency law is authoritative, and should put this question to rest, the D.C. Circuit does not have exclusive jurisdiction over such questions. A party “with sufficient concrete interests at stake may have standing to raise constitutional questions of separation of powers with respect to an agency designated to adjudicate their rights,”<sup>32</sup> thus this issue could arise again with another fact pattern in another circuit.<sup>33</sup>

<sup>28</sup> S. REP. NO. 113-196, at 40–41 (2014).

<sup>29</sup> *Intercollegiate Broad. Sys., Inc. v. Copyright Royalty Bd.*, 684 F.3d 1332 (D.C. Cir. 2012). The CRB is, like the Copyright Office, a department within the Library of Congress. See 17 U.S.C. § 801 (2012). And, like the Register of Copyrights, CRB judges are appointed by the Librarian of Congress. See *id.* § 801(a). Thus, constitutional analysis of the appointment of the Register and the CRB judges should be similar.

<sup>30</sup> U.S. CONST. art. II, § 2, cl. 2 (“[The President] shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the supreme Court, and all other Officers of the United States, whose Appointments are not herein otherwise provided for, and which shall be established by Law: but the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments.”).

<sup>31</sup> *Intercollegiate Broad. Sys.*, 684 F.3d at 1341–42.

<sup>32</sup> *Buckley v. Valeo*, 424 U.S. 1, 117 (1976).

<sup>33</sup> See, e.g., *Filtra v. Ringer*, 579 F.2d 294 (4th Cir. 1978). In *Filtra*, the Fourth Circuit observed that courts, including the Supreme Court, had long ruled on the Copyright Office’s regulations without

## II. APPROACHES TO REORGANIZING THE COPYRIGHT OFFICE

Given the operational challenges facing the Copyright Office in its current configuration, and the important role it plays for authors, innovators and the public, Congress should consider reorganizing the structure of the Office. There are three basic options for reinvigorating the Copyright Office so that it may better share the burden in administering our copyright laws and limit the need for further expansions of the Copyright Act:

- A. Leave the Copyright Office as a department of the Library of Congress, but address the operational challenges identified earlier as best as possible, and increase the regulatory and adjudicatory role the Copyright Office plays;
- B. Move the Copyright Office to an appropriate executive department, such as the Department of Commerce, relating it to the USPTO or
- C. Create a separate administrative agency, responsible solely for copyright matters.

The following section briefly considers the positive and negative attributes of each of these options, as well as other policy considerations they raise.

### A. LEAVING THE COPYRIGHT OFFICE WITHIN THE LIBRARY OF CONGRESS

The Copyright Office's duties have grown over time, and it has evolved to serve not only a crucially important administrative function, but also to provide technical and policy expertise to all three branches of government, as well as to the public directly. *Nimmer on Copyright* catalogs some of the Office's wide-ranging responsibilities thus:

Congress relies extensively on the Copyright Office to provide its technical expertise in the legislative process. It also relies on studies that, from time to time, it requests the Office to prepare. In addition, the Office prepares voluminous materials to guide the public through the maze of copyright registration—and even to answer basic questions about copyright doctrine.

In addition, the Copyright Office also plays a 'leadership role in international copyright matters to develop policies for the improvement of international standards for the protection of intellectual property.' Most notably, the Office exerts significant impact on the resolution of copyright cases in the courts *via* its examination of registration applications and its resulting decision to accept or to reject registration of the deposited work . . . the *prima facie* presumption flowing from the decision to register—and the concomitant lack of presumption flowing

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questioning or commenting on its regulatory authority. *See id.* at 299. It would be "incredible," said the court, that a constitutional infirmity (in that case, with the 1909 Act) should have escaped the courts and the bar for so long. *Id.* Accordingly, constitutional challenges to the Librarian's and the Register's regulatory authority should be taken with a grain of salt. However, given that *Eltra* was decided in an era where the Register and Librarian exercised essentially ministerial regulatory authority, it would be imprudent to leave the issues unresolved if Congress is to act in this area, because the inefficiencies and time delays introduced by litigation testing the constitutional bounds of any increased substantive regulatory authority for the office could undermine the goals of reform.

from the decision to deny registration—is of inestimable importance to the litigants in any infringement action.<sup>34</sup>

Nevertheless, Nimmer observes that while courts are willing to defer to Copyright Office practices, “one gathers the impression that their deference ends as soon as their disagreement with the Office’s position begins.”<sup>35</sup>

It is also notable that because the Register lacks comprehensive, independent rulemaking authority, the Copyright Office is often asked to undertake studies and issue recommendations, but no further action is taken.<sup>36</sup> Strengthening of the Copyright Office’s regulatory and adjudicatory authority would avoid such a waste of resources.

Increasing the authority of the Copyright Office would have all the typical benefits of delegating authority to an expert agency. Agencies can act more expeditiously and effectively in areas where a fact-specific understanding of complex issues is needed. This is harder for legislators to accomplish because they are required to operate in many areas of the law in their day-to-day activities, and thus rarely can devote the resources to developing as specialized an understanding of any one issue as is possible for an expert agency to do.

Agencies acting in an adjudicatory capacity also have certain advantages over the judiciary branch. Agencies, for instance, are not limited in their activities by the actual case or controversy requirement applicable to judicial decision-making. Nor are agencies limited to considering issues based solely on the specific set of facts in a dispute between two litigants, or on the basis of precedential adjudication. In contrast to courts, agencies may more fully take into account the manner in which a decision will affect other industry participants. Moreover, because the decisions of administrative law judges do not have precedential effect, even in a formal adjudication an agency may have more flexibility to rule in a manner that “gets to the right result” than would a court guided by (and creating new) precedent.

There are notable reasons for not increasing the Copyright Office’s role in its current configuration, however. As a practical matter, if the Office were to continue as a department of the Library of Congress it is questionable whether the Register’s authority could actually be increased—more likely only her ability to advise Congress and the Librarian would be expanded. The three main risks of doing so have already been discussed: (1) the Copyright Office has inadequate resources and relies on the Library of Congress for both financial resources and infrastructure needs; (2) the distinct market-oriented mission of the Copyright Office complicates various functions of both the Library and the Office if the Copyright Office continues fully integrated with the Library of Congress and (3) there is a possibility of continuing constitutional challenges to the Register’s and the Librarian’s authority.

While it would do little to overcome the complications inherent in the Copyright Office’s configuration, it is nevertheless worthwhile to consider

<sup>34</sup> 2 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 7.26, 7-236 (rev. ed. 2013) (internal citations omitted).

<sup>35</sup> *Id.* at 7-238.1.

<sup>36</sup> See, e.g., U.S. COPYRIGHT OFFICE, DMCA SECTION 104 REPORT (2001), available at <http://perma.cc/V7TA-MKTT>; U.S. COPYRIGHT OFFICE, REPORT ON ORPHAN WORKS (2006), available at <http://perma.cc/7BFA-WLBV>; U.S. COPYRIGHT OFFICE, ANALYSIS OF GAP GRANTS UNDER THE TERMINATION PROVISIONS OF TITLE 17 (2010), available at <https://perma.cc/4YHC-DYG2?type=pdf>; U.S. COPYRIGHT OFFICE, LEGAL ISSUES IN MASS DIGITIZATION: A PRELIMINARY ANALYSIS AND DISCUSSION DOCUMENT (2011), available at <http://perma.cc/A7RW-9A63>; U.S. COPYRIGHT OFFICE, FEDERAL COPYRIGHT PROTECTION FOR PRE-1972 SOUND RECORDINGS (2011), available at <http://perma.cc/4HCA-RHSW>.

elevating the position of Register of Copyrights to that of a Presidential Appointee. Acknowledging the Register as a principal officer of the United States, and subjecting such a role to Senate confirmation would serve the laudable goal of increasing the political accountability of the Office and better ensuring that the Register, and by extension the Copyright Office, can act directly on important matters of copyright policy where it has unparalleled expertise. As noted earlier, the responsibilities of the Office have increased over time, and are now wide-ranging. Had the evolution of the scope of its duties been foreseen, it is unlikely that the position would have been designed as it exists now—as a role not directly accountable to any elected official and without any time limit on tenure either for the Register or the Librarian of Congress. Moreover, as has been noted, the significant economic impact of the creative industries and the ubiquity of copyrighted works in the lives of the public justify such a change.

### B. MOVING THE COPYRIGHT OFFICE TO A RELATED EXECUTIVE DEPARTMENT

The suggestion to move the Copyright Office to a related executive department is not without precedent. In 1996, Senator Orrin Hatch introduced the United States Intellectual Property Organization Act to create a government corporation handling all intellectual property matters, reporting through the Secretary of Commerce.<sup>37</sup> The U.S. Intellectual Property Organization (USIPO) would have united the functions of the Copyright Office with those of the USPTO under the directorship of a single individual.<sup>38</sup> The self-funding corporation would have been comprised of three separate offices charged with administering the duties of registering/issuing copyrights, patents and trademarks, each independently led by a commissioner of copyrights, patents and trademarks.<sup>39</sup> All policy functions would have resided with the corporation head. Among the main policy justifications motivating the introduction of the bill was a desire to coordinate all international and domestic intellectual policymaking within one office in the executive branch.<sup>40</sup>

It is not surprising that then-Register of Copyrights Marybeth Peters expressed grave concerns.<sup>41</sup> Register Peters outlined three principal problems with the approach:

1. Placing the Copyright Office on a self-funding basis, as the bill proposed, by requiring increased registration fees would lead to a steep decline in registrations, and a corresponding cost in public access to information;
2. Stripping the Register of her policy duties would mean the loss of a balanced, apolitical, non-partisan voice in policy formulation and
3. The basic concept of copyright would change—it would be treated for the first time as purely industrial property along with patents and trademarks.<sup>42</sup>

Some, but not all, of these shortcomings might be addressed by selecting a different structure if a USIPO were to be created today. One of the characteristics of a federal government corporation such as the USIPO proposed in 1996, as

<sup>37</sup> Omnibus Patent Act of 1996, S. 1961, 104th Cong. (1996).

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

<sup>40</sup> *The Omnibus Patent Act of 1996: Hearing on S. 1961 Before the S. Comm. on the Judiciary*, 104th Cong. 25 (1996) [hereinafter *Omnibus Patent Act of 1996 Hearing*] (statement of Marybeth Peters, Register of Copyrights, U.S. Copyright Office).

<sup>41</sup> *Id.* at 19–20.

<sup>42</sup> *Id.*

opposed to a traditional agency of the United States, is that agencies receive the bulk of their financial support from funds appropriated by Congress, whereas government corporations receive most or all of their funding from users of their services.<sup>43</sup>

There may be some surface appeal to limiting the need for appropriated funds to operate an agency by shifting funding responsibilities to customers of an agency. However, in the case of an entity like the Copyright Office, perhaps more so than for the USPTO, the customer base for the agency is really the public at large. The Copyright Office serves diverse functions including providing technical expertise to the legislative process, policy expertise to the executive branch and helping resolve judicial disputes through its registration examination function. In addition, it serves a leadership role in international copyright negotiations and provides guidance to the general public on copyright matters along with serving a crucial role in providing access to information on the ownership of copyrighted works and facilitating marketplace transactions involving such works. In contrast with patents and trademarks, which remain largely the domain of businesses, copyrighted works are ubiquitous in many individuals' daily lives, and policies regarding their use are more relevant to the general public. Consequently, it is important to incentivize registrations (which are voluntary under copyright law, as required by international obligations, but mandatory for patent and trademark protection) because this data is important to digital commerce. Appropriately structured fees are part of the equation.

In order to address the risk to the registration system that would result from the steep increase in registration fees required to put the Copyright Office on a self-funding basis, a more traditional agency structure could be proposed for a USIPO. This would allow the USIPO to continue to draw some, but not all, of its needed funding from registrations when serving copyright functions, and to receive additional funding from appropriations. This, however, might raise fairness concerns among patent and trademark stakeholders if a similar approach is not applied to the operation of the patent and trademark offices. On the other hand, applying a traditional agency funding structure to all three departments of a USIPO would seem to undo budget progress the USPTO has made in recent years towards ensuring that it can operate on a sustainable budget basis, including having an operational reserve to guard against interruptions caused by Congressional budget impasses and government shut downs.<sup>44</sup>

The remaining challenges identified by former Register Peters in 1996—the reduced policy role for the Register, and the conceptual concerns related to treating copyrights together with industrial properties like patents and trademarks—are more or less inherent to the creation of a unified agency. While it would be possible to structure a USIPO with three separate branches, each focused on a specific area of intellectual property, and retain some policy expertise within each department of the agency, the final policy responsibilities for the agency would nevertheless, as a practical matter, need to be overseen by the agency head.

Likewise, it is true that copyrights differ from patents and trademarks and that those inherent differences have been recognized both in the structures governments have selected for administering them, as well as in international treaties in intellectual property. As Register Peters noted in response to the USIPO proposal,

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<sup>43</sup> KEVIN R. KOSAR, CONG. RESEARCH SERV., NO. RI.30365, FEDERAL GOVERNMENT CORPORATIONS: AN OVERVIEW 7 (2011), available at <http://perma.cc/V2AJ-ZW5K>.

<sup>44</sup> See Michelle K. Lee, *Director's Forum: A Blog from USPTO's Leadership*, U.S. PATENT & TRADEMARK OFFICE (June 9, 2014), <https://perma.cc/UM3M-R2TB?type=source>.

many countries other than the United States have elected to handle copyright issues in their ministries of culture, while ministries of commerce or trade handle patent and trademark issues.<sup>45</sup> The two leading international treaties on intellectual property issues are also divided this way: the Berne Convention addresses copyrights while the Paris Convention covers patents and trademarks.<sup>46</sup> While copyrighted works provide tremendous economic contributions to the U.S. economy, their social, cultural and scientific contributions cannot be measured, and policy regarding copyright should not be driven purely on commercial grounds. There remains a risk that by joining the policy functions of the Copyright Office with those of the USPTO, and resting responsibility for developing policies regarding the differing areas in one individual (particularly if the USIPO reports through the Department of Commerce) commercial and economic interests may overshadow the unique cultural and societal forces that motivate the creation and dissemination of works protected by copyright law.

### C. CREATING AN ADMINISTRATIVE AGENCY RESPONSIBLE FOR COPYRIGHT MATTERS

The final possibility, creating an administrative agency focused entirely on copyright issues, avoids concerns related to a unified USIPO. It also realizes the benefits of creating a regulatory partner for Congress, with a traditional agency structure that makes it capable of direct action yet appropriately accountable. And it would do the most to reflect the complexities and importance of the copyright system as it exists in the Internet age. Moving the functions of the Copyright Office outside the current Library of Congress structure also addresses operational impediments (e.g., the IT infrastructure challenges and associated harm to the registration and recordation system) and reduces the likelihood of constitutional challenges inherent in the current structure of the Copyright Office as a department of the Library of Congress. Finally, it would free the Librarian of Congress to focus on the important mission of preserving our cultural heritage and encouraging and promoting the important work of the Congressional Research Service (CRS), which serves a vital role in providing authoritative and nonpartisan policy and legal analysis to Congress.<sup>47</sup>

An administrative agency focused on copyright issues could be structured in a variety of ways. The agency could be an executive agency, reporting to the President, or it could be an independent agency or commission, led either by a single agency head or by a bipartisan panel of experts, appointed by the President. There are good arguments favoring each of these approaches.

A single agency head, reporting to the President, is a constitutionally clear and politically accountable structure, not likely to be challenged. On the other hand, because copyright is typically not a politically partisan issue, it may be an area well

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<sup>45</sup> *Omnibus Patent Act of 1996 Hearing*, *supra* note 41, at 24 (statement of Marybeth Peters, Register of Copyrights, U.S. Copyright Office).

<sup>46</sup> *Id.*

<sup>47</sup> CRS currently enjoys greater autonomy within the Library of Congress than the Copyright Office. Pursuant to 2 U.S.C. § 166(b), the Librarian of Congress is directed to “in every possible way, encourage, assist, and promote the Congressional Research Service” and must “grant and accord to the Congressional Research Service complete research independence and the maximum practicable administrative independence.” Affording the Copyright Office equally broad independence within the Library of Congress may be another approach worth considering, at least as an interim step while Congress evaluates the best structure for the Copyright Office for the long term. Such autonomy would not address the constitutional concerns identified earlier, but might allow the Copyright Office greater control over budget and infrastructure issues.

suites for regulation by an independent agency or commission with a panel of experts. The day-to-day work of administering the copyright law entails significant legal and business expertise. A collegial board of experts serving staggered terms could provide stability over time and expand the capacity of the agency. However, where strong policy disagreements exist, agency action could be stymied more so than in a case where a single, politically accountable leader is called to act.

### III. REVIEW OF MAJOR ISSUES: HOW A COPYRIGHT AGENCY COULD IMPROVE THE OPERATION OF THE COPYRIGHT LAW

Regardless of the approach chosen, an examination of major copyright issues currently before Congress demonstrates that, with the exception of the creation or modification of exclusive rights of authors,<sup>48</sup> all of the major issues one might otherwise anticipate addressing in a “Next Great Copyright Act” would benefit from first resolving issues related to the structure of the Copyright Office. Even with respect to issues such as exclusive rights and the nature and scope of exceptions and limitations on copyright—where Congress would have to legislate to implement any significant policy changes—empowering an entity to exercise appropriate regulatory authority could serve an important role and reduce the need for and scope of legislative action.

#### A. EXCLUSIVE RIGHTS

Among the exclusive rights identified by Register Pallante in *The Next Great Copyright Act* as being ripe for discussion are: (1) a fuller public performance right for sound recordings and (2) consideration of the longstanding rights of reproduction,<sup>49</sup> distribution and performance in light of technological developments.<sup>50</sup> The creation or modification of any of these exclusive rights would require legislative action, and the House Judiciary Committee’s Subcommittee on Courts, Intellectual Property and the Internet has already held multiple hearings on these topics to inform its further deliberations.<sup>51</sup> Several legislative proposals have been introduced by members of the Subcommittee to address music licensing-related issues. Additional proposals are anticipated.<sup>52</sup>

The degree to which music licensing issues have consumed the House Judiciary Committee’s time in recent years aptly demonstrates why having the aid of an expert regulator would be helpful. During hearings to consider the Internet Radio Fairness Act, Representative Jim Sensenbrenner, after discussing the various webcaster settlement bills of the past decade, commented with some frustration:

<sup>48</sup> Including enforcement of such rights, and exceptions and limitations pertaining to such rights

<sup>49</sup> Including issues related to incidental copies.

<sup>50</sup> See *The Next Great Copyright Act*, *supra* note 1, at 324–26.

<sup>51</sup> See *The Scope of Copyright Protection: Hearing Before the Subcomm. on Courts, Intell. Prop., and the Internet of the H. Comm. on the Judiciary*, 113th Cong. (2014); *Music Licensing Under Title 17 Part One: Hearing Before the Subcomm. on Courts, Intell. Prop., and the Internet of the H. Comm. on the Judiciary*, 113th Cong. (2014) [hereinafter *Music Licensing Part One Hearing*]; *Music Licensing Under Title 17 Part Two: Hearing Before the Subcomm. on Courts, Intell. Prop., and the Internet of the H. Comm. on the Judiciary*, 113th Cong. (2014).

<sup>52</sup> Songwriter Equity Act of 2014, H.R. 4079, 113th Cong. (2014); RESPECT Act of 2014, H.R. 4772, 113th Cong. (2014); Free Market Royalty Act, H.R. 3219, 113th Cong. (2013) (note that this bill is no longer active since the main sponsor has since left Congress). Based on comments and questions made at the music hearings, Ranking Member Nadler is expected to introduce an ‘omnibus music bill’ to consolidate all of the various music related proposals, including issues related to the appropriate standards to be used to set royalty rates, etc. See *Music Licensing Part One Hearing, supra* note 51, at 5 (statement of Rep. Jerrold Nadler).

Now here we are back again, and this is the 1, 2, 3, 4, fifth attempt of the Congress and specifically this Committee to deal with this issue.

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Let me say that the Members of this Committee have] spent probably more time dealing with this issue than with any other single issue in the last decade or decade and a half, and we have got lots of other stuff on our plate that we have got to deal with, as everybody in this room knows.<sup>53</sup>

Representative Sensenbrenner's comments illustrate the limitations of relying purely on legislative action to resolve nuanced, evolving, technical areas of copyright law and speaks to Congress' limited bandwidth to legislate in a manner that stays apace with the marketplace. The Copyright Office has demonstrated the valuable substantive expertise it could bring to resolving issues in this area. One example is its most recent music licensing inquiry, in which it examined all aspects of the challenges facing the music industry, ranging from antiquated consent decrees under which performing rights organizations ASCAP and BMI operate, to the nuances of the various statutory license regimes.<sup>54</sup> Additionally, in recent years the Copyright Office has conducted other detailed reviews of music licensing issues, including, for example, issues related to whether or not pre-1972 sound recordings should receive federal copyright protection.<sup>55</sup>

Similarly, regarding the "making available right," while any modification to the contours of the right would require legislative action, the Copyright Office has already engaged in a thorough review of this issue<sup>56</sup> consisting of initial public comments,<sup>57</sup> a full day of roundtable hearings<sup>58</sup> and an additional opportunity to submit public comments and answer follow-up questions.<sup>59</sup> While some believe that no legislative action is needed to clarify the making available right at this time,<sup>60</sup> numerous participants have noted the benefit that additional regulatory guidance to courts could play in the proper interpretation of the right.<sup>61</sup> Thus, in the

<sup>53</sup> *Music Licensing Part One: Legislation in the 112th Congress: Hearing Before the Subcomm. on Intell. Prop., Competition, and the Internet of the H. Comm. on the Judiciary*, 112th Cong. 146-47 (2012).

<sup>54</sup> Copyright Office Music Licensing Study: Notice and Request for Public Comment, 78 Fed. Reg. 14,739 (Mar. 17, 2014).

<sup>55</sup> See U.S. COPYRIGHT OFFICE, FEDERAL COPYRIGHT PROTECTION FOR PRE-1972 SOUND RECORDINGS (2011), available at <http://perma.cc/4HCA-RHSW>.

<sup>56</sup> *Making Available Study*, U.S. COPYRIGHT OFFICE, <http://perma.cc/M17E-IJ5F> (last visited Feb. 14, 2015).

<sup>57</sup> Copyright Office Study on the Right of Making Available: Comments and Public Roundtable, 79 Fed. Reg. 10,571 (Feb. 25, 2014) [hereinafter *Making Available: Comments & Public Roundtable*].

<sup>58</sup> *Id.*

<sup>59</sup> *Id.*; Request for Additional Comments, 79 Fed. Reg. 41,309 (July 15, 2014).

<sup>60</sup> *Making Available: Comments & Public Roundtable*, *supra* note 57; Copyright Alliance, *Comments of the Copyright Alliance*, in U.S. COPYRIGHT OFFICE, MAKING AVAILABLE STUDY, COMMENTS IN RESPONSE TO FEB. 25, 2014 NOTICE OF INQUIRY (2014), available at <http://perma.cc/F4AA-3CHV>; Entm't Software Ass'n, *Re: Request for Comments: Study on the Right of Making Available [Docket No. 2014-2]*, in U.S. COPYRIGHT OFFICE, MAKING AVAILABLE STUDY, COMMENTS IN RESPONSE TO FEB. 25, 2014 NOTICE OF INQUIRY (2014), available at <http://perma.cc/8SC6-2ZBD>; Motion Picture Ass'n of Am. & Recording Indus. Ass'n of Am., *Comments of the Motion Picture Association of America, Inc. and the Recording Industry Association of America, Inc.*, in U.S. COPYRIGHT OFFICE, MAKING AVAILABLE STUDY, COMMENTS IN RESPONSE TO FEB. 25, 2014 NOTICE OF INQUIRY (2014), available at <http://perma.cc/RKS2-HVLF>.

<sup>61</sup> U.S. COPYRIGHT OFFICE, PUBLIC ROUNDTABLE ON THE RIGHT OF MAKING AVAILABLE (2014) (statements of Allan Adler, Association of American Publishers; Keith Kupferschmid, Software

main areas involving exclusive rights of copyright owners where one might anticipate legislative action, a reinvigorated Copyright Office or new copyright agency would be well-positioned to lessen the burden on Congress by tackling much of the substantive work that has previously been handled legislatively, and by capably administering the law and providing guidance to the public and to courts on any new legislative enactments.

## B. ENFORCEMENT

Enforcement issues are intimately linked to exclusive rights. Hence, rights and remedies will both require some legislative action to be established, but both will benefit from an expert copyright agency's involvement in administration. This is particularly true where rights can be adjudicated, and for remedies issued in a proceeding before an administrative law judge. Three principal issues have emerged during the copyright review process regarding enforcement of exclusive rights: (1) the need for appropriate penalties for criminal streaming of infringing copyrighted material; (2) issues related to statutory damages and (3) the need for alternative means to resolve copyright claims of relatively small economic value without resort to the federal court system (sometimes referred to as the "small copyright claims court" proposal).<sup>62</sup>

Issues related to changing the level of penalties currently applicable to infringements would require legislative action.<sup>63</sup> Since such penalties, if adopted, would apply only in actions before federal courts, the role of an expert agency would largely be to provide advice and comment to Congress in advance of enacting legislation (as the Copyright Office has already done in various contexts<sup>64</sup>). Formalizing and regularizing such a role would nevertheless be useful.

Congress has received input supporting some of the proposed adjustments (i.e., the harmonization of streaming penalties) from a variety of sources, including the USPTO,<sup>65</sup> the Department of Justice<sup>66</sup> and the Intellectual Property Enforcement Coordinator,<sup>67</sup> but it has not yet enacted a provision to accomplish this goal. The specific drafting expertise of an agency with deep copyright knowledge may be helpful in achieving the suggested improvements to the law while avoiding unintended consequences. This would benefit authors and the public alike.

Issues related to statutory damages levels have been examined in overlapping reviews by a variety of entities in the recent past. Congress and the USPTO have

& Information Industry Association; & Jane Ginsburg, Columbia Law School), available at <http://perma.cc/5KXQ-WYXD>.

<sup>62</sup> *Copyright Remedies: Hearing Before the Subcomm. on Courts, Intell. Prop., and the Internet of the H. Comm. on the Judiciary*, 113th Cong. 3–5 (2014).

<sup>63</sup> For example: (1) establishing felony penalties for large scale, willful infringements of copyright by streaming so that the penalty is on par with those applicable to similar acts involving infringement using downloading technologies and (2) making any adjustments to the statutory penalty scheme.

<sup>64</sup> See, e.g., *The Register's Call for Updates to U.S. Copyright Law, Hearing Before the Subcomm. on Courts, Intell. Prop., and the Internet of the H. Comm. on the Judiciary*, 113th Cong. 63 (2013) (statement of Maria Pallante, Register of Copyrights, U.S. Copyright Office); U.S. COPYRIGHT OFFICE, COPYRIGHT SMALL CLAIMS 20–21 (2013) [hereinafter COPYRIGHT SMALL CLAIMS], available at <http://perma.cc/ZSDA-VSKJ>.

<sup>65</sup> INTERNET POLICY TASK FORCE GREEN PAPER, *supra* note 3, at 45.

<sup>66</sup> *Copyright Remedies: Hearing Before the Subcomm. on Courts, Intell. Prop., and the Internet of the H. Comm. on the Judiciary*, 113th Cong. 16 (2014) (statement of David Bitkower, Acting Deputy Assistant Attorney General, Criminal Division, U.S. Department of Justice).

<sup>67</sup> U.S. INTEL. PROP. ENFORCEMENT COORDINATOR, 2011 U.S. INTELLECTUAL PROPERTY ENFORCEMENT COORDINATOR JOINT STRATEGIC PLAN 7 (2011).

held hearings or issued Notices of Inquiry on these topics, and the issue has arisen in related proceedings at the Copyright Office.<sup>68</sup> Regardless of one's perspective on the merits of the issue, the expertise of a copyright agency would be well suited to assisting Congress in balancing the concerns raised with respect to this issue as well.

Finally, a fully empowered copyright agency with a panel of administrative law judges would be best suited to overseeing a small copyright claims alternative dispute resolution mechanism, as is currently proposed by the Copyright Office in its *Copyright Small Claims* report.<sup>69</sup> If such an alternative dispute resolution mechanism were successful, it would reduce costs to all participants and reduce the burden on the federal courts. A small claims approach might also ameliorate certain concerns about statutory damages claims by making the need to pursue such claims less frequent.

### C. THE DMCA

Roughly fifteen years after its passage, the DMCA is not working as intended either for the authors and owners of copyrighted works who rely on its notice-and-takedown and repeat infringer provisions to reduce infringement of their works, nor for the website operators who must respond to the notices sent. When authors are forced to send upwards of 20 million notices a month to a single company—often concerning the same works and the same infringers—something is amiss.<sup>70</sup>

Although the situation for authors enforcing their rights online is bleak, and the burden on sites to respond to notices is staggering, agency rulemaking could be a vehicle to address the many nuanced and technical issues presented by the varied designs of websites, cyberlockers and other forums where infringing content may be posted by users. Addressing such issues in statutory language, which not only complicates the already complicated Act, but locks in such issues for future generations well past the time today's technologies have become obsolete, is less optimal over the long term.

### D. EXCEPTIONS AND LIMITATIONS

As already noted, changes to exceptions and limitations would generally require legislative action. However, the aid of an expert agency would be beneficial in guiding both authors and the public in the new laws' application and in fostering a greater respect for and understanding of the copyright laws.

Exceptions and limitations hold an important place in the copyright law. Among these, the doctrine of fair use is perhaps the most important to authors both to ensure the continuation of practices that lie at the very heart of creativity—the ability to draw inspiration from the work of others—and to simultaneously protect

<sup>68</sup> *Copyright Remedies: Hearing Before the Subcomm. on Courts, Intell. Prop., and the Internet of the H. Comm. on the Judiciary*, 113th Cong. (2014); Request for Comments on Dept. of Commerce Green Paper, Copyright Policy, Creativity, and Innovation in the Digital Economy, 78 Fed. Reg. 61,337, 61,339 (Oct. 3, 2013); Remedies for Small Copyright Claims, 76 Fed. Reg. 66,758, 66,759–60 (Oct. 27, 2011).

<sup>69</sup> COPYRIGHT SMALL CLAIMS, *supra* note 64, at 110–12.

<sup>70</sup> *Transparency Report: Requests to Remove Content Due to Copyright*, GOOGLE, <https://perma.cc/UTK4-F6K6?type=source> (last visited Feb. 21, 2015). As of February 2015, Google stated it removes over 33 million URLs a month from its search engine as a result of DMCA takedown notices.

original expression. Fair use is also among the doctrines of copyright law where the interests of the public and authors intersect the most.

During hearings before the House Judiciary Committee's Subcommittee on Courts, Intellectual Property and the Internet in January 2014, witnesses generally agreed that no legislative amendments to the doctrine of fair use were needed.<sup>71</sup> Nevertheless, there are areas where application of the doctrine is still vague, or where interpretations by courts are troubling. Greater clarity and guidance would be useful to creators, users and intermediaries moving forward. An administrative agency with full authority to issue guidance would be in the best position to provide such assistance due to its neutrality, expertise and familiarity with relevant stakeholders.

This suggestion is consistent with those made by academics and practitioners who view copyright issues from a variety of policy perspectives. For instance, among the recommendations reflected in the Copyright Principles Project, is a recommendation that the Copyright Office give serious consideration to offering more guidance to users on the topic of fair use.<sup>72</sup> The Copyright Principles Project suggested issuing fair use letters similar to the "business review letters" issued by the Department of Justice, developing best practices guidelines for various disciplines reliant on the doctrine of fair use, and developing a guidebook for users on fair use issues.<sup>73</sup> All of these suggestions illustrate the useful role an expert agency can play in shaping the development of important parts of the copyright law, without necessarily resorting to legislative amendments.

#### E. ORPHAN WORKS AND MASS DIGITIZATION

As with the general topic of exceptions and limitations, any move to limit existing rights of authors with respect to the licensing of their work would likely implicate legislative action. However, much of what has been suggested thus far stops short of requiring legislative change, and instead implicates increased responsibility for an administrative entity. For instance, with respect to orphan works, solutions proposed by many stakeholders in the creative community urge a greater role for the Copyright Office in defining how those seeking to identify an author of a work should conduct a diligent search.<sup>74</sup> For different reasons, many in the library community urge that expanded exceptions and limitations are not needed to address the orphan works issue, and that any disputes may instead be resolved by

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<sup>71</sup> *The Scope of Fair Use: Hearing Before the Subcomm. on Courts, Intell. Prop., and the Internet of the H. Comm. on the Judiciary*, 113th Cong. (2014) (statements of Peter Jaszi, Professor, American University—Washington College of Law; June Besek, Executive Director, Kernochan Center for Law, Media, and the Arts & Lecturer-in-Law, Columbia Law School; & Naomi Novik, Author & Co-Founder, Organization for Transformative Works). Note, however, that June Besek cautioned the Subcommittee about the risks inherent in over-reliance on the transformativeness element. She explained, "A finding that a use is transformative tends to sweep everything before it, reducing the statutory multifactor assessment to a single inquiry. It is important that the fair use pendulum once again be moved back toward the center." *Id.* at 14.

<sup>72</sup> Pamela Samuelson, *The Copyright Principles Project: Directions for Reform*, 25 BERKELEY TECH. L.J. 1175, 1206–07 (2010).

<sup>73</sup> *See id.*

<sup>74</sup> *See, e.g.*, American Photographic Artists, *Proposal for Orphan Works Legislation*, in U.S. COPYRIGHT OFFICE, ORPHAN WORKS, COMMENTS IN RESPONSE TO OCT. 22, 2012 NOTICE OF INQUIRY (2013), available at <http://perma.cc/EFV9-MSMT> ("[T]he final version of any orphan works legislation must empower the Copyright Office to work in tandem with the visual arts community in order to promulgate best practices defining guidelines for a 'reasonably diligent search' requirement . . .").

the courts applying existing exceptions and limitations such as the fair use doctrine.<sup>75</sup>

The record regarding mass digitization is less clear but, to the extent the issue has been considered outside the courts, it has been considered primarily by the Copyright Office in various inquiries. Among the approaches the Copyright Office has hinted at is “extended collective licensing.”<sup>76</sup> Presumably under such an approach representatives of authors could enter into license agreements with entities seeking to digitize their works for purposes such as educational uses or preservation, and authors who do not wish to participate in such agreements could thereafter withdraw their consent. Should such an approach be considered, the licenses required would be best negotiated directly by stakeholders themselves overseen and aided by an agency, rather than imposed by Congress as a legislative enactment such as a statutory license.

#### IV. CONCLUSION

Taking any of the aforementioned approaches to reinvigorate the Copyright Office and ensure Congress has a strong partner to collaborate with in keeping the Copyright Act current is an important first step in any copyright review effort. Properly empowering an agency to act more nimbly than Congress can in this arena also would be consistent with our democratic, common law approach to legislating. In common law countries like the United States, in contrast to civil law countries, the legislative branch does not attempt to engage in comprehensive, continuously updated lawmaking intended to prescribe and codify the necessary outcome of every eventuality. Rather, the legislature creates a more dynamic and evolving body of law, which is further elaborated through agency rulemaking and judicial action.

Each of the approaches analyzed would curb the need to constantly legislate to address rapidly evolving, industry-specific concerns, and instead would allow some of these matters to be handled by regulatory action. As a result, future amendments of the Copyright Act would be limited to matters such as the establishment of overarching policy decisions or the creation of new substantive rights or exceptions. With Congress retaining proper oversight of the agency, a more regularized, direct and politically accountable approach to legislating and rulemaking in this arena could develop.

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<sup>75</sup> See Library Copyright Alliance, *Comments of the Library Copyright Alliance in Response to the Copyright Office’s Notice of Inquiry Concerning Orphan Works and Mass Digitization*, in U.S. COPYRIGHT OFFICE, ORPHAN WORKS, COMMENTS IN RESPONSE TO OCT. 22, 2012 NOTICE OF INQUIRY (2013), available at <http://perma.cc/9XJJ-FDFF>.

<sup>76</sup> See *The Next Great Copyright Act*, *supra* note 1, at 334, 338.

Ms. WASSERMAN SCHULTZ. Thank you.

#### FUTURE OF THE COPYRIGHT OFFICE

There are several different approaches being considered as to future of the Copyright Office, and this isn't the time or place to address those, although I am hoping that we will have an opportunity to do that. But as long as the Copyright Office remains an entity within the Library of Congress—Mr. Chairman, you and I had a chance to talk about this other day—I think that we would be better served and the whole system and the discussion of its reform will be better served if the subcommittee were to receive the Copyright's Office budget priorities list in addition to the Library's budget requests in future fiscal years. We need to have a full accounting of what is needed to bring improvement to the copyright system. In other words, we need to separate out the Copyright Office's budget justification.

The Copyright Office is one area where this subcommittee can directly create positive economic change. A recent Copyright Office report stated that there is a widespread perception that our licensing system is broken. Songwriters and recording artists are concerned that they cannot make a living under the existing structure, which creates serious and systemic concerns for the future. Music publishers and performers' rights organizations are frustrated that so much of their licensing activity is subject to government control. So they are constrained in the marketplace. Record labels and digital services complain that the licensing process is burdensome and inefficient, making it difficult to innovate.

Mr. Chairman, I would like to see this subcommittee, as we have discussed, play a front and center role in modernizing the Copyright Office. I look forward to hearing from the distinguished Librarian of Congress, Dr. Billington. And I will have questions for our Registrar of Copyright, Maria Pallante, as well.

I yield back the balance of my time.

Mr. GRAVES. Thank you.

#### INTRODUCTION OF NEW LIBRARY LEADERSHIP

Well, before we go any further, I would like to take the time to mention four individuals within your organization who have recently been appointed to their new positions and will be a part of your management team. You have with you David Mao, the Deputy Librarian of Congress.

Good to have you with us.

Robert Newlen, the Chief of Staff.

Good to have you with us as well.

In addition, we have Mark Sweeney, the Associate Librarian for Library Services. Ms. Mary Klutts, the Chief Financial Officer.

Congratulations to each of you for your new assignments.

Dr. Billington, your entire statement will be made part of the record today, as you know. But we would welcome any comments that you may have, you would like to share with us, and a brief summary of those remarks.

## OPENING STATEMENT OF LIBRARIAN OF CONGRESS

Dr. BILLINGTON. Thank you very much, Mr. Chairman, Representative Wasserman Schultz, members of the subcommittee. I thank you particularly for the honor and pleasure of providing testimony in support of the mission and the fiscal 2016 budget request of the Library of Congress.

We are grateful for the support that you and this subcommittee give to the Library. We look forward to working with you as public servants living in a time of both continuing budget constraints and, also, of course, an ongoing revolution in how knowledge is generated, communicated, and used.

You have already mentioned some of our new top management colleagues. And I won't repeat them, except to say that this is the first time they, in their present capacity, some of them, have appeared before this committee. And we appreciate you welcoming them.

I should mention, in addition to the ones you have mentioned, Elizabeth Scheffler, who is the interim chief information officer and associate librarian for strategic initiatives.

The Library of Congress fiscal 2016 budget request asks for a total of \$666.629 million, which represents a 5.7 percent increase over the Library's fiscal 2015 funding level. Nearly two-thirds of this request—\$21.9 million—necessarily covers mandatory pay-related requests as well as price level increases anticipated for fiscal 2016.

The remaining \$13.9 million makes key investments in the infrastructure of our aging physical plant and information technology and addresses gaps in critical areas of expertise we have lost to attrition, particularly acute needs in the Congressional Research Service.

In recent years, the Library has been operating with progressively fewer resources. The total Library appropriation has decreased almost 8 percent, or more than \$53 million, since fiscal 2010. We are doing much more work with far fewer employees. Since 1992, the Library has added its massive digital programs to its still growing traditional analog collections and services, despite losing 1,429 FTEs, which was almost a third of our workforce. Our fiscal 2016 budget request will further reduce the number of authorized FTEs across the Library by 405, or 11 percent, because we simply cannot support them with current funding.

We are deeply concerned also about moving into fiscal 2016 with the prospect of another sequestration, which would require absorbing additional cuts to our programs and prevent us from making necessary investments in infrastructure and in staff with critically needed skills and expertise.

The Library continues to serve the Congress and the American people in ways that no other institution anywhere can match. The Congressional Research Service is the research arm for the legislative and oversight work of the Congress. And we also serve the Congress through the Nation's largest law library.

As the de facto national library of the United States, the Library now acquires, preserves, and makes accessible free-of-charge the largest and most wide-ranging collection of recorded human knowl-

edge ever assembled anywhere at any time in the world by any one institution.

The U.S. Copyright Office encourages, protects, and preserves the work of America's innovative creators. And the National Library Service for the Blind and Physically Handicapped provides the only free public library reading service for these Americans, wherever they live through their local libraries.

Our new leadership team is taking steps to maximize efficiency and minimize the cost of library services. And we are also placing a much greater emphasis on shared services both within the Library and across the legislative branch, such as the Legislative Branch Financial Management System, which is hosted by the Library.

We will produce by the end of fiscal 2015 an altogether new strategic plan for fiscal years 2016 through 2020. And to realize the ambitious forward-looking goals that we are formulating, we will need greater flexibility in our personnel management because of these losses that I have referred to.

We have many challenges. This is a time, I believe, Mr. Chairman, of great promise for the Library. In all areas, digital technology is transforming the way we do our work and deliver services to the Congress and its constituents. We look forward to continuing to innovate in our services to every Member of Congress, every congressional committee, and millions of Americans.

Mr. Chairman, the Library of Congress is the world's preeminent reservoir of knowledge. This is an incalculable benefit for American leadership and innovation. In many ways, Congress' Library is America's strategic information reserve for sustaining leadership in a world increasingly dependent on the generation and use of knowledge. The Library embodies and advances the distinctive American ideal of a knowledge-based democracy. And we will be grateful for your consideration of our fiscal 2016 funding request.

So, Chairman Graves, Representative Wasserman Schultz, and members of the subcommittee, I thank you all again for your support for the Library and will be pleased to answer questions.

[The prepared statement of Dr. James Billington follows:]

**Statement of Dr. James H. Billington**  
**The Librarian of Congress**  
**Before the**  
**Subcommittee on Legislative Branch Appropriations**  
**U.S. House of Representatives**  
**Fiscal 2016 Budget Request**  
**February 26, 2015**

Chairman Graves, Ranking Member Wasserman Schultz, and Members of the Subcommittee:

Mr. Chairman, thank you for the honor and pleasure of providing testimony in support of the mission and fiscal 2016 budget request of the Library of Congress.

The Congress of the United States created in 1800, and has generously supported ever since, this amazing one-of-a-kind institution. We who work with and for you at the Library of Congress are deeply grateful for the annual appropriation you entrust to us. We are in continuing awe of the enduring mission you have shaped for us through a series of historic mandates. We are, at the same time, public servants living in a time of both continuing budget constraints and a continuing revolution in how knowledge is generated, communicated, and used.

I come before you today in the midst of an extraordinary year of unprecedented, purely internal, library-wide self-examination from the bottom up and top down. This collaborative process is preparing us to produce by the end of fiscal 2015 an altogether new strategic plan for fiscal years 2016-2020. It will be designed both to maximize efficiency and to minimize the cost of the Library's already proven strengths and make the nation's oldest federal cultural institution one of its most innovative.

Congress's library now acquires, preserves, and makes accessible free-of-charge the largest and most wide-ranging collection of humanity's recorded knowledge ever assembled anywhere in the world by any one institution. We also house an unparalleled collection of the multi-media cultural and intellectual creativity of the American people.

For fiscal 2016, we are asking for \$666.629 million, a 5.7 percent increase over our 2015 budget. Because of the unique skills of so many of the Library's staff, we have kept to a minimum cuts in our pay budget. But irregular funding for mandatory pay raises and price increases, attrition in our aging workforce, and limitations on new

hirings have already weakened key areas of our expertise, and they can no longer be replaced by redeployments from base funding. Therefore, the Library's budget request for fiscal 2016 is needed to cover a few critical resource additions (\$13.9 million), but mostly just mandatory pay and price level increases (\$21.9 million).

The unique services performed by the Library's dedicated and multi-talented staff include:

1. Our highest priority of providing all Congressional members and committees with authoritative, timely, and non-partisan research and analysis to support the legislative and oversight work of both houses of Congress, through the Congressional Research Service (CRS) and the world's largest Law Library (LAW).
2. Encouraging, protecting, and preserving the work of America's innovative creators through the U.S. Copyright Office (COP), which registers these works, records copyright documents, and administers the nation's copyright law.
3. Providing the only free public library reading service for blind and physically handicapped Americans wherever they live, thanks to the Library's National Service (NLS) and its home delivery of braille and talking books through local libraries.
4. Providing as the de facto national library of the United States multiple and unique services that almost invariably could not be done as well or better by any other existing institution. Library Services (LS) supports the entire library system of America through our cataloging standards and services and our multi-formatted preservation research and practices. And for 20 years the Library has been providing massive, curated, primary documents of American history and culture online for the education and inspiration of K-12 teachers and students and for life-long learners of all ages.

Congress's Library is in many ways America's strategic information reserve: a unique multi-media resource of growing importance for America in the turbulent information age. At the beginning of the current fiscal year on October 1, 2014, the Library contained more than 160 million analog items in virtually all languages and formats, and 5 petabytes of stored digital content. The Library also continues to receive, index and store copies of half a billion Twitter messages a day.

We have put in place an entirely new and collaborative top management team to bring our traditional analog and digital services closer together. We now have an outstanding new Deputy Librarian of Congress, Chief of Staff, and Associate Librarian for Library Services. All three have already successfully exercised multiple responsibilities within the Library of Congress and in the broader library community.

We have also made four additional new appointments to assure the highest quality for future core Library services: a former Dean and President at two leading universities as the director of all of the Library's Scholarly Programs; two widely experienced technologists as Interim Chief and Deputy Chief Information Officers of the Library; and a deeply experienced new permanent head of the Library's financial services division, which also does work for other Legislative branch services.

All of this new leadership – as well as our year-long, staff-level Futures Program – has been added from within the Library without any additional expenses. We are doing much more work with far fewer employees. Since 1992, the Library has added its massive digital programs to its still growing traditional analog collections and services despite losing 1,429 FTE's.

Last year, the Library provided reference services to more than 467,000 individual researchers, recorded more than 78 million visits to our web sites, and provided more than 23 million copies of braille and recorded books and magazines to more than 890,000 blind and physically handicapped reader accounts.

In recent years, the Library has operated with progressively fewer resources. The total federal appropriation has decreased in excess of 7.8 percent: from \$684.3 million in fiscal 2010 to \$630.9 million in fiscal 2015.

Our fiscal 2016 budget request will further reduce the number of authorized FTE positions across the Library by 405 – 11 percent – because we cannot support them with current funding. We have cut critical infrastructure, deferred important investments, consolidated broad program areas, and strengthened governance processes.

We will need in the near future more flexibility in hiring an expert staff – not just for this Library, but for our country. The erosion of basic funding is already compromising our ability to deliver high-quality knowledge resources to the Congress and the American people. And we must make key new investments in the critical infrastructure of our aging physical plant and information technology.

The following are some of the most pressing challenges that the Library faces if it is to avoid unintentionally slipping into a decline that might be easy to overlook but impossible to reverse.

**The Library's Congressional Research Service** provides objective, nonpartisan information and analysis solely in support of the Congress. Last year, in the 100<sup>th</sup> year of its founding, CRS served 100% of Congressional Members and standing committees through tailored briefings, varied programs, and confidential memoranda. The Service supported Congress with a full range of written analyses and personal consultations for which the Director's testimony provides a detailed chronicle. CRS must often move quickly to marshal resources from a variety of disciplines across and beyond the Service to provide Members and committees with legal and policy options to confront complex and fast-moving national and international problems.

CRS has lost senior expertise in areas that cannot easily be back-filled: trade, defense, natural resources, social policy, and public finance — and continues to need dynamically to reshape its workforce to continue to provide the authoritative and objective research and analytical support that have been the Service's hallmark for the last 100 years.

**Storage Space:** Delays in executing the Ft. Meade master plan have left the Library's existing facilities functionally beyond capacity. Nearly a million books are currently stored on the floor or on book trucks in the Jefferson and Adams buildings, with more than 175,000 new volumes arriving every year. Continuous growth of the collections without a commensurate increase in acceptable storage space has led to a crisis of significant proportion, posing threats to the safety and well-being of Library staff; the preservation and security of collections; the ability needed to serve the Congress, researchers, and the nation through free interlibrary loans; and preserving the structural integrity of the book stack areas of the Jefferson and Adams Buildings. We urgently seek \$4.8 million to expand collections storage capacity through the installation of compact shelving and lease of interim collections storage space until planned Ft. Meade modules are available. We are grateful for fiscal 2014 funding for the construction of Ft. Meade Module 5; however, even when Module 5 is fully built and available in fiscal 2018, we will still be unable adequately to meet our storage needs and unable to mitigate the issues of overcrowding and safety violations. In the long run, completion of the storage modules at Ft. Meade will be vastly more cost effective.

**The Law Library** is a small enterprise with a critical mission that is now unable to address fundamental collection needs after multiple years of unfunded pay increases and direct budget cuts. Additional funding is essential to ensure that the Law

collections are cataloged in compliance with accessibility and classification standards and accessibility widely accepted by all researchers. As of September 30, 2014, approximately 408,000 volumes remained unclassified.

**Skill Gaps:** Over the last five years, the Library has developed significant skill gaps that have opened up serious holes in word-class expertise, many of which are caused by the Library's inability to back-fill. Holding positions vacant is one of the few means available to accommodate mandatory pay raises in the absence of new funding. Identifying and filling skill gaps was one of the strongest recommendations of the staff in the Futures Program.

**Library Services,** the largest unit of the Library, recently lost the language and subject matter expertise and technical skills of its sole South Asian expert, seriously reducing the servicing of collections and reference questions about India. We also lost our Turkic language expert, radically diminishing our acquisitions and reference service material from the many different Turkic-language-speaking countries. The Manuscript Division now lacks high-level subject matter expertise in legal, military, science, and technology. And many Library Services divisions, as well as the Law Library, need more skilled technologists to work with our growing digital content.

**The U.S. Copyright Office:** A Scholar in Residence recently delivered to the Register a comprehensive report with recommendations for transforming the operation of publicly recording copyright-related documents, including copyright assignments and licenses. It was the first substantive analysis of document recordation in several decades and will assist the Register in planning activities necessary to bringing recordation online in fiscal 2015 and 2016. The Copyright Office also recently published a major policy study on the current music licensing system, *Copyright and the Music Marketplace*, which one leading industry publication called a "rare instance of government getting out in front of moving technology." The many challenges of copyright in the digital age are discussed in detail in the separate report of the Register of Copyrights to the committee.

Despite our many challenges, this is a time of great promise for the Library. In all areas, digital technology is transforming the way we do our work and deliver services to the Congress and its constituents.

We are asking for \$2 million to fund the Digital Collections Center, to provide proper stewardship of the Library's rapidly growing digital content. Over the last five years, the Library's traditional analog collections have averaged 3.6 million added pieces per year. During this same period, stored digital content has grown

exponentially from roughly 125 to 582 terabytes, increasing stored digital data by an annual average of more than 73 percent. The development of a dedicated Digital Collections Center, with the capacity to manage and sustain all this digital content, is an essential investment to fulfill the Library's collections stewardship mission now and into the foreseeable future.

The Library's strategic management of its information technology assets and operations is a significant issue addressed in the report language of this committee last year and in recent findings of the GAO. Management of recommendations in strategic planning, enterprise architecture, human capital management, investment management, system acquisition and development, security, service management, are all challenges that our Interim Chief Information Officer and her Deputy are now moving aggressively to address, and the Library is conducting a national search for a permanent Chief Information Officer, whom we expect to have in place by the end of this year.

Last year I spoke of the Futures Program that will inform the next strategic plan. Library staff from many different programs and levels, below the Executive Committee, suggested new 21<sup>st</sup> century approaches to fulfilling the Library's historic service missions. The Futures Program's recommendations have generally built on the Library's unique strengths and required minimal new resources. They retained the historical integrity and objectivity of all Library of Congress services, keeping the Library free from any commercial or political advocacy agendas, demonstrating the Library's importance for sustaining American leadership in an increasingly knowledge-dependent world, and launching new initiatives.

The Library is also meeting the challenges of minimizing duplication in performing its services — placing a much greater emphasis on shared services both across the Legislative Branch and within the Library. Currently, the Legislative Branch Financial Management System (LBFMS), which holds the financial system not only for the Library but also for four other Legislative Branch agencies, resides at the Library. In fiscal 2016, the Architect of the Capitol will become the fifth cross-serviced agency.

The Library collaborated with the House and Senate and with other Legislative Branch agencies to more effectively exchange and present legislative information by adding new online features and data to Congress.gov and by contributing to the Speaker's Bulk Data Task Force. Internally, the Library is moving forward with a range of shared service initiatives, such as implementing a Library-wide geospatial information system to address the mutual needs of staff in CRS, Library Services, and the Law Library in responding to congressional requests. Other examples of service

and economy-motivated joint opportunities are the execution of a Library-wide plan for the contract and use of mobile devices, development of a business case for Library-wide performance of IT security certification and accreditation requirements, and forming the requirements for a single authoring/publishing system for research performed at the Library.

The Library's Veterans History Project (VHP) was unanimously mandated by both houses of Congress, is now the largest oral history project in America. VHP will celebrate its 15<sup>th</sup> anniversary in October and will soon reach 100,000 recorded oral histories. Over the last year this program has collaborated with more than 150 congressional offices, providing constituent services, briefings, and volunteer training sessions for interviewing those who served in the military in all America's wars during the last century.

In 2014, the Library continued its very popular evening services of Congressional Dialogues on Great American Presidents, provided exclusively for Members of Congress. The Library's new James Madison Council Chairman, David Rubenstein, skillfully interviewed renowned experts like David McCullough, Scott Berg, and Doris Kearns Goodwin about the challenges and accomplishments of seven iconic Presidents: George Washington, John Adams, Thomas Jefferson, James Madison, Abraham Lincoln, Theodore Roosevelt, and Woodrow Wilson. Members then asked questions and made off-the-record comments, having previously studied key original documents from each President's collections in the Library's vast holdings of early Americans. We are continuing this series into 2015, expanding it to include great Americans. These unique events regularly attract at least 120 Members of Congress, and this year's series opened on February 3<sup>rd</sup> with a well-attended dinner and dialogue on Benjamin Franklin.

The Library has presented a particularly rich array of public exhibitions and special events over the past year. More than 112,000 visitors viewed the *Magna Carta: Muse and Mentor* exhibition at the Library from November 6, 2014 to January 19, 2015 in honor of the 800<sup>th</sup> anniversary of this document. The King John 1215 Magna Carta, loaned by the Lincoln Cathedral, was its centerpiece, and rare items from the Library's rich collections showed the Magna Carta's importance on the development of constitutional law in the United States. Seven United States Supreme Court Justices took part in the celebratory events along with a former Chief Justice of the United Kingdom, and HRH The Princess Royal, the only daughter of Queen Elizabeth II.

Other new Library exhibitions last year included *Mapping a New Nation: Abel Buell's Map of the United States, 1784*; *A Thousand Years of the Persian Book*; and *The Civil*

*Rights Act of 1965: A Long Struggle to Freedom*, with Martin Luther King, Jr.'s original copyrighted "I Have a Dream" speech.

The Library of Congress had an unusually rich year of free poetry readings and concerts. Particularly memorable was a program led by the great baritone Thomas Hampson celebrating the different historical stages and version of our national anthem and a star-studded program at a packed Constitution Hall honoring Billy Joel with the Gershwin Prize for lifetime achievement in popular song. PBS extended the length of its nation-wide television broadcast from its customary hour to a first-ever 90 minutes.

On February 4, 2015 the Library formally opened to researchers the Rosa Parks collection of approximately 7,500 manuscripts and 2,500 photographs. On loan to the Library for ten years from the Howard G. Buffett Foundation, the collection includes personal correspondence and photographs, and letters from presidents. A small display of items from the collection will subsequently be on public exhibit.

From March 4-7 we will celebrate the 150<sup>th</sup> anniversary of Abraham Lincoln's great speech at his Second Inaugural with a rare public display of the President's original reading copy. The 15<sup>th</sup> annual National Book Festival will take place this September.

The Library of Congress is the world's preeminent reservoir of knowledge. The Library embodies and advances the distinctly American ideal of a knowledge-based democracy. We will be grateful for your consideration of our fiscal 2016 funding request.

Mr. GRAVES. Great. Well, thank you, Dr. Billington. And might I note for the record as well, the statements of the Register of Copyrights and the Director of the Congressional Research Service will be submitted for the record as well.

[The prepared statements follow:]

**Statement of Maria A. Pallante**  
**United States Register of Copyrights**  
**Before the**  
**Subcommittee on Legislative Branch Appropriations**  
**U.S. House of Representatives**  
**Fiscal 2016 Budget Request**  
**February 26, 2015**

Chairman Graves, Ranking Member Wasserman Schultz, and Members of the Subcommittee:

Thank you for the opportunity to present written testimony in support of the budgetary needs of the United States Copyright Office.

The Copyright Office is a congressionally created department within the Library of Congress and is vested with the statutory responsibility of administering the Copyright Act and other provisions of Title 17, including the national copyright registration and recordation systems. Today, the Copyright Office sits at the center of a complex and dynamic legal and regulatory system. Its work is vital to all types of businesses, the Congress, courts, and ultimately the national economy.

Again for fiscal year 2016, the Library of Congress has sought to prioritize its many competing needs, including those of the Copyright Office. I am grateful to the Librarian for putting forward the request detailed below, which includes two program increases that would primarily be funded through fees. The request this year does not reflect the entirety of the Copyright Office's needs. However, it is a reasonable request put forward in a difficult budget environment, and one of many that the Librarian has sought to balance in his overall agency request involving library acquisitions, storage, preservation and other urgent needs, as stated in more detail in the Librarian's written statement.

As Register, I believe that the Copyright Office makes an outsized contribution to the public, but, as described below, this work requires sufficient funding. Over time, the Office will likely require capital investments to make the copyright system more efficient and more useful for the twenty-first century marketplace. In the meantime, we hope the Committee will agree that the request put forward for next year is both reasonable and responsible.

**Funding and Overall Budget Request**

The Copyright Office is funded through a combination of fees for services and dedicated appropriated dollars. Some of the Office's operational costs are offset by services provided by the Library of Congress through its agency-wide appropriations.

These costs are not itemized and are not taken into account when the Copyright Office sets and implements revised fee schedules. (The Office last implemented a revised schedule on May 1, 2014, following an extensive public process.)

The Copyright Office's total request for fiscal 2016 is \$58.875 million, of which:

- \$30.0 million derives from authority to spend fee collections;
- \$5.777 million derives from licensing royalty and filing fee collections;<sup>1</sup> and
- \$23.098 million derives from appropriated dollars.

The Office administers these funds through separate budgets for three program areas:

(1) Copyright Basic budget, which funds most Copyright Office operations;

(2) Copyright Licensing Division, which is a fiscal operation that disperses royalty income after statutory distribution proceedings and is funded entirely by fees from private parties; and

(3) Copyright Royalty Judges, who report to the Librarian but are included by the Library under the Register's budget for administrative convenience.

#### Copyright Office Basic Budget Request

The Basic Budget funds most of the Copyright Office. The request this year is \$51.9 million, of which \$30.0 million or 58% is a request for authority to spend the fees we collect for services.

The request includes two program increases, one for our Registration Program and one for our Recordation Section, totaling \$2.705 million dollars. However, \$2.029 million of the total would be funded by fees, and we would use this fee authority to add 20 new hires to our Registration Program. The remaining \$675,825 would require appropriated dollars; we would use this funding to add five new hires to our Recordation Section.

#### Licensing Division Budget

The budget request for the Copyright Licensing Division is \$5.388 million, all of which would derive from licensing-related collections. Copyright owners contribute to the funding by virtue of deductions from statutory royalty payments, as do cable television and satellite licensees through the payment of filing fees under the applicable

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<sup>1</sup> Royalties and filing fees are private monies remitted to the Copyright Office by users of certain statutory licenses. Operations of the Copyright Office's Licensing Division and non-personnel spending of the Copyright Royalty Judges are funded out of such royalties and filing fees.

statutory license. The increase in spending authority requested here is to support mandatory pay-related and price level increases affecting the administration of the various statutory licenses.

### Copyright Royalty Judges

The Copyright Royalty Judges report by statute to the Librarian, but the Register administers their budget as an administrative courtesy. The budget request for the Copyright Royalty Judges is \$1.584 million to support mandatory pay-related and price level increases, of which \$389,000 (for non-personnel-related expenses) derives from the above-described licensing collections. The remainder, \$1.195 million in appropriated dollars, is to cover the personnel-related expenses of the Judges and their staff.

## **Administering the Copyright Law**

### Registration

If the Committee approves our request for additional spending authority, most of the two million dollars would go to strengthening the registration staff. In fiscal year 2014, the Copyright Office approved and registered claims in approximately 476,000 creative works, including 219,000 literary works and 65,000 sound recordings. Since fiscal year 2012, however, the Office has been experiencing an upward trend in the backlog of claims and average processing time for registrations. In 2012, the average processing time for claims filed on paper applications was 4.8 months; the current processing time is 13.5 months. The average processing time for claims filed online electronically has also increased, rising from 3.1 months to 4.4 months over the same period. These increases are mostly attributable to the loss of registration staff, which has declined by approximately 50 FTEs (roughly 27% of the Registration Program).<sup>2</sup> (In the case of electronic claims, some of the delay stems from ongoing problems with technology systems, as well.)

As we hire new registration experts, the Office must train them in the copyright law, regulations and practices, and prepare them to address a constantly changing world of content and business models. The lengthy training schedule, coupled with the fact that the backlog continues to grow, provides a sense of urgency to reverse staff losses in this critical division. It is also the case that practices are becoming more complex than before, as authors, publishers and producers continue to change the ways in which they create and disseminate works of authorship.

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<sup>2</sup> This number tracks losses since 2010. The Copyright Office today has 76 professionally trained examiners to handle approximately half a million copyright claims involving millions of works of authorship; we had close to 130 examiners in 2010. Assuming we can hire 20-30 examiners in 2015 and 2016, the Office will still be below capacity, particularly given the increasing complexity of addressing digital works and new practices.

In December, 2014, we completed a major, multi-year special project by releasing the *Compendium of Copyright Office Practices, Third Edition*. The first major revision in two decades, the *Compendium* is a comprehensive guidebook regarding registration and other Copyright Office practices. It is relied upon by Office staff but also serves as a recognized authority consulted by copyright owners, legal practitioners, and the courts, which frequently give the Copyright Office deference in registration policy and related issues. This was an important and necessary accomplishment for the Office, and one that we announced publicly in our 2011-2013 work plan, entitled *Priorities and Special Projects of the U.S. Copyright Office*.

Notably, the *Compendium* is just the beginning of a digital makeover for registration. It provides the necessary legal foundation by which the Office may now pursue regulations and practices that recognize and serve the digital economy. For example, the Office will need to determine the rules and standards by which it registers works that change routinely (like news sites); works that are disseminated by streaming instead of copies (like on-demand film, television and sports programming); works that contain valuable and proprietary source code (like business software); and works that contain copy controls and other anticircumvention measures (like video games).

#### Recording Assignments, Security Interests and Other Copyright Documents

Regarding the recordation provisions of the Copyright Act, the Office also needs resources. The requested increase of \$675,825 in appropriated dollars for fiscal 2016 would fund five new hires in the Recordation division. The Office has a very lean permanent staff of 13 dedicated to this function at the moment. As last analyzed in 2014, this staff recorded 8,146 documents pertaining to copyright interests in more than 144,376 identified works. This function remains a paper process, however, in which staff manually index the materials received.

In fiscal 2015, the Congress allocated \$1.5 million to the Copyright Office to conduct planning and business analysis related to updating the recordation function. The long-term objective is to automate the document submission and review process to include an online filing capability for customers. Significant changes are also contemplated regarding service options and the content and format of the public record. As noted below, the business analysis we are now engaged in follows two years of research regarding the overall technology of the Copyright Office (relevant to its customer base) as well as the relevant legal and business issues related to recording documents in the online environment. The additional FTEs we are requesting for Recordation represent new positions with skills that will be more appropriate to an online function.

The future of the document recordation function has been an intense focus of the Copyright Office for several years, and it too was publicly announced in the 2011-2013 *Priorities* work plan. In the past two years, the Office engaged stakeholders through multiple public roundtables on potential changes to the legal and administrative aspects of document recordation. I am also pleased that in 2014, we completed a business reorganization that, among other things, established a dedicated Office of Public Records and Repositories. For the first time, these functions are now headed by a senior level officer reporting directly to the Register.

I also appointed and tasked the Office's first Abraham L. Kaminstein Scholar in Residence (Professor Robert Brauneis of George Washington University) with conducting an in-depth study of the relevant legal issues, and engaged with Stanford University Law School (under Professor Paul Goldstein) in an academic partnership to examine these questions. In January 2015, we released the report of the Kaminstein Scholar, entitled *Transforming Document Recordation at the U.S. Copyright Office*, which in turn references the work of the Stanford students.

### Statutory Licenses

The Copyright Office administers several statutory licenses that require the Office to manage and distribute royalties, including those collected on behalf of copyright owners of broadcast television programming that is retransmitted by cable and satellite operators. The disposition of these private monies is determined by the Copyright Royalty Judges (together, the Copyright Royalty Board or "CRB") in distribution proceedings. The work of the CRB is reviewable by the Register for legal error, but for constitutional reasons the CRB reports to the Librarian as head of the agency. In fiscal year 2014, the Copyright Office collected approximately \$318 million dollars of royalties and made disbursements in accordance with CRB's decisions.

In fiscal 2014, the Office completed a second pilot of an electronic licensing system to facilitate its administration of statutory licenses, and development of the system will continue in fiscal 2015 and 2016. The end goal is to launch a system that supports online filing and processing of statements of account by statutory licensees. As with all Licensing Division operations, this administrative initiative is being funded by private funds collected under the relevant licenses.

## Copyright Law and Policy

### Copyright Policy and the Digital Economy

With respect to policy, the Copyright Office has been at the center of discussions regarding potential updates to the Copyright Act, working closely with Members of Congress and, in particular, the House Committee on the Judiciary. The House Judiciary Chairman convened twenty copyright hearings in the 113th Congress, with the clear mission of comprehensively reviewing the law to assess how well it is working in the digital age. As Register, I have both testified on these issues and lent the impartial expertise of my Office to assist the process.

It would be an understatement to say that the copyright law is complex. Indeed, in the context of the digital economy, the entire copyright ecosystem is in a state of ongoing transformation and innovation. While challenging, this is also an exciting development for the United States, which has long championed a strong but balanced intellectual property framework to the benefit of both the content and technology industries.

In addition to its service to the Congress, the Copyright Office supports the work of the U.S. Trade Representative, the U.S. Department of Justice, the U.S. Department of State, and the U.S. Department of Commerce. This work involves major trade agreements, treaty negotiations, Supreme Court briefs and other interagency and intergovernmental matters. The Copyright Office has relationships with copyright and other intellectual property offices around the world, and is frequently involved in intergovernmental and bilateral meetings, as well.

### Congressional Hearings on the Copyright Office

The Congress is also interested in the Copyright Office itself, particularly its ability to meet the challenges of the twenty-first century. This means in large part the ability to support a marketplace in which creative content is in demand around the globe but vulnerable to unauthorized uses. In the past several years, I have focused the Office on projects that are self-evaluative, including how to upgrade our current practices and whether to create entirely new paradigms for certain processes. This might include, for example, the ways in which we register works of authorship or record documents such as assignments, licenses, security interests and other forms of ownership. Most would agree that the Copyright Office must be more interoperable with the technology of its customers, and must offer timelier and more innovative services, including business-to-business data exchange and applications that work on mobile devices.

We are aware that on February 26, 2015, the House Committee on the Judiciary will explore issues related to the Copyright Office's funding, services and authority. We understand this hearing is a part of the overall review of our copyright laws. It follows the Committee's September 18, 2014 oversight hearing of the Copyright Office at which I testified. During that hearing, Members explored a range of questions including budgetary and resource needs, efforts to upgrade and improve Office services, and the Office's current statutory structure within the Library. We are both respectful of these proceedings and available, as always, to assist the Congress with these issues.

#### Policy Reports of the Copyright Office

In February 2015, the Copyright Office published an in-depth study and legislative recommendations entitled *Copyright and the Music Marketplace*. This report, which analyzes the statutory framework and business environment of the music industry, is indicative of the Office's policy role. The report has been recognized by Members of Congress, songwriters and composers, music publishers, performing rights organizations, record labels and digital delivery services. The expertise comes from the Office's daily role in administering the Copyright Act, and the legal and cultural significance of issues such as these is an important factor we use to recruit talented lawyers. Nonetheless, the lack of resources, including insufficient staff and travel budgets, makes for a challenging environment for even the most dedicated of public servants.

In addition to the music study mentioned above, the Office is currently preparing to issue reports on orphan works and mass digitization issues, as well as the application of authors' "making available" rights in the online environment under U.S. law. Beyond studies, the Office works closely with congressional offices every day to provide assistance on complex issues.

Through its work with the Intellectual Property Enforcement Coordinator, the Copyright Office is also nearing completion of an online index of fair use cases to serve as a resource for authors and others.

#### **Challenges of the Current Fiscal Environment**

The Copyright Office carries out a significant workload for the benefit of the Nation. It is doing so, however, with reduced staffing and technology deficiencies. These challenges are part of broader discussions throughout the Library, but I will note them here briefly.

### Staffing

The Copyright Office's total staff is smaller than it should be to perform its complex and important statutory assignments. Our authorized FTE ceiling has been reduced to 411 (for the Copyright Basic Budget) following recent Congressional direction to the Library to reconcile and eliminate unfunded positions. This is a considerable reduction at a time when the Office needs staff and would in fact hire them if it had funding. In 2005, by comparison, the FTE ceiling was 492 (again, for the Copyright Basic Budget). However, all of these positions are not filled. We currently have approximately 360 filled positions on the basic staff, a number that will improve somewhat if fees remain steady and we can make hires in Registration and Recordation. Internally the reduced staff is felt as a workload distribution increase on already over-burdened employees. And over time the Office will be at a disadvantage if it cannot attract and retain experts, particularly in the legal and technology fields.

### Information Technology

The agency's IT systems and infrastructure are of paramount concern for the Copyright Office, and it has been working with the Library, the public and the Government Accountability Office ("GAO") to assess the issues in the past year. This Committee directed the GAO to audit the priorities and planning process for all Library programs, an audit that we understand is almost complete. Moreover, the Senate asked the GAO to identify deficiencies in the Copyright Office's ability to meet the needs of the global copyright marketplace, and to evaluate modernization goals and needs.

The Copyright Office has participated fully in both audits, and we look forward to learning of the GAO's findings and recommendations when its audit reports are released in the near future.

### Technical Upgrades Special Project

During the past few years, the Chief Information Officer of the Copyright Office chaired a special project designed to assess the areas in which the Copyright Office needs to modernize, which included soliciting the talent and expertise of the Office's customers and stakeholders. In February 2015, the project team delivered its findings and recommendations to me, and I have in turn released them to the public. This document, *Report and Recommendations of the Technical Upgrade Special Project Team*, will be a very helpful resource as we consider future strategies for the Copyright Office. The report acknowledges challenges with the current user experience and with access to the public record, while offering recommendations for improvement, such as developing a more dedicated IT infrastructure to support the registration and recordation functions, and

deploying Application Programming Interfaces (“APIs”) to provide for data exchange with the rich data of private copyright databases.

### **Statutory Authority to Set Fees**

The Copyright Office appreciates the Committee’s dedicated appropriation in fiscal 2015 of \$2.25 million, with \$750,000 to fund backlog reduction in registration and \$1.5 million for year one planning and analysis for reengineering the document recordation process.

More globally, as Register I have concluded that we should reconsider the funding process for the Copyright Office as it relates to fees. For business planning, including expenditures for IT and related issues involving multi-year contracts, the Office is constrained by the inability to spend across multi-year budget cycles. In addition, the Office would benefit from more flexibility in both its retention and spending of fee revenues, particularly in relation to longer-term capital improvements. This would require us to take a look at the statutory provisions for fees in Chapter 7 of the Copyright Act.

I would like to thank the Subcommittee for your support of the Copyright Office and national copyright system. Our fiscal 2016 budget request, if approved, would address some immediate, high-priority needs, primarily through the authority to use fee revenues received for services rendered.

**Statement of Mary B. Mazanec**  
**Director, Congressional Research Service**  
**Before the**  
**Subcommittee on Legislative Branch Appropriations**  
**U.S. House of Representatives**  
**Fiscal 2016 Budget Request**  
**February 26, 2015**

Mr. Chairman, Rep. Wasserman Schultz, and Members of the Subcommittee:

It is a pleasure to appear before you today to present the Fiscal Year 2016 budget request of the Congressional Research Service (CRS). CRS just completed its centennial year. It was a time of celebration and reflection that drew our staff together in a variety of activities and engaged present and former Members in discussions concerning CRS, the evolution of the institution and its support for the Congress, and what the future may hold for both the Service and Congress.

To commemorate the centennial, we prepared a history of CRS's first hundred years, *CRS at 100: Informing the Legislative Debate Since 1914*, which I hope you have had a chance to read. It chronicles the accomplishments of CRS staff over the years in support of the Congress and features current staff describing their work for the Service. In a second centennial publication, we prepared a series of essays analyzing institutional and policy making changes in Congress, which were incorporated into a 2014 Senate Committee on Rules and Administration print, *The Evolving Congress*. CRS will sponsor a program this April, with support from the Hewlett Foundation, to discuss the history of Congress and its future development.

The year 2014 was also the 100th anniversary of the Constitution of the United States of America Annotated, which we marked with a day-long program in September. Popularly known as CONAN, this publication is prepared by attorneys in the CRS American Law Division and tracks the jurisprudence of the Supreme Court of the United States. The program brought together prominent legal scholars and commentators and included a dialogue about the Supreme Court with Justice Ruth Bader Ginsburg.

It was a privilege to serve as the Director of CRS during this important milestone in our history.

**New Members Seminar.** One of our first post-centennial activities this year was the seminar we presented in coordination with the Committee on House Administration for newly elected House Members. This program — held in

Williamsburg, VA on January 9-12, 2015 — featured seminars and briefings by CRS and outside speakers on a range of domestic and foreign policy issues confronting the 114th Congress. Members also received orientations to the legislative, budget and appropriations processes. The Director of the Federal Bureau of Investigation and the Chairman of the Joint Chiefs of Staff delivered well-received keynote addresses.

We hope this program provided the new Members with an introduction to the policy issues that they will face in their first months on the job. We look forward to supporting the new Members as they develop their legislative agendas and priorities.

**Support for Congress.** In the midst of the centennial activities, CRS continued to support the full spectrum of congressional policy deliberations. During the past year, Congress was confronted with a myriad of international and domestic issues. CRS supported Congress by providing research and analysis, expert consultation, and an enhanced web presence on CRS.gov that provided Members and congressional staff access to the full range of CRS expertise on these issues. In fiscal 2014, CRS served 100 percent of Member and standing committee offices.

To provide a richer picture of the legislative support work of the Service, I would like to focus on two high profile issues: the farm bill and the Ebola virus outbreak. These issues are examples of the regular, deliberative process of reauthorizing major complex legislative programs and the unanticipated, fast-breaking global challenge that suddenly finds its way on the legislative agenda.

**2014 Farm Bill.** As the Congress debated a new omnibus farm bill to replace the expiring 2008 farm bill, CRS food and agriculture policy analysts provided close support to Congress throughout its intense deliberations. CRS provided in-depth analysis of various legislative proposals across a broad spectrum of policy areas that included farm commodity support, conservation, trade, rural development, nutrition, credit, bio-energy, livestock, horticulture, and research.

Authorizing committees, individual Members, and congressional staff called CRS to explain the intricacies of current farm and food policy and help identify and analyze policy options for revamping the federal farm safety net. Many raised questions when portions of the 2008 farm bill expired before a new farm bill could be finalized. In turn, CRS responded with authoritative reports and tailored briefings.

As a group, CRS analysts conducted several well-attended seminars for congressional staff on the various farm bill titles, with consideration of how farm bill spending is affected by pressures for deficit reduction. These seminars were so popular that CRS needed to schedule additional sessions to accommodate a total of 200 interested congressional staff. Food and agriculture analysts also provided

individualized support throughout the farm bill process, including preparing committee staff for legislative markup, analyzing proposed committee and floor amendments, briefing individual Members and their senior policy staff, and evaluating a slate of legislative options. The overall support to the Congress was a testament to the interdisciplinary nature of contemporary policy deliberations as agriculture and budget analysts at CRS collaborated with attorneys to provide comprehensive coverage of the issues.

Upon enactment of the 2014 farm bill early last year, Congress immediately shifted gears to the oversight mode, closely monitoring the Department of Agriculture's implementation of the new law. CRS analysts have played an integral role in the oversight process, responding to numerous requests on the implications of the new farm bill, and have conducted a number of "Agriculture 101" briefings for Member offices and committee staff about the law. In addition to multiple informative reports on the farm bill, CRS developed a side-by-side analysis of the new law compared to its predecessor and the House and Senate bills.

**Ebola Virus Outbreak.** The largest outbreak of Ebola virus disease (EVD) in history, which started in West Africa in December 2013, has claimed nearly 8,800 lives as of late January 2015. The overwhelming majority of deaths occurred in Guinea, Liberia, and Sierra Leone. The first laboratory-confirmed case of EVD in the United States was reported on September 30, 2014.

During the summer of 2014, reports of the rapidly spreading disease raised serious concerns among U.S. and international government officials and lawmakers. At one point in early August, the Centers for Disease Control and Prevention estimated that there could be over 1 million cases of EVD globally by 2015 if the rate of transmission of EVD was not dramatically curbed. These concerns, which became heightened and accelerated once the first U.S. case was reported, triggered a large number of inquiries from congressional offices, along with hearings on the public health, legal, and international implications of the disease, as well as the U.S. government response to the crisis.

The CRS response to this public health crisis was swift, thoughtful, multi-disciplinary, authoritative, and timely. CRS analysts supported ongoing congressional hearings and investigations into the response to EVD. To provide a broad spectrum of information, CRS experts from multiple divisions published many different reports that examined the crisis from a variety of perspectives, including public health, legal, international health and relations, transportation and commerce, immigration, homeland security, and clinical research and product development. Utilizing a range of

written product types, CRS produced a variety of traditional reports, Insights and Legal Sidebars (CRS version of blogs), and FAQ products.

Analysts also conducted in-person briefings and hosted a “Question and Answer” event that was made available to all clients. A video recording of this event was produced and distributed via the CRS website. Experts involved in the production of EVD-related materials came from all parts of CRS, including the Domestic Social Policy Division; the American Law Division; the Foreign Affairs, Defense and Trade Division; the Resources, Science and Industry Division; and the Knowledge Services Group. This collaborative marshaling of resources was necessary due to the multi-dimensional, interdisciplinary nature of the crisis and the information needed to assess and inform Members of Congress and their staff.

**Other Legislative Topics.** The foregoing recitation is a snapshot of how CRS analysts, attorneys, and information professionals provided research and analysis on the farm bill and EVD. During the past year, CRS rendered similar support on the entire range of issues before Congress.

CRS assisted the Congress on multiple economic, financial, and budget issues including tax reform, oversight of the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Export-Import Bank reauthorization, and Bitcoin, to name a few. Experts responded to requests on the impact of the government shutdown and continuously examined in depth the FY2015 budget request and appropriations activity.

Congress looked to CRS for support on many complex domestic issues including unaccompanied immigrant children, veterans’ health, human trafficking, child welfare, violence against women, and sexual assault in the military. CRS also supported the congressional debate on the Keystone XL pipeline, hydraulic fracturing, reauthorization of federal highway and public transportation programs, and cybersecurity.

On the foreign affairs front, teams of CRS experts analyzed policy options to address various issues and conflicts around the globe including those regarding Syria, Iraq, Iran, Ukraine, Russia, North Korea, and China. In addition, CRS supported the Congress as it examined the status and progress of pending international free trade agreements and monitored negotiations of the Trans-Pacific Partnership, and the U.S.-EU Transatlantic Trade and Investment Partnership.

**Budget Considerations.** During the past year, CRS has been able to fill some critical gaps in our analytical and information professional ranks and hire research assistants to support analysts and contribute to a broader mix of products and services.

These additional staff have replaced about one-third of the decreases in personnel that occurred over the past few years due to budget reductions. We are continuing to evaluate the composition of our workforce to achieve efficiencies and best serve Members and their staff. The CRS fiscal 2016 budget request is \$111,956,000 to fund mandatory pay and price level changes as well as a program increase to enhance research capacity on health care policy.

The budget request includes a program increase of \$1,087,000 and six FTEs to add six health policy analyst/attorney positions and \$250,000 of contractor technical and programming support for large health data systems. This increased analytical capacity is needed to meet the high client demand and fully support the work of Congress on health care issues. As the health care industry is becoming increasingly complex, additional expertise is needed to examine recent changes in the financing of health insurance and the delivery of health care services. Emerging issues under Medicare, Medicaid, the State Children's Health Insurance Program, and employer-based and private health insurance require extra analytical support. In addition, the regulatory framework has become more complex, and provision of health care to veterans has come under recent scrutiny. The six requested staff positions would add expertise in evaluating health industry trends and availability, tax and legal issues, veterans' care, and data evaluation.

**Product and Service Enhancements.** CRS continues to seek new and innovative ways to deliver information and analysis to Congress. In fiscal 2014, CRS increased the diversity of its product line by establishing a new product type, the CRS Insight, a short, web-only product designed to present timely information, research, data, and analysis in an easily accessible format. Along with the earlier launched Legal Sidebar, the Insight responds to client demand for succinct products that are published quickly in response to fast-moving public policy issues.

CRS is participating in a Library-wide project to develop a geospatial infrastructure that will enable the Service to offer interactive maps to Congress. The goal is to link static maps within CRS products to fully interactive maps that allow clients to view details of interest and toggle data layers to visualize the resulting differences. The Service has a small team of geographic information system (GIS) analysts and information professionals that provide GIS services to congressional clients. GIS uses visualization for the focused analysis of complex concepts.

CRS established an infographics working group in 2014 to consider methods to improve delivery of image-based content in our written products and on our web site. The use of this content to convey information and analysis is widely recognized as an effective form of communication. Although image-based content (e.g., tables, graphs,

maps) produced by CRS is typically embedded into written products, the infographics working group concluded that CRS would benefit from the creation of a new product line devoted to stand-alone, high-quality “infographics,” which present complex information in a condensed visual form that may be easily understood by the user without the need for an accompanying written product. A pilot study to develop this new product has begun, with the goal of displaying several infographics products on CRS.gov this year.

CRS enhanced its website home page by presenting a modern appearance with more space for content and for expanding product lines. The home page is stylized to the modern user’s preference for mobile access. Other new features include graphic images to accompany highlighted reports and icons to help the user distinguish the different types of products. A video carousel at the foot of the home page highlights CRS videos, and a similar display on issue pages highlights CRS experts who have authored products on selected issues and who are available for consultation.

As part of the Library’s multi-departmental team, CRS contributed to continuing development and daily operations of the next generation legislative information system platform and services. Congress.gov will replace two legacy legislative information systems (LIS and THOMAS) with a single, modern one. CRS provided data analysis, subject matter expertise consultation, system testing, user testing, coordination of data partner relationships, and support for congressional users and data partners. CRS also continues to support the use of the Congress-only LIS until equivalent capability is fully developed for the new Congress.gov. Since late September, 2014, Congress.gov has been the official website for U.S. federal legislative information.

**Workforce Initiatives.** CRS is continuing to examine the composition of its workforce to ensure that we have the right mix of skill sets and expertise to best serve the Congress. Last year, we hired 11 research assistants to diversify areas of specialization and assist analysts. We also increased our editorial capacity to support authors in the preparation of products for Congress and have expanded our graphics capabilities to enhance the visual presentation of CRS research and analysis. Our information professionals utilize digital librarianship skills, and recent hires have reflected changes made to these positions. We plan to critically assess these initiatives to determine how these positions and skill sets best fit into the organization.

**Conclusion.** As CRS embarks on its next 100 years, we remain committed to our core values and mission: to provide comprehensive, authoritative, and non-partisan research and analysis on all legislative, oversight, and representational issues of interest to the Congress throughout the legislative process. I have briefly described our work with respect to some of those issues this past year and enhancements we have made to

our products and services. Without this committee's support, we could not have achieved all we have in our first 100 years. I appreciate your continued support and look forward to working with you to ensure that CRS is a state-of-the-art research service that is responsive to the information and analytical needs of a 21st century Congress.

Mr. GRAVES. Ms. Wasserman Schultz, do you have any questions—

Ms. WASSERMAN SCHULTZ. I do. Thank you. Actually, my first series of questions are for—Maria Pallante. So if she could come to the table.

Mr. GRAVES. Thanks for joining us.

Ms. PALLANTE. Thank you, Mr. Chairman and Ranking Member.

Ms. WASSERMAN SCHULTZ. Thank you. Good to see you. Just a series of questions, one technical and the rest more substantive.

#### FISCAL 2015 FUNDING INCREASE FOR COPYRIGHT OFFICE

We were able to appropriate a million and a half dollars to begin the process of modernizing the Copyright Office last year. And I am glad to see you have requested, through the Library—an increase of \$2.4 million almost to continue that initiative. But, based on your testimony, that is not enough to carry out your office's role as authorized by Title 17. Can you talk about how the million and a half dollars were used in the fiscal year 2015? And then I will have some substantive questions.

Ms. PALLANTE. Yes. Thank you for the question. So.

Let me thank you and the committee for appropriating the \$1.5 million last year and also the \$750,000 for the backlog for registration. It came at an enormously important time. And we are using the \$750,000 to hire registration staff. Those jobs are being posted now that the money has come through, with the appropriations bill being enacted.

And then the \$1.5 million we are using to do business planning and analysis to bring the recordation system online. That is the system by which licenses and assignments and security interests and all kinds of commercial instruments are recorded and made available for transactions in the global marketplace.

We did a legal study. We created a new department. We hired a new head, who is data-driven, to run it. And we did a tech upgrade public process, basically asking our customers, from movie studios to aggregators of data, "What do you want to see in a recordation system for the 21st century?" Because it hasn't really changed in 100 years. And we have now all of that data from all of our foundational work, and we will use the \$1.5 million to pull that together and create a plan and an IT investment strategy for you.

Ms. WASSERMAN SCHULTZ. Great. Thank you.

Obviously, we are about to go through a pretty significant reform review so that we can implement reform.

Is your current structure and your budget for your office sufficient for you to perform the duties that you are responsible for, meet the user community's concerns and their needs? I will just ask all three of these questions at once.

Ms. PALLANTE. Okay.

#### INDEPENDENT VS CENTRALIZED IT INFRASTRUCTURE

Ms. WASSERMAN SCHULTZ. And if we had independent IT infrastructures for both the Copyright Office and the Library, would that better serve the needs of both the Library and the Copyright Office whereas right now your IT infrastructures are combined?

And, lastly, there have obviously been various studies undertaken regarding the technical infrastructure within the Copyright Office at the LOC? GAO is about to release a report soon. Your own recent report is out there.

What would you suggest is the best way to investigate how to restructure the Copyright Office? Would it be helpful for us to assert a role and to post some hearings around what we are responsible for? And what kind of budget implications would the kind of reform that is necessary have?

Ms. PALLANTE. Thank you. I think it would be helpful. I think you do have a role. So, in the existing structure, as you said, I think the Library is in a very difficult position because, ultimately, although there are separate appropriations, there is one agency number. And they, I think, in good faith, believe that the job of the Library is to put forward one agency number which means trading appropriations that may, in this case, have nothing to do with each other.

Ms. WASSERMAN SCHULTZ. Right.

#### COMPETING FUNDING PRIORITIES WITHIN LIBRARY OF CONGRESS

Ms. PALLANTE. So the Library is both a library and an agency. In our case, it is an agency, not a library. But yet our needs for the copyright system as a practical matter get weighed against preservation, storage, and things that have to do with the incredible national collection that is also part of the agency.

And so, to your opening statement, I think the most immediate thing that the committee could do would be to make it clear to the agency that you would like to see the appropriations put forward separately; that to meet the needs of the national copyright system, appropriations should not be traded. You would make that decision, in other words. The agency shouldn't cannibalize or trade, prior to the committee hearing all voices.

#### OUTDATED COPYRIGHT FEE MODEL

The second thing I would say—and this probably would come out if you had hearings—would be that our statute is dated, not only substantively, as you were alluding to, say, for the music marketplace, but the statutory authority for us to charge fees is dated. What I would suggest is that rather the Copyright Office—and this is something I have spoken about and testified before Judiciary on as well—rather than just allowing us to charge costs for services, we might be able to charge cost plus some reasonable amount of money or percentage for capital programs. I think the copyright community by and large is not unhappy about paying for the agency, the part of it that is us. It would have to be reasonable. It would have to be vetted by Congress. But I think just allowing us to charge for capital costs in some way would help immensely.

I don't think the entire system should be on the backs of copyright owners. I think users and aggregators and the public benefit as well, but we could do more with fees.

Ms. WASSERMAN SCHULTZ. Thank you.

Ms. PALLANTE. I didn't answer the IT question. Do you want me to do that?

Ms. WASSERMAN SCHULTZ. It depends on how you want to do this because we are still the only ones here.

Mr. GRAVES. I think it would be good—I think because I am interested hearing a full response on it. I wouldn't want you to feel like you were rushed in your response. She and I would have the opportunity to go up and vote on this, and then the next vote would occur immediately after that. So we can probably be back in the next 5, 6, 7 minutes if that is possible.

Ms. WASSERMAN SCHULTZ. Yeah.

Ms. PALLANTE. Okay.

Mr. GRAVES. So, with that in mind, if you don't mind if you could hold that response, and we will come right back to you. We will be in recess until members return to open the meeting back up. Thank you.

Ms. PALLANTE. Sure.

[Recess.]

Mr. GRAVES. Okay. Well, I guess, we are officially back from recess. And did you want to restate your question—

Ms. WASSERMAN SCHULTZ. Yeah.

Mr. GRAVES [continuing]. Just for the new members that have joined us.

Ms. WASSERMAN SCHULTZ. Yes. My question covered the range of responsibilities of the Copyright Office. The Registrar had already answered how she had been using the \$1.5 million that we were able to give her to begin the modernization process in fiscal year 2015. I asked her whether it was reasonable to suggest that perhaps we should separate the IT infrastructure between the Library of Congress and the Copyright Office because there seem to be significant needs for both. And, also, that we have a GAO report, a Copyright Office report, just to get some suggestions and guidance from her on the best way to restructure her office and—what those budget implications would be and whether we should assert a role in the copyright reform review process. So that is what she was in the process of answering.

Mr. GRAVES. And you were midway through your response, I know, feel free to pick up where you left off.

#### INDEPENDENT ADMINISTRATOR OF COPYRIGHT ACT

Ms. PALLANTE. Where I left off? Okay. Thank you.

I think the IT piece is the piece I didn't answer. And certainly because the Copyright Office intersects with a trillion dollar marketplace, a global marketplace for content, devices, aggregated data services, streaming, et cetera, it seems that, as we make investments going forward, we should be looking at whether we should be doing that in a dedicated way so that when people are paying fees or you are appropriating dollars, the money is going directly to the services that people expect and rely on to enforce their legal rights and to protect their economic investments.

The GAO report—we are all waiting for both of them. But, you know, one way to fix the IT structure would be to have more centralization and improvements. Another way would be to separate them, and a third way might be to do something in between because we are in the same building. And I don't know how you separate an infrastructure and architecture completely without giving

us a new building, which I think is not an option here, although I will put that on the record as a request. [Laughter.]

I think, therefore, that the more you can do to protect the Library as a library and the Copyright Office as the administrator of the Copyright Act, the happier everybody will be, including our customers.

Ms. WASSERMAN SCHULTZ. Thank you.

Mr. Chairman, I have other questions. We can go back to them if you want.

Mr. GRAVES. Thank you, Ms. Pallante, for your testimony there. And for the record, the House Page Dorm is available, to my understanding. It is not occupied at this time. Mr. Farr has an interest in The Monocle.

Dr. Billington, we have a great reader and a person of interest with the Library of Congress here today, Mr. Young from Iowa, that I know would like to ask you a question or two if possible.

#### SECURITY OF NATIONAL TREASURES

Mr. YOUNG. Thanks for coming before us. I think you have one of the neatest jobs in the world. I really do. Our Nation's history is enshrined in your libraries, and you have been able to put it out there on the World Wide Web for kids in rural Iowa to see and experiences with the written word and documents they would never be able to before. I want to make sure these treasures and these historical documents are preserved and accounted for and taken care of. And, you know, we hear rumors, stories, accurate news reports as well, about some of our Nation's treasures sometimes being stolen and taken from us, and they appear up on the markets out there in the world somewhere for sale.

Do we have any problem like that? Are we missing any highly historical value documents from some of the greatest patriots of our country who have helped shape this country, and do you account for that? Do you make it public? Where are we on that? Is there a problem? Is there a threat of a problem?

Dr. BILLINGTON. When I first arrived at the Library of Congress 27 years ago, we had a problem; stacks were relatively open. A number of things seemed to have gone. We did one of the most extensive security studies ever done by a major institution. And I think we have substantially addressed the problem by shutting the stacks. We did a major study of collections security. This is a continuing problem, not so much at the Library of Congress but in general with the library community. But I think we have done a pretty good job of curtailing theft.

#### BREADTH AND SCALE OF LIBRARY COLLECTIONS

We are not only the largest collection of stored human knowledge in the history of the world, in 470 languages—almost all languages and formats—but we are the closest thing to a mint record of American intellectual and cultural innovation and creativity anywhere in the world and, of course, in the United States itself.

We have very little of the cultural record before 1870. That is when the Congress decided to bring the intellectual and cultural productivity, in short the Copyright Office, into the Library of Congress, into its library. And so, from that point on, we have basically

all the important things that have been copyrighted in the United States, nearly 7 million pieces of sheet music, just to give you one example of the enormous cultural creativity of the United States.

In the audio-visual world, we have the world's best preservation center for the audio-visual productive output of the American people. That would not have been possible until 1870 and 1871 when the Copyright Office was made by Congress to be part of the Library of Congress. Since then, we really have amassed this audio-visual creative output. There is another period of enormous creativity. After the Civil War in the 1870s, things were just beginning to explode in the way of innovation, scientific, cultural, and so forth. And so capturing so much of this content has been a great accomplishment. And I think the security situation in the Library of Congress is carefully monitored after some of the most extensive studies and a whole lot of innovations in terms of security.

We have new problems with the onset of digital information, because it is fundamentally different. Now, contrary to most opinions or at least a lot of popular commentary, everything is not online. Much that is still under copyright protection can only be used in premises of the Library of Congress.

We have the largest knowledge industry, the largest creative artistic and scientific establishment in the history of the world, too, in this country. If we are going to get the full benefits from it, it has to be preserved.

The largest single appropriation request this year is for the care and storage of our collections, both digital and analog. We have 5 petabytes of digital information not produced by the Library of Congress, for the most part, stored in the basement of the Madison Building. We have collected digital content produced by other institutions in response to a congressional mandate, the National Digital Infrastructure Preservation Program.

But, nevertheless, we are still doing that. We also have published and made universally accessible online in the vicinity of 30 million individual items of primary documents of American history and culture. Funding limitations are making it difficult to continue this kind of digital conversion work on the same scale, for the inspiration and the education of American people. These collections, with a special emphasis on the K-12 audience, are very widely used.

#### FUTURES PROGRAM OUTCOMES

We have a whole new leadership team. We also had a year-long futures program, where we did a bottom-up study. We had people work on this who were below the management level, who were the best consultancy we have ever had because these are people who live with this material, know about it, and know what is needed to preserve and make it maximally accessible for the use of the American people.

So, yes, preservation of the collections including protecting against theft is a continuing concern. I think we have very substantially eliminated it as a problem because of the extensive study we did some years ago.

Let me mention one other thing. In the course of the futures program, with 100 members of the staff as my consultants, I learned a couple of things that I knew instinctively before, but it was fas-

cinating to see that the Library of Congress is unique in so many respects. One of the most important things that it does for the United States of America is, well, to acquire and preserve and make maximally accessible these immense collections. But it also is able to do this free of the kind of commercial pressures which determine so much in today's world. There is nothing wrong with commercial pressures. The introduction of advocacy along with analysis is fine for the competition of ideas in a free society, and we are not opposed to that at all.

But this is a unique place where, because we serve the Congress, we do analysis without advocacy, and in fact, everything at the Library of Congress is analysis without advocacy. We have received many commissions from the Congress over the years, 215 years, as the oldest Federal cultural institution. I think we have also become, thanks to our remarkable staff, one of the most innovative places. We are open to all suggestions, all criticisms.

I think it is essential, in a world where both our security and international economic competitiveness depend on the creative use of knowledge, that it be preserved, made maximally accessible, and be secure. And it is our pledge to you to do these things, with a team in place that is more deeply experienced. Nonetheless, the Library's most costly request in terms of FTEs this year is for the Copyright Office, as you have eloquently heard from the register.

For the overall budget of the Library of Congress, the storage of collection materials is tremendously important. And I think I would invite our new Associate Librarian for Library of Services, who used to be head of Preservation and, who has been in almost every major technical part of librarianship in the United States, to come and speak about why collections storage is so important.

Mr. YOUNG. Well, maybe we can take that up on the next round. But I want to yield back to the chairman—

Dr. BILLINGTON. Well, maybe we should do that—

Mr. YOUNG [continuing]. And maybe a private meeting on our own schedule.

Dr. BILLINGTON. Yes. This is an important dialogue.

Mr. GRAVES. Dr. Billington, we are going to have more opportunities to follow up on this today, but I know Mr. Farr probably has a question as well—

Dr. BILLINGTON. Oh. Sure.

Mr. GRAVES [continuing]. And it may touch some of this area.

Dr. BILLINGTON. Sorry.

Mr. GRAVES. And we have touched today on a lot of topics all day, from Dunkin' Donuts—and I am surprised your first question today wasn't Dunkin' Donuts.

Mr. FARR. He didn't ask where it was.

Mr. YOUNG. That is right. Where is that?

VOICE. It is in the Library.

Mr. GRAVES. Mr. Farr, you had a question.

Mr. FARR. Thank you very much, Mr. Chairman.

I have a question for you. I am new to this committee and this is our budget, the leg branch. If, in the end, we come back with a budget that isn't what is being proposed, meaning, cuts, instead of increases, can the committee bring him back in to see what the consequences of those cuts are, like, if we are going to give him a

number, how is that number going to fall out? Because here we are discussing all the possibilities in these opening hearings where the focus is not necessarily on cuts. But you have stated that, obviously, we are going to—cuts are going to happen. But when do we learn the consequences of those cuts?

Mr. GRAVES. You know, we will have time as a committee certainly to discuss that. The ranking member and myself are going to spend time together as well. We will have an oversight period throughout the rest of this year. And as to whether or not time will afford us to reconvene the Librarian or not, I can't make that commitment yet.

Mr. FARR. Okay.

#### CROWN JEWELS OF LIBRARY COLLECTIONS

Mr. FARR. Thank you for your incredible life of service. We all call the Library of Congress our national treasure and our most beautiful building and so on. I am just wondering what is the crown jewel in your building? What is the most expensive item you have or the most valuable item you have?

Dr. BILLINGTON. The most valuable single item? Well, it is pretty hard to say. I mean, the—

Mr. FARR. Put a price tag on knowledge.

Dr. BILLINGTON. Congress has designated a certain number of top treasures in the Library of Congress which could never travel outside these buildings. And they include Lincoln's reading copy of the Gettysburg Address; his reading copy of the Second Inaugural Address, which we will put on exhibit for only 4 days, which is all it can be exposed to the light for, and, of course Jefferson's rough draft of the Declaration of Independence. I think the first map of the New World in 1507, the Waldseemuller map, we have the only copy of it in existence. I think one of the three—but there are so many things you could point to. One of the three perfect vellum copies of the Gutenberg Bible. There is really so much.

Mr. FARR. It would be an interesting—that would be an interesting show of—or exhibit, the crown jewels of the Library of Congress.

Anyway. I just—

Mr. NEWLEN. Mr. Farr, may I also respond?

Mr. FARR. Sure.

#### INSTITUTIONAL KNOWLEDGE OF LIBRARY STAFF

Mr. NEWLEN. I think the most valuable item we have in the confines of our buildings is our staff.

Mr. FARR. Oh, yeah.

Mr. NEWLEN. They represent the most incredible institutional knowledge.

Mr. FARR. Okay. I am—

Dr. BILLINGTON. I thought I already said that.

Mr. NEWLEN. And we are all very proud to serve with them.

Mr. FARR. Well, good. You just did my lead in for my next question in that.

The Library of Congress has asked for a 5.7 percent increase. What it has lost—particularly CRS, which is, I think, the truth squad for Congress—the ability to have analysts. What we are

doing is eating our seed corn. You need your increase to pay for mandatory salaries and COLA increases. I am really interested in how we get back to providing enough analysts to, in the CRS area, to respond to Congress' concerns and questions. I mean, we use this office heavily. I find it the best asset that the United States Congress has. Where else can you get an unbiased, nonpartisan analysis of the facts and do it in such short time?

#### REDUCED STAFFING IN CRS

So I am concerned about what is going to happen if you have to reduce that workforce even further. What is the impact of the lay-off of all the analysts, 29 analysts, I believe? What has that resulted in? The requests that you can't respond to? Reports that you can't write? Are you not meeting the needs of Members of Congress because we have cut your budget? Does CRS fund its COLA increases out of its regular budget? We didn't do that for the Capitol Police that were here yesterday. They get a COLA without eating their own budget.

Dr. MAZANEC. Thank you for that question.

I think, at present, we are able to keep up with Congress. We are responding to their inquiries. We are producing reports that are needed to support your work.

I think if our staffing levels continue to decrease, though, timelines would get longer. Our ability to respond on a timely basis may be jeopardized. The depth and breadth of our analysis may be compromised. But I think right now we are accomplishing our mission.

Mr. FARR. Where would it be most felt?

Dr. MAZANEC. That really depends on what issues are very active in Congress. In some areas, we are one expert deep. We don't have a bench at this point.

In the proposal, in our request for our appropriations, we are asking for six FTEs in the health care area because that is a perennial issue area that is one of our most active. And analysts and information professionals in that area usually respond to two to three times the number of requests than other areas.

But it is really driven by the congressional agenda. We do our best to try to make sure that we have the skill sets and the expertise that we need on board. We constantly are monitoring our resources, our staffing across the Service and doing our best to make sure that we have the expertise available to you.

Mr. FARR. Thank you.

#### MASS DEACIDIFICATION AS ONE PRESERVATION OPTION

Another question I had is your deacidification program. You explained to me in the office that we have to make sure that old books and documents are conserved for future generations. And you have been given that task and have a huge backlog. And aren't we sort of fighting time on that? We have got to complete so much of that before it is lost.

Dr. BILLINGTON. Well, we have the largest mass deacidification program in the world, and we have been doing it. But it has to be—

Mr. MAO. I think Mark Sweeney can speak on that.

Dr. BILLINGTON. Let's bring our—

Mr. MAO. And, actually, for the record, just previously it was Dr. Mary Mazanec that was speaking, Director of the Congressional Research Service. I don't think that was mentioned.

Mr. FARR. Thank you.

Mr. GRAVES. And feel free to recognize yourself as well. Thank you.

Mr. SWEENEY. Mark Sweeney, Associate Librarian for Library Services. I am the former preservation director as well. Mass deacidification is an important way to treat our collections. But we have 160 million items in the collection that we have to care for, and they are not all suitably treated through a mass deacidification process. So the most important thing that we have to maintain at the Library is for our preservation program to be a balanced one, one that can address the many different types of collection materials that we have.

We have deacidified to date, more than 4 million books out of our collection and more than 11 million manuscript sheets. That is a pretty significant amount of work. Yes, we still have manuscript material that needs to be treated and books that need to be treated. The question is, what pace is appropriate for doing this work. We believe that an appropriate pace is about a million sheets a year. We do that onsite here at the Library. But it is in the area of books that we believe that we need to scale back a little bit more on what we are doing, a target of somewhere around 150,000 to 175,000 books per year.

It ties into the larger issue of our overall collection storage situation that we have at the Library right now. We have a significant number of items that we cannot place on the shelves. That makes working effectively through the collection to select items for deacidification incredibly challenging. So, as I said, it is an important way that we can treat the collection. We can't treat the entire collection that way. And, right now, it accounts for about half of our non-personnel preservation budget. That is at the expense of other important things like preservation reformatting, binding, conservation treatment, often done on some of the most unique and priceless items that we have in the collection. So it is a matter of maintaining a balanced preservation program.

Mr. FARR. Do we have enough money in the budget to carry out that program as Congress intended, originally intended, 3.7 million books?

Mr. SWEENEY. The original target on a 30-year program.

Mr. FARR. Thirty million plus—

Mr. SWEENEY. Right.

Mr. FARR [continuing]. Documents. Excuse me.

Mr. SWEENEY. It was about 8.5 million volumes, 30 million sheets of manuscripts over a 30-year program. So we are about—we are a little less than halfway through the program. We have treated almost 12 million sheets, pretty much on target there. We did a book survey last year. We determined we had about a million fewer books to treat than had originally been estimated. So that is a target of about 7 million books total to do, of which we have already processed about 4 million of them.

So we can maintain a moderate pace on this program and still achieve our goal over time. But going at a pace that is—for books, at least—that is stronger than what we are currently doing would be ill-advised given the collection storage situation we have.

Mr. FARR. So your priority is to treat what is in the collection now?

Mr. SWEENEY. We have a twofold approach. What we do is monitor new items as they come into the collection. If they are on acidic paper, we try to identify them and treat them at that point. That arrests the degradation and adds considerable life to the item. At the same time, we systematically work through the older collection class by class, identifying older material that is still in good enough condition to be treated. So it is a twofold approach.

Mr. FARR. Okay. Thank you. I don't have any more.

Mr. GRAVES. Thank you for your testimony.

Ms. Wasserman Schultz, do you have anything else?

#### FT. MEADE MODULE 5 AND ADDITIONAL STORAGE REQUIREMENTS

Ms. WASSERMAN SCHULTZ. Yes. Just a couple of things. I wanted to just ask about the book storage, and I am not sure how far into the subject other members got. But I am concerned, Dr. Billington, about the request for \$18.2 million that the Architect has requested to build storage module 5 and the temporary storage request that you have in your budget.

Are you expecting that you will need a line item in your budget permanently for temporary storage because, obviously, your ongoing storage needs are not going to come to an end? I mean, we are on storage module No. 5, and I am sure we are going to get to Nos. 6 and 7 and on into the future. But I don't recall you having a temporary storage line item previously. So I just wanted to know if this is something we might see in the future—

Dr. BILLINGTON. Well, I think we bring our guru back for this one.

Mr. SWEENEY. Well, appropriate collection storage is a core requirement for sustaining our national collection, both for the current and for future use, and it is really the heart of what our mission is. This is critical because the health of the collection is directly related to the storage conditions in which we maintain the collections. And preservation costs are invariably higher when we can't store any material in the most appropriate way.

This book here represents what happens when items are improperly stored on the floor, eventually becoming damaged. And as you can see, in this case, it was on the floor. We had a water incident. Water wicked up, compromised the text block, stained the item. The binding is gone. This is an unusable item. This is what we need to avoid.

Our collections continue to grow. This is our book collection, our special format collection as well as our digital collections.

Our current storage facilities are beyond 100 percent of capacity. We have done an awful lot in the near term to make do while we wait for the Ft. Meade modules to be constructed. We are about 10 years behind in the construction of modules. The module 5 that we hope will come online at the end of 2017 was expected to come online in 2009.

We are doing an awful lot in the near term, going through our collections, withdrawing duplicate items. We can reshelve parts of the collection by size in order to get some efficiency. In certain parts of our buildings where it can sustain a heavier floor load, we can install compact shelving. But we have reached a point where we really can't get more out of the buildings we currently have.

And module 5 is only going to hold about 1.6 million volumes for us. We have a million on the floor, more or less. We would like to decompress our collections to get it to about an 85 percent shelf load. That is about 2.5 million volumes that need to be relocated. We receive 250,000 every year. So, in 4 years, we have got another million items. So module 5 has effectively already been accounted for with just a portion of the arrearages that we have on hand now.

But we need space right now. So that is why we are asking for the interim lease storage facility. I would hope that it is not a long-term arrangement for the Library.

Ms. WASSERMAN SCHULTZ. I was going to say, is that a long way of saying yes?

Mr. SWEENEY. Yes.

Ms. WASSERMAN SCHULTZ. Okay. So, for the foreseeable future, we could expect that the Library would have a line item for temporary storage, while we are still trying to build, essentially in perpetuity, storage units, as you are adding a million volumes every 4 years?

Mr. SWEENEY. Correct.

#### CIVIL RIGHTS ORAL HISTORY PROJECT AND EXHIBITION

Ms. WASSERMAN SCHULTZ. Okay. I wanted to just ask you about the Civil Rights Oral History Project that we established in the 111th Congress and was supposed to span from 2007 and then go for 5 years. The purpose of it was to document the experience of civil rights leaders that were perhaps not so well known. There was a request to continue the program beyond the initial authorization through—into fiscal year 2016 for \$232,000.

Since that is beyond the original span of the program, what is intended for that money? And do you anticipate that you are going to continue to request funds? I mean, we have a lot of stories to tell and hear, and so I am not asking these questions because I am not in favor of it. I would just like to know.

Dr. BILLINGTON. Well, I think we have the funding from the Paul Newman foundation for our civil rights exhibition. The exhibition will last through September. And we are going to have a reopening with a whole new set of items on display. We have 11 million items of Africa-American history in the Library of Congress. That is by far the biggest collection anywhere. And the second reopening will occur in about 2 months, in other words, about halfway through the year. Usually, our exhibits only last about 6 to 9 months or even shorter, such as the Magna Carta exhibit, which these two gentlemen to my left and right really put together. But it was for a shorter period of time. A year long exhibit is quite a long commitment for us.

We will have new material, for instance, from the Rosa Parks Collection, which we just acquired. It is now available for study, and we will have some of the things—she did a good deal more

than just go to the back of the bus. And there are a great many other figures.

Ms. WASSERMAN SCHULTZ. Dr. Billington, I am sorry just to stop you. I am talking about the oral history project.

Dr. BILLINGTON. Excuse me?

Ms. WASSERMAN SCHULTZ. The oral history project.

Dr. BILLINGTON. Oh, the oral history. The Civil Rights Oral History Project is continuing. I can give you more information, including about allocated funds, for the record, which I will be happy to do.

[The information follows:]

The Civil Rights History Project at the Library of Congress will conclude at the end of fiscal 2015.

### **Background**

On May 12, 2009, the U. S. Congress authorized a national initiative through passage of The Civil Rights History Project Act of 2009 (Public Law 111-19). The law directed the Library of Congress (LOC) and the Smithsonian Institution (SI) to conduct a survey of existing oral history collections with relevance to the Civil Rights movement to obtain justice, freedom, and equality for African Americans and to record new interviews with people who participated in the struggle, over a five year period beginning in 2010.

The Civil Rights History Project (hereafter referred to as CRHP) was administered by the American Folklife Center (AFC) for the Library of Congress and by the National Museum of African American History and Culture (NMAAHC) for the Smithsonian Institution.

The first three years of the CRHP (2010-2012) were focused on:

- Co-convening an Advisory Committee of scholars and Movement participants to develop the interview/research plan in 2010.
- Conducting research and developing the National Survey Database of Civil Rights Collections (a searchable database containing information on 1,532 Civil Rights Movement oral history and interview collections from 687 libraries, museums, archives, historical societies and personal collections in 49 states).
- Implementing the Interview Phase of the Collection. Interviews were conducted by the Southern Oral History Program at the University of North Carolina (at Chapel Hill) working under the supervision of the SI's NMAAHC.
- Ingesting and cataloging the interviews from the initial Interview Phase.

Much of this activity has been described in detail in two reports, submitted to the Congress in May, 2011 and supplemented in June, 2012. This report focuses on activity undertaken since then by the Library of Congress.

### **Summary of Activity, Fiscal 2013-2014**

Following the conclusion of the interview collecting phase in Fall 2013, the Library's principal efforts during the period 2013-2014 focused on developing a range of access points – websites, social media platforms, public lectures and exhibitions, educational training and products – for CRHP and related collections. Parallel activities included the continuation of cataloging thousands of items and processing for long-term collections preservation. Highlights of these activities include:

#### **Collections Development**

- As of Summer 2014, 109 interviews had been produced for the CRHP by UNC's Southern Oral History Program, working under the supervision of the SI's NMAAHC; the number of individuals interviewed totals 140.
- A comprehensive EAD finding aid for the CRHP collection was produced: <http://hdl.loc.gov/loc.afc/eadafc.af013005>.
- Several collections related to the civil rights era and the broader legacy of the "black freedom struggle" were cataloged, including the Voices of Civil Rights Collection, the National Visionary Leadership Project Collection, the Glen Percy Collection, the South Central Georgia Project Collection, and the historic NAACP audio collection, housed in the Motion Picture, Broadcast and Recorded Sound Division.

- More than 12,000 Civil Rights catalog records from CRHP and the collections listed above were prepared and uploaded to the ILS, making them accessible for research by scholars and the public. In addition, AFC digitized over 2,000 items in various formats from these collections.

#### Online Access (AFC/LC web-sites and social media)

- A web portal for the CRHP was officially launched in March, 2014. It provides access to the full-length streaming videos, and includes searchable, full-text transcripts of the interviews, scholarly essays produced by AFC staff on aspects of the Civil Rights Movement and links to relevant collections across the Library.
- The interviews are also accessible via mobile devices by means of social media platforms such as the Library's Youtube channel and ItunesU.
- Blog posts and essays from subject specialists, curators and participants in the Movement were published on the AFC's blog site: <http://blogs.loc.gov/folklife/> Additional blogs prepared by AFC staff appeared on the LOC's blog site in August and September, 2013.
- The national survey database of Civil Rights collections, launched in 2010, remains active with periodic additions and updates: <http://www.loc.gov/folklife/civilrights/survey/index.php>.

#### Outreach and Public Programs

- A lecture series of eight events on the topic of the Civil Rights Movement was produced during the time period from March to September 2014. The programs featured participants in the Movement, scholars and book authors, film-makers, LC and SI staff addressing a broad range of subjects such as the role of military veterans, Chicano activists and farm-workers in the struggle for social justice, the events of "Freedom Summer 1964," and faith-based activism, among others. The programs were produced in collaboration with the NMAAHC, several LC divisions (Music, Prints and Photographs, IPO, NAVCC), and other external partners, notably the Student Nonviolent Coordinating Committee's Legacy Project.
- Scholarly presentations by AFC staff on the CRHP took place at scholarly meetings including the American Library Association, Oral History Association, Society of American Archivists, International Association of Sound and Audiovisual Archives, Association of Recorded Sound Collections, and the International Oral History Association.

#### Publicity and Outreach Support for LC Programs and Exhibitions

- Several CRHP video interviews are being used to enrich the national exhibition, *Civil Rights Act of 1964: A Long Struggle for Freedom* (Spring 2014 - current), now on display at the Library. Beginning with the launch of the exhibition, CRHP materials have been featured in blog posts, gallery talks, and lectures by AFC curators.
- AFC staff worked in conjunction with the LOC's Educational Outreach program and the History Channel to draw on the Civil Rights Act exhibition's content to produce a published teacher's guide, the Idea Book for Educators (Summer 2014). A core component of the Idea Book is to use the CRHP interviewing methods in modeling research projects in classrooms.
- AFC staff provided insights and instruction on using the CRHP interviews in classroom research projects at a Summer 2014 workshop for K-12 educators at the Library.
- Collections items on display at the opening of an LC photo exhibition, *A Day Like No Other*, in August 2013, attended by the Librarian of Congress and launched with a keynote address from Representative John Lewis (GA), featured edited video clips from CRHP and other collections.
- A feature article in the LCM, the Library's national publication, about the Library's historical Civil Rights collections, written by AFC staff member Guha Shankar, was published in summer 2013.

### Digital innovations

- To streamline and manage the ingesting of digital interviews in a timely manner, AFC staff developed and launched a model **online interface for collaborative cataloguing** and capturing metadata in real time in 2012, which continued to be used to good effect by the documentation into the 2013-14 period. The tool significantly aided processing times and enabled AFC to gain intellectual control of the interviews. It has proven replicable for other field collecting projects in addition to the CRHP.

### Staffing

- Betsy Peterson, AFC Director, was involved in discussions with SI management on substantive administrative and collections management matters. **Staff hired** specifically for the CRHP (with CRHP funds) included a full time processing archivist, Kathryn Stewart (converted from contractor to NTE status in 2013). Other AFC staff members were actively involved in the CRHP throughout its duration, including Maggie Kruesi, Bert Lyons, Valda Morris and Guha Shankar, all of whom contributed their subject matter expertise in the areas of cataloging, digital assets management and collections description to managing AFC collections materials.

### Summary of Planned Activity at the Library of Congress, Fiscal 2015

In fiscal 2015, the Library is conducting and collecting additional interviews (approximately 20-25) with Movement participants for inclusion to the CRHP collections and access via the website.

- AFC will follow established procedures and workflows previously established in conjunction with NMAAHC in producing, acquiring, processing, cataloging and sharing the interviews with the museum.
- AFC will provide online access to the interviews via various media platforms at the Library, once processing and cataloging of the materials is accomplished; the CRHP-dedicated archivist position will be terminated with the end of FY15.
- AFC will continue the public program series with authors, Movement participants and other speakers at the Library. Two programs are planned for 2015.
- AFC will continue to publish blog posts on the topic of civil rights; other media platforms and public outreach efforts will be utilized to provide wider access to the Library's collections.

Ms. WASSERMAN SCHULTZ. Right. No. It is \$232,000. I just wanted to get some information on it because we are beyond the original authorization.

ORAL HISTORY AT LIBRARY OF CONGRESS

Dr. BILLINGTON. On a related topic, the Veterans History Project is now the biggest oral history project in American history. It is nearing 100,000 interviews. We are also storing, at minimal expense the StoryCorps, interviews of ordinary Americans all over the country. Oral history has become an important part of what we do. And the Veterans History Project, in particular, has been a stunning way of getting all levels of people involved in response to a unanimous mandate from both Houses of Congress. And we have got an excellent staff working on this, and we are going to beef it up a little bit to try, by the end of this year, by Veterans Day in November, to get to well over the 100,000-interview mark. This is an inspiring thing because young people interview older veterans—all the veterans who participated in any of the wars that America has fought at any level are covered. As a historian, I can confidently say that the history of wars will never be written the same again. We have a volume of firsthand testimony that is extraordinarily moving, powerful, and it is a great tribute to the Congress to have mandated this. And we have taken it very seriously. It is going to be a big priority, as well as the continuation of the civil rights interviews.

Ms. WASSERMAN SCHULTZ. I couldn't agree more, Dr. Billington, about the value of the oral history.

For the record, if you could get to us the information about what the—

Dr. BILLINGTON. Yes.

Ms. WASSERMAN SCHULTZ [continuing]. Main funds that they are requesting, it would be great. Thank you.

OPEN WORLD LEADERSHIP CENTER

Ms. WASSERMAN SCHULTZ. And then just one more final question, Mr. Chairman.

Is Ambassador O'Keefe here from Open World?

VOICE. No.

Ms. WASSERMAN SCHULTZ. Did you bring Ambassador O'Keefe from Open World with you? No.

Okay. I had some questions about Open World. Last year, we limited the funds to only be used for those who are engaging in free-market development, humanitarian activities, and civic engagement, and they couldn't be officials of the central government. I wanted to get some information on how that language impacted the operation of the program in Russia. So if you could get that to us for the record since the Ambassador is not here.

[The information follows:]



### **Impact on Open World's Operations in Russia**

*Provided, That funds made available to support Russian participants shall only be used for those engaging in free market development, humanitarian activities, and civic engagement, and shall not be used for senior officials of the central government of Russia.*

Although there is a rapidly worsening environment of anti-Americanism in Russia, Open World is one of the few remaining United States Government programs that continues to carry out its mission and fulfill its goals under the current circumstances. Open World's wide network of contacts enables us to continue to attract robust nominees. Current trends indicate that the program has experienced only nominal effects from the withdrawal of nominees/participants due to political pressure.

There have been only two cases when program participants who were government employees received phone calls from their supervisors on the eve of their departure ordering them to cancel participation. If they had disobeyed these orders they would have lost their government jobs. However, despite these minor challenges, we continue to receive large numbers of nominations enabling every program to be fully filled by participants and alternates. The overall cancellation rate has actually dropped between 2010 (a year of relatively low stress in U.S.-Russia relations) and 2014, from 3.6% to 2%.

Although 2014 was very successful, the climate in 2015 may change quickly. To date, we have no difficulties with either nominations or cancellations. We have initiated limited self-nominations and changed our programmatic focus from government to young professionals and civil society. Following the Open World Board's approval, we have adjusted our approach in early 2015 to the new political situation, while working with U.S. Embassy in Moscow's trusted sources for spreading the word about nomination opportunities. For 2015, we already have arranged groups in Social Issues and Women Leaders in Entrepreneurship using the new approach. In our projections for 2015 we believe that given the current schedule at least 30 percent of the Center-arranged nominations will fall under the category of self-nomination candidates.

Although the bilateral relationship has degraded we are confident that we can continue to operate a robust Open World program with around 275 slots allocated for Russians in FY 2015. We are constantly re-evaluating our situation and adjusting our strategy to meet the needs of Congress. According to the new strategy, our focus is on civil society and young professionals and less so on government officials—the one category that the Russian government has specifically worked to prevent from directly engaging with foreign governments. We believe that this strategy will allow Open World to counter Russian propaganda demonizing the U.S. Moreover, we will be providing opportunities to under-served sections of civil society in Russia, namely health care and social equality, sectors that remain foreign policy priorities of the United States government.

Dr. BILLINGTON. I will relay that to them and we will get it to you.

Ms. WASSERMAN SCHULTZ. I would just, Mr. Chairman, continue to reiterate my—

Dr. BILLINGTON. That is, of course, not part of the Library of Congress.

Ms. WASSERMAN SCHULTZ. Right. But we are not having a separate hearing on Open World, and I know that they are generally alongside your budget. We usually handle their budget during your hearing. And you have a special interest in Open World. I will just reiterate my longstanding, ongoing concern that, even though we have cut Open World to \$5 million, that they have requested I think \$8 million this fiscal year. I think the Members have had an opportunity to hear just how taxed our very small—smallest—portion of the entire appropriations act is in the legislative branch. While valuable and worthwhile and there are certainly challenges going on in that region of the world, I continue to believe that Open World does not belong in this budget and is a square peg in a round hole.

Mr. GRAVES. Interest is noted.

Ms. WASSERMAN SCHULTZ. Thank you.

Mr. GRAVES. I know Mr. Rigell had a question.

Mr. RIGELL. Dr. Billington, good to see you and thank you so much for being here today with your colleagues. I appreciate the good work that you do.

I have the privilege of representing the district that has the highest concentration of men and women in uniform in the country. And therefore the Veterans History Project is of great interest to us, and we have done what we can to both encourage our veterans to participate in it through the young people's interviews but also to encourage the utilization of it as a resource for those who want to know more about the service of our veterans.

#### USE METRICS—VETERANS ORAL HISTORY ARCHIVE

Do you have any data that you could provide with me, either now or offline, on the utilization rate of it, that is, did you have any metrics by which you would measure success in terms of people accessing it? It is one thing to create the database and treasure it as it is. Its value will only increase over time. But also is there any indication of, are we having success in promulgating it and getting it out to where people know that it is out there and that they are actually leveraging it?

Dr. BILLINGTON. We will get you full information on that. It is very widely used. It is very widely consulted. It also has a kind of guide to all collections that exist that record veterans' history. And we will get you the full information on it, on its utilization. I have conducted some of these interviews myself. And we are about to go into a mode where we are going to have my colleagues join me in doing a few more interviews just so that we can really reach a new level of participation. But we hope to communicate, also, with the Congress, informing all members of Congress about some of the things that you are—

Mr. RIGELL. By the way of background, I just, in my public service, I come from a business background. I can't help but reference

it because almost everything that I would do would be data-driven. So when I hear that it is widely used or something—and I mean this with the greatest amount of respect, because I really am so delighted to work with you because I have seen you and heard you speak before and I thought it would be a real privilege to get to know you. But when I hear a statement like that, it really doesn't mean anything to me because I have no context. I don't know what the baseline of your objective was. So I take you at face value that it is widely read.

And the reason I am saying this is because if we have some metrics and it is performing at so many thousands of hits per year in usage, I would like to encourage my colleagues to push it out through their congressional districts, you know, all of our congressional districts. And it just is helpful to have metrics. So I look forward to seeing however you track that and measure your performance.

[Information follows:]

The Veterans History Project (VHP) archive is being utilized on a consistent basis nation-wide by a variety of sources. The following metrics describe research use of the archive.

### **On-Site Researchers**

In fiscal 2014, there were 78 on-site researchers who were served 836 VHP collections through the American Folklife Center Reading Room. In fiscal 2013, 76 researchers were served 1275 collections.

Researchers who utilize VHP collections onsite come from a variety of backgrounds; are investigating a wide range of historical topics; and use these collections toward many different ends. Approximately half of VHP researchers are performing research for an academic project, at the high school, college, or university-level. This research often is done by professors working on projects that they intend to publish as academic monographs.

The materials available within the VHP represent untapped resources that academic researchers are grateful to be able to access. These researchers often praise not only the source material, but the ease with which they are able to perform their research. Rene Talbot, an undergraduate from Northeastern Illinois University working on documenting the experience of Post-Traumatic Stress Disorder, told VHP staff: "Words cannot express how profound an experience this has been. I certainly am indebted to you, the staff of the VHP, and of course, the donors whose services and stories have made it possible for folks like me to better understand the condition of combat." Dr. Christina Knopf, a linguistics professor at SUNY-Potsdam, commented in an email: "The collections that I accessed on site, as well as those that have been digitized provided me with wonderful finishing touches for [my] book."

Individual researchers compose the other half of patrons utilizing VHP resources onsite. These individuals are typically not affiliated with an academic institution and do not plan to publish the results of their research. They are either researching a family member's unit or are "visiting" a family member's existing VHP collection. Said one such family member, Douglas Duberstein: "Thanks for spending time with my Dad and me on Friday afternoon reviewing the Library's collection of my Dad's WWII materials. It meant a lot to Dad to know the Library has taken good care of his things."

Just as the majority of VHP's collections pertain to World War II, so do the majority of the collections explored by onsite researchers. Researchers investigating some aspect of World War II account for roughly two-thirds of our onsite researchers. That said, VHP often hosts researchers exploring other conflicts, or topics and themes that cut across multiple conflicts. VHP's broad collecting scope, and its emphasis on social and cultural history, makes it possible for these researchers to find pertinent collections on a broad range of topics.

VHP collections are often utilized onsite in the reading room by staff members of other federal government agencies or cultural institutions, or used in publication or exhibition by these organizations. Multiple members of the Defense POW/Missing Personnel Office (DPMO) have

drawn on VHP collections in their investigations. Several VHP collections will be utilized in exhibitions as part of the planned National Museum of the U.S. Army. The Smithsonian plans to publish selections from several VHP collections in an upcoming edition of *Air and Space Magazine*. VHP collections have been featured on the *Wilson Quarterly*, the online publication of the Woodrow Wilson International Center for Scholars. VHP had just received an inquiry from the Director of Future Projects at the United States Holocaust Memorial Museum, about collections relating to concentration camp liberators.

#### Off-Site Requests

In fiscal 2014, there were 595 Library of Congress *Questionpoint* inquiries regarding VHP and its collections.

#### VHP Website Views

In fiscal 2014, there were 4,363,606 VHP website page views and 545,103 "Total Unique Visitors".

<b>Fiscal 2014:</b>	VHP Page Views	1,037,364
	VHP Veterans' Database Page Views	3,326,226
	<b>VHP Total Page Views</b>	<b>4,363,606</b>
<b>Fiscal 2013:</b>	VHP Page Views	1,005,946
	VHP Veterans' Database Page Views	3,195,624
	<b>VHP Total Page Views</b>	<b>4,201,570</b>

An itemized determination of who is accessing the VHP Veterans' database cannot be determined, but the fact that database views comprise 76% of all page views demonstrates that the public is seeking information from the VHP collections. Feedback received from website users reveals that it is being used by researchers as a part of their initial research. Teachers report that they are using online VHP collections as a part of classroom instruction on history and veterans.

#### VHP Archive OnLine

The VHP archive currently has 96,411 collections; of that total, 15,397 are digitized and accessible for online use. In fiscal 2014, VHP contracted to digitize an additional 7,737 collections, and work is underway. In fiscal 2015, VHP is included in an LOC/OSI digitization contract that will ultimately add 18,966 digitized collections to the VHP archive. These actions will further enhance accessibility to the VHP archive for public use.

VHP produces a web feature entitled *Experiencing War* three times a year. These web presentations highlight 12 to 15 VHP interviews on a particular subject area. They have

included veterans of different conflicts, women veterans, veterans of different ethnicities or background, chaplains, and medics. To date, VHP has posted 47 of these web presentations. VHP collections are also being used by the LOC Educational Outreach Division in the development of primary source sets for teachers.

### **Family Members of Veterans**

In fiscal 2014, VHP provided 231 gratis copies (fiscal 2013 - 201) of VHP interviews to family members of veterans at their request. The most common reason for these requests was for use at memorial services of deceased veterans. VHP also experiences visits by veterans' family members who want to see their veterans' collection or listen to the VHP interview. This sometimes happens outside of the AFC Reading Room, and an exact number is not available.

### **VHP Utilization in Exhibits**

**Fiscal 2014:** A VHP collection on a Japanese-American WWII veteran is a part of the Library of Congress exhibit commemorating the Civil Rights Act of 1964

**Fiscal 2013:** A VHP collection on the use of Agent Orange during the Vietnam War was on display in the Capitol Visitor Center as a part of an exhibit on the subject, and VHP collections of female WWII Veterans were featured in an exhibit on the subject women who served in WWII at the Pritzker Military Museum in Chicago

### **VHP Utilization in Media – Traditional & On-Line**

A Google-delivered alert reveals VHP is regularly featured nation-wide in local newspapers and TV broadcasts about VHP participation by veterans and their stories or community/individual organized programs to collect veterans' interviews.

**Fiscal 2015:** VHP is currently in discussion with CSPAN on the use of VHP interviews that were conducted with Members of Congress and others as a part of a CSPAN series on veterans.

**Fiscal 2014:** BBC interviewed the VHP Director to discuss VHP interviews given by D-Day WWII Veterans as a part of the BBC coverage of the 70<sup>th</sup> Anniversary of D-Day, and NBC/WRC in Washington, DC featured VHP collections as a part of a Veterans Day Special. *Trust for the National Mall* incorporated 53 VHP collections as a part of an application for those touring the National WWII Memorial. To date, the app has been downloaded 4587 times by visitors and citizens from around the world.

**Ongoing:** iTunes University uses VHP interviews as part of a feature on the Veterans History Project and will be expanding the number of interviews that will be available.

Just out of time, I am going pivot to something else here. By the way, I thank you for the Veterans History Project. It is a national treasure. And as I mentioned, it is only going to grow in its importance.

#### COLLECTIONS ACQUISITION CRITERIA

I was struck by what I heard when I first walked in, if I heard it correctly, 200—approximately a quarter of a million books come into the library each year. It would be helpful to me to understand what are the criteria under which a book comes in. I mean, it is not just anybody that can publish a book because now publishing has become so easy; you can self-publish a book, I think, for very little money.

So what are the criteria that we use? And, also, it does—you know, that we can struggle to find the funds to hire—or to build more buildings, help me to understand, over the long term where we go with this, you know, kind of into perpetuity if you kind of think of it that way? The physical constraints that we have—and I am not sure at some point—and I am not opposed to the construction that we have underway, and I would probably vote for more. But I am just trying to understand, do we ever get to a point of just saying that we are just going to have to distill this down to the very best works and the ones that fully merit, you know, these hard copies, hardback versus the digital side?

Dr. BILLINGTON. Well, that is a very big question, because—first of all—book publishing continues to grow. Book publishing grows arithmetically whereas, of course, digital information is growing exponentially, tsunami-like.

Mr. RIGELL. Right.

#### BUILDING THE COLLECTIONS FOR POSTERITY

Dr. BILLINGTON. In the troubled parts of the world, people are just discovering publishing for the first time. This is the first generation in which women have been active, significant participants. There are new publishing opportunities that are very important for the national library of the United States to avail itself of, which the reserve library for America and the world ought to be collecting. Some of the turbulent parts of the world are just discovering and using publishing methods ingeniously.

We also collect audio-visual content of all kinds. We have a huge facility that can accommodate most of what is being produced. But everything is not going to be digitized. And some of the most important things are not.

The only piece of paper produced in the U.S. Government by the 9/11 Commission Report, before 9/11 happened, was a Library of Congress study, done by a small division called the Federal Research Division, which does research on a contractual basis for the executive branch. It was based on a very obscure publication in a part of the Arab-speaking world which nobody had a copy of except the Library of Congress. This is the kind of marginal publishing done by a small printing press that I was just describing.

Other things of great importance have been found in mimeographed copies. We keep all formats. We keep a lot of what they

call ephemera, which are the records of things that are one-of-a-kind, published by some movement that is just starting up.

And so it is hard to predict which items that become available will become highly relevant and important in the future. There is no question that we have to be selective; we defer to our curators particularly, who are so important, to tell us what we have to get. So, yes, we don't acquire everything. Nobody gets everything.

We do try to get everything that is important for the United States, and a lot of it is in different formats. So it is not just a question of books versus digital. It is a question of all kinds of formats in which information is published or presented.

The audio-visual record—we have the largest supply out in the Packard Campus for audio-visual conservation of movies, radio, all these things. And Congress has mandated—

Mr. RIGELL. Yes. Right.

Dr. BILLINGTON [continuing]. . . . us to set up these national registries of the most important things. So that helps determine the choice. But no, we won't have everything.

As our chief of staff said, our staff has an authoritative feel for this. They have linguistic competencies. They have area competencies. And that is what we have—that is what is in danger of getting diluted, as the director of CRS was saying. And it is also true of our curators. We have overseas offices where we get these things, but yes, we have to prioritize and we will have to all the more in the future.

Mr. RIGELL. Right.

Dr. BILLINGTON. The question is, do we get a significant margin over what anybody else gets? We acquire partly through extensive exchanges, partly through six overseas offices, partly through donations, partly through routine purchase—but, again, it always depends on selectivity of knowledge of our staff.

How much do we want to get and keep? Well, that is something that ultimately you will decide for us. But we have to tell you, honestly, what we think is important for the United States. When I sign for an acquisition, I don't sign for the Library of Congress. I sign for the United States of America.

Mr. RIGELL. Yes.

Dr. BILLINGTON. The first time I did this, I said, "Well, who am I to be doing this, making these decisions?" Well, I don't make the decisions. We have an incredible staff that is conscious of this.

#### UNIQUE VALUE OF LIBRARY COLLECTIONS

You may want to add to this, our chief of staff.

Mr. NEWLEN. I would.

And, Congressman, the question you ask is one that keeps us up at night. It is a very, very important question, and I am glad you asked it. And I would like to give you one example. Our collection serves you, the Congress. And it is very difficult to predict exactly what the research and analytical needs of the Congress are going to be, hence our very broad collection policy.

But to give you one example at our Law Library: For decades, we have been collecting the legal documents of virtually every jurisdiction of the world, court cases, gazettes, laws, because we never know when the Congress with defense or foreign affairs

needs will need that kind of material. So many of these countries are not putting their material online. They still print, and we still collect those.

And we routinely get questions from the Congress using this collection. A conflict in Afghanistan. A conflict in Iraq. And we are often the only source for those kinds of documents for the Congress, even the jurisdiction often doesn't have as complete a collection as we do.

So it is one of the challenges we face. We have to continue to think about it. But, ultimately, our goal is how we can best serve the Congress.

Mr. RIGELL. That is very helpful. And I know this, Mr. Chairman, that a deeper dive perhaps when the House pace slows down a bit maybe this summer, it would be in order, certainly for me, to just get up to speed on all of this.

But I appreciate your service, and I thank you for the patience you have given us here with the questions.

Mr. Chairman, thank you.

Mr. GRAVES. Absolutely.

Mr. FARR. Good with the order down there?

Mr. FARR. Thank you very much.

Debbie Wasserman Schultz, I love this woman.

Ms. WASSERMAN SCHULTZ. Thank you.

#### OPEN WORLD IN LEGISLATIVE BRANCH

Mr. FARR. I like that she is trying to think about how we can put these organizations into a better budget account, like perhaps Open World ought to be a part of the State Department, USAID.

What strikes me is that we have never gotten a handle on all of the different organizations which Congress invests in. We are members of many organizations.

Ms. WASSERMAN SCHULTZ. Right.

Mr. FARR. I don't know that a single committee does that. I mean who funds the Helsinki Commission? We pay dues to that. I think we pay dues to other trans-parliamentary networks. I think the German Marshall Fund is another of our congressional memberships. I know we have a Japanese parliamentary exchange. We have the NDI, which is hugely supported by Congress. All those things in different departments.

One thing that I learned while I was a Peace Corps volunteer in Colombia was to petition the right level of government to solve your problems. When the U.S. started Plan Colombia we were investing lots of money to strengthen the military. We were looking at all these institutions of government and how we would put some money into them. The one we left out was the parliament.

#### WORKING WITH LEGISLATORS FROM OTHER COUNTRIES

It seems to me that that was the reason for the Open World. The idea was how do we have a professional relationship with our like kind. We have formed in the House The House Democracy Partnership. I am on that, and it is like an ad hoc committee, only what we do is work with parliamentarians in different countries. It has not been adequately staffed, nor do we have the best connections. But what we try to do is bring in all of these areas where I think

there is a role for Congress—and were you in the State government?

Mr. GRAVES. Yes, sir. Yes.

Mr. FARR. Do you remember when you were there—the State legislators were members of the NCSL and the Council of State Governments and all these kind of networks which was legislator to legislator?

We need to have those. Particularly what our House Democracy Partnership is doing is trying to teach other legislative bodies how to upgrade their independence to be a check and balance against the executive branch by helping them understand the value of having a research department, like CRS, or an independent research department that looks at the budget, like our budget office.

And I think it has been very successful because you can't really get these nations stabilized if you are just putting your emphasis in trying to stabilize the administrative branches of government and not the legislative branches of government.

So perhaps we ought to examine all these programs, but I would hate to lose control. I think that the responsibility for parliament-to-parliament is in us, in the Congress of the United States, including the development for people who are going to be succeeding. And that is like what Open World is. Let's take the young leaders who are professional, and train them up. I did it. It is a lot of work. I had 15 Russian folks with me for a week. And I will tell you, I have never worked my district so hard. In the end I think they were tired of traveling the United States—they wanted to get home as fast as possible. I took them to city council meetings and school board meetings and planning commission meetings and coastal commission meetings. And I took them to all the farmers and universities, schools. I did everything with them. It was fun, but it was a lot of work. But, I will tell you, they walked away and for the first time said—three of them were members of the Duma—we have been in the United States many, many times. This is the first time we ever understood it because we were at the grassroots level.

Now, I think the State Department isn't going to do that. They will manage it for us. But they won't have us involved. Same with USAID. So I think it is right that we look at these programs. We ought to get an assessment of how many of these organizations are we paying dues to, and can we have a better collaborative? I think it would be wrong to lose control of that and just to sign it to the State Department.

Mr. GRAVES. Great. The gentleman brings up some good points. And it may be that the GAO has a report that might summarize some of these programs that are out there and where there is duplicative interests. But I imagine these austere times, we will have a spirited debate moving forward. It sounds like it has already begun.

Dr. Billington, you and your team, we want to thank you for what you do and protecting and preserving so much of America's great history and beyond. You have done a wonderful job, and you have got a big task ahead of you. We will review your request and do what we can to be as supportive as we can as a committee.

For the members' sake, from what I have heard and through questions and our own personal conversations and seeing your own

personal interests, I expect that if our calendars allow and the agencies' calendars allow, there might be another subcommittee meeting. I think there are some opportunities here for us to have some deeper discussions in some other areas. And so stay tuned on that, and we will look forward to getting together again at that moment.

But, until then, the subcommittee will stand in recess until further call of the chair.

[Questions for the record follow:]

Hearing on the Library of Congress Fiscal 2016 Budget Request  
February 26, 2015 at 2:00 p.m.  
HT-2, Capitol

Questions for the Record  
Chairman Tom Graves

INFORMATION TECHNOLOGY

Dr. Billington, in House report 113-417 which accompanied the fiscal year 2015 Appropriation bill, the Committee directed the Government Accountability Office (GAO) to review among other information technology concerns the actions taken by the Library to manage the information technology supporting its programs and operations, and GAO was directed to deliver a report of their findings no later than March 31, 2015. Although it will be another month before the final report is issued, the GAO has been working with your staff and has talked with you about their work.

*Question.* Can you share with us any of the areas that the GAO has had concerns?

Response: GAO's review of the Library's IT management focused on strategic planning, enterprise architecture, human capital management, IT investment management, system acquisition and development, information security and privacy, service management, and IT leadership.

*Question.* What actions if any have you taken to begin to address those concerns?

Response: An Interim CIO and Acting Deputy CIO are in place and the following actions are underway:

- **Strategic Planning:** Under the direction of the Interim CIO, the Library is developing an IT strategic plan that will be available in spring 2015. It will focus on, among other topics, resolving issues identified by the GAO and Inspector General; modernizing the technology infrastructure (e.g., telecom, cable system); determining how the Library will participate in the Legislative Branch data center consolidation; and providing a comprehensive digital strategy, working with all clients to align information technology with their future operational vision.
- **Enterprise Architecture:** The Library is reviewing all current findings and will contract for EA expertise to evaluate current efforts and prepare for future approaches that will align the Library and IT strategic plans.
- **Human Capital Management:** In conjunction with the Library's Human Resources organization, the Library will determine existing technology skills; benchmark against other

federal agencies for the appropriate mix; and develop training and recruitment plans to ensure staff has appropriate expertise. This will be a multi-year task.

- **Investment Management:** IT investment selection and management will become more formalized and expanded to include infrastructure and software projects. This will allow the Library to identify investments early in the development cycle and redirect projects that are encountering developmental issues.
- **System Acquisition and Development:** The Library will begin following a formalized, multi-year capital budgeting process for technology hardware and formal, proven, mandatory systems development technologies when developing all information technology systems.
- **Information Security and Privacy:** The Library has reviewed all outstanding high-level security issues, and we are working toward resolution. We have started a monthly review of all medium-level issues to improve security compliance.
- **Service Management:** The CIO is initiating service level agreements (SLA) and memoranda of understanding (MOU) with Library service units, scheduled for completion by the end of fiscal 2015.
- **IT Leadership:** The Library has initiated a nationwide recruitment effort to identify a permanent CIO. The interim CIO and acting Deputy CIO have strong professional experience and academic credentials in the area of information technology.

*Question:* Is there a particular reason that the position of your Chief Information Officer has gone unencumbered on a permanent basis for going on three years?

*Response:* In retrospect, I should have moved much faster to appoint a permanent CIO. That said, in January I named two Library employees, experienced technologists, as Interim CIO and Acting Deputy CIO. We are moving aggressively on conducting a nationwide search for a permanent CIO and expect to have that job announcement posted in the next few weeks, with the goal of having the position filled permanently as soon as possible.

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As you have mentioned in your 2016 budget overview, one area of focus in your budget request will be "Improving IT infrastructure and addressing critical and urgent recommendations from the GAO". The Committee will not begin to presume what the GAO's findings or recommendations will be, however based on periodic progress reports and meetings with the GAO staff, there surely will be ongoing dialog between GAO the Library and the Committee concerning the future of the Library's information technology.

Taking into account that over 100 million dollars of your budget is related directly or indirectly to information technology, the Committee expects you and your new management team to devote all your energies to addressing the GAO concerns and recommendations. Be assured there will be ongoing oversight by this Committee as we track your progress to eliminating the lion's share of the recommendations before the next budget submission.

## LIBRARY WIDE FUTURES PROGRAM

Dr. Billington, in September 2013 you launched the first phase of a Library-wide Futures Program to chart a map for the future of the Library of Congress by December 31, 2015. The program was to address key issues facing the Library and develop better ways to fulfill the Library's historic service missions.

You established eight teams utilizing 72 staff members to make recommendations to you regarding problems/opportunities that the Library will be dealing with in the following two years. When the program was scheduled to be completed in April of 2014 you launched the next phase of the program, charging three new committees with creating the first draft of an action plan that charts the Library's future.

*Question.* Would you give us an update on the program, what you have learned so far and are you on target to complete the work at the end of this calendar year?

Response: I am pleased with the innovative ideas forwarded to me by the staff-level committees. Their recommendations focused on three broad themes: Mediation of Knowledge focused on workforce issues, specifically developing innovative approaches for mentoring and critical-skill-set management. Coherent and Accountable Digital Strategy focused on technology issues with an emphasis on Library-wide policy for acquisition and access for both the digital and analog collections. Fresh Collaborations with Outside Organizations and Local Communities focused on collaborative opportunities with an emphasis on energizing life-long learning.

In November, I began ongoing discussions with the Executive Committee on how to move forward with the Futures Program recommendations. As a result of these discussions, we now have the foundation for near-term actions and significant direction for informing the next strategic plan. The recommendations from the Futures Program were combined with feedback from the Executive Committee on Shared Services and Joint Programs. I approved several actions to begin in fiscal 2015. Together, the Futures Program recommendations and the Shared Services and Joint Program initiatives will inform the update of our fiscal 2016-2020 strategic plan.

Among the significant initiatives that I directed the service units to begin implementing in fiscal 2015 are: developing a national audio-visual education outreach pilot; engaging the U.S. Hispanic community to increase awareness of the library's collections, services, programs, and employment opportunities; and hiring a Chief Information Officer to lead the Library in addressing the significant technology issues currently facing the Library. I appointed an Interim Chief Information Officer and Deputy Chief Information Officer to begin addressing our technology challenges and called for a nationwide search for a permanent Chief Information Officer who will work closely with the Library's Collections Development Officer. Together, the Interim Chief Information Officer and Collections Development Officer will address issues related to acquisition and access to the Library's digital and analog collections.

I directed my Strategic Planning Office to facilitate a process for updating the strategic plan. We are not beginning with a blank slate. I will lead the Executive Committee in building on the current strategic plan, informed by the work of the Futures Program and Shared Services and Joint Program initiatives. These initiatives have already resulted in an intentional focus on workforce and technology issues. The Executive Committee is evaluating a separate Workforce goal and specific strategic objectives have been proposed to support management of modern and secure systems and infrastructure.

Providing a focused strategic direction to the staff resulted in tremendous recommendations that are actionable, cost neutral, and can be implemented in fiscal 2015 and 2016. The staff work is a concrete example of the talent and expertise of the Library's diverse staff below the Executive Committee level.

I have already taken action on some of the recommendations that I determined are a top priority for the Library. I approved the formation of a Hispanic Working Group to begin working on the U.S. Hispanic Community Recruitment and Outreach Initiative. As I reviewed the recommendations from the staff committees, I recognized the need for an intentional focus on workforce initiatives. This emphasis on addressing workforce issues was also reinforced by recommendations from the Shared Services and Joint Program effort. As a result, I called for a new strategic goal specifically focused on workforce. The Executive Committee is currently working on the strategic plan update.

I have communicated to my leadership team that moving forward with Shared Services and Joint Program initiatives and updating the Library's strategic plan is a priority. In a February 9 memorandum to the Executive Committee, I approved actions to be taken immediately and completed in fiscal 2015. Each of the Shared Services and Joint Program initiatives is assigned a leader within the service units. Each leader will be tracking and reporting on their progress to me on a bi-monthly basis as part of our ongoing performance assessment process. I also approved a timeline for updating the Library's strategic plan. Substantive content work on the updated strategic plan will be completed by June 30, 2015. The fiscal 2016-2020 strategic plan will be published on October 1, 2015.

*Question.* The Committee is concerned that the Library might be, for the lack of a better word, in an OVERLOAD situation. You are working on the Futures Program, updating the 2016-2020 strategic plan, and responding to the GAO IT report. What do you envision as the return on investment of all of these efforts?

*Response:* The Library is already seeing a return on investment from the work on these efforts. An example of one significant result is the work of the Library's Hispanic Working Group. This working group is in the beginning stages of increasing awareness of the Library's collections, services, programs and employment opportunities.

The work of the Futures Program committee focusing on digital strategy recommended the appointment of a Chief Information Officer. Their recommendation also included the appointment of a Collections Development Officer. I have already taken action to appoint a

Chief Information Officer. In January, I appointed an Interim Chief Information Officer and an Acting Deputy Chief Information Officer to begin addressing technology issues. These interim leaders will work together to ensure that the Library is effectively managing its technology resources and supporting the acquisition and access of digital collections.

The Committee should consider that many of these initiatives use information from one program as input into another. The Futures Program provides input into the Library's Strategic Plan as well as the Information Technology strategic plan. So the completed work is utilized in different forms across multiple programs.

*Question.* Do you believe you and your new management team can devote the time and energy to accomplishing this rather heavy agenda?

Response: I directed my Strategic Planning Office to facilitate a disciplined process over the next few months to guide the Executive Committee in managing this heavy agenda. They will provide information and tools that will focus discussions on substantive recommendations and minimize time spent on agreed upon content. I established monthly Executive Committee meetings that will include time for discussion and collaborative decision-making. I will schedule additional meetings when necessary.

I am committed to ensuring that the Library is successful in implementing the actions called for in the Shared Services and Joint Programs initiatives. During fiscal 2015, I will monitor progress on these initiatives as part of the Library's performance assessment process. Once we complete the strategic plan update, we will hold ourselves accountable through the Library's Planning and Budgeting framework, which is compliant with the spirit of the Government Performance and Results Modernization Act (GPRAMA) standards, to guide the implementation of the new Strategic Plan through annual planning and performance reporting.

*Question.* As Chair of the Library's Executive Committee, do you plan to reach out to the entire team and work with the entire team in a collaborative manner on these 3 very important initiatives?

Response: Transparency is essential for success as the Executive Committee continues to guide the Library's strategic direction. Getting the right strategic direction requires frank and candid discussion as a part of the Library's regular Executive Committee meetings. As we move forward, I know I can count on the quality, dedication, and balanced judgment of each of the Executive Committee members to do what is best for the immediate and long-term future of the Library of Congress.

#### COPYRIGHT OFFICE

Dr. Billington, we have some questions about the Copyright Office and the targeted funding provided of 750 thousand dollars to reduce the claims and processing time, and 1.5 million dollars to conduct analysis for the business process engineering of the document recordation function.

You are requesting 2 million dollars and 20 FTE's to be funded via increased spending authority of registration receipts. You have stated that since early fiscal 2012 the average processing time for claims has been lengthening. Paper applications have risen from 4.8 months to the current average of 13.5 months today. Further claims filed online have increased from 3.1 months to an average of 4.4 months.

*Question.* With over 5 months of the current fiscal year having passed and having operated under a CR for the first part of the year, what progress if any have you made with hiring new staff? If you have not been able to hire new staff, how have you utilized the additional 750 thousand dollars?

Response: Thank you for the questions, Mr. Chairman. I also want to thank Dr. Billington for asking me to respond to these questions. Together we have worked hard to be transparent about the challenges facing both the Library and the Copyright Office and we both appreciate your interest and your duty to assess funding relating to IT needs.

The Copyright Office is grateful for the Committee's support during the fiscal 2015 appropriations process and appreciates, in particular, the \$750,000 intended "to reduce the claims and processing time for copyright registrations." With these funds, the Copyright Office has commenced the hiring process with the Library's human resources department to bring in approximately a dozen new examining staff to work under the direction of Robert Kasunic, Associate Register of Copyrights and Director of Registration Policy and Practice. We are optimistic that all procedures and interviews can be completed by summer. Those selected will begin an initial training program together as a class and be ready to assist with claims on a graduated schedule throughout the remainder of the year. We are also finalizing the hire of a new Deputy Director of the Registration Program and two staff attorneys to work on registration issues and related rulemakings. Collectively, these 15 new Registration Program hires, coming as they are during the fiscal year, will cost approximately \$450,000. The Copyright Office will use the remaining \$300,000 to fund overtime work in the Registration Program, some of which has already been used this fiscal year. Again, we thank the Committee for its support in working to replace some of the registration vacancies that have occurred in recent years.

Because new registration staff will not be in place before summer, the Copyright Office is using the remaining funding to pay overtime costs for staff willing to work evenings and weekends. The Copyright Office began offering overtime opportunities to qualified registration experts in January. To date, the Copyright Office has committed approximately \$41,000 to overtime work. The remainder, approximately \$258,000, will be committed to overtime by the end of fiscal 2015. We are confident that this dual approach will help keep the backlog from increasing.

*Question.* You have stated in your budget justification that "the training program for Registration Specialists is extensive and requires that existing Specialists forego processing

claims while they train and mentor new staff". This being the case, at what time would we expect to see a downward trend in claim processing time?

Response: Because we are offering overtime opportunities to experienced staff at the same time we are seeking and training new staff, we are hopeful that we will see a downward trend by spring 2016. The Copyright Office last hired registration experts in early calendar year 2010. At that time, there was an initial increase in the backlog (for both electronic and paper applications), followed by a gradual but noticeable improvement about nine months after the start of training. It is important to note that while training was not complete within nine months, by that time the new staff had gained sufficient expertise in examining certain classes of works to enable the staff to positively impact the backlog

Training is essential to providing quality and prompt examination. While analyzing copyrightability questions always has required subject matter expertise, the digital age has impacted copyright applications, which now present even more sophisticated questions. Even since 2010 when the Copyright Office was able to hire the most recent class of registration experts, registrations have grown increasingly complex as digital authorship and distribution continues to grow exponentially. Also, notwithstanding that the registration program is understaffed, accuracy is as important as speed when the Copyright Office registers and documents claims. To hold up as *prima facie* evidence in a court of law, the Copyright Office's registration certificate must be correct. To be useful to copyright commerce, a certificate should also denote all levels of granularity or joint authorship, not merely a top-level claim. In other words, the public record should show all of the creators and copyright owners included in all of the musical works and recordings on an album, not merely who owns the rights in the album.

The Copyright Office's training program is important to both the quality and speed of registration. Training can be more streamlined now that we have released a major revision of the *Compendium of U.S. Copyright Office Practices, Third Edition*, the Copyright Office's official manual of administrative practices. The Copyright Office released the new edition of the *Compendium* in December 2014, and this was the first full revision of the document in more than two decades. The *Compendium* will assist new staff in examining applications and making sound registration decisions for complex works, but it is only the foundation for the work to come. The Copyright Office will need to conduct multiple rulemakings to address practices for works that are evolving. For example, this is likely to include a fresh look at the standards and practices for examining software code, websites, and photographs. Ideally, the Copyright Office will be able to address backlogs and implement new digital practices at the same time.

*Question.* You plan to hire 20 additional FTE's with the increase of spending authority (2 million dollars) from receipts. If you are hiring personnel with the funding provided this year, is it realistic to think you can fill 20 additional positions next year?

Response: Yes, it is a realistic goal and since the receipts come primarily from registration fees paid by customers, we believe it makes sense to reinvest them in the registration program.

While there are many such needs, including technology improvements, the immediate crisis is in staffing.

The Copyright Office today has 76 professionally trained registration specialists (*i.e.*, examiners)—down from approximately 130 at the beginning of fiscal 2010—to handle approximately half a million copyright claims involving millions of works of authorship. (It has other vacancies in qualified registration assistants and technicians.) Between fiscal 2015 and fiscal 2016 appropriations, the Copyright Office hopes to backfill a total of 32 examiner vacancies. This would elevate the expert examining staff to 108. While this would be a great relief, it will still be below capacity from the 130 examiners we had in 2010.

Moreover, as mentioned above, the Copyright Office will need to conduct rulemaking proceedings on an ongoing basis to evolve the registration practice to where it needs to be, meaning that even 130 examiners may be insufficient in the future. On the other hand, it is also true that the Copyright Office may come to the decision that it can offer different kinds of registration options to customers—some that are examination intensive and carry the full benefit of legal presumptions and others that are quick and basic and serve a different purpose. Conversations like this are important but will require significant public processes.

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Dr. Billington, the Committee wants a vibrant, efficient, and automated copyright process to be available to the public. So beginning in fiscal year 2000 to date, the Congress has made an investment of over 50 million dollars towards a major Copyright Office Re-engineering Project.

In testimony before the House Subcommittee on Courts, Intellectual Property, and the Internet, Ms. Pallante, the Register of Copyrights, testified when asked “what would it cost to give the office separate service from the Library”? Her response was “At a very high level in terms of modernizing the office, I think it’s an investment of somewhere in the neighborhood of 150 million dollars”.

*Question.* What is the basis upon which you have determined that separate service from that received from the Library is in the 150 million dollar neighborhood?

*Response:* On September 18, 2014, during an oversight hearing of the House Judiciary Committee, Register Pallante responded to Ranking Member Nadler’s questions about costs as follows:

Mr. Nadler: *[W]hat would it cost to give the Office a separate service from the Library? Register Pallante: I don’t know.*

Mr. Nadler: *What magnitude are we talking about? Millions or a billion? Do we have any idea?*

Register Pallante: *At a very high level in terms of modernizing the Office, I think it is an investment somewhere in the neighborhood of \$150 million.*

Mr. Nadler: *Over a time period.*

Ms. Pallante: *Of that, you could say half of that must come from fees, da some public-private partnerships, be creative.*

Mr. Nadler: *And my last question ... how has the registration program been hurt by budget cuts and early retirement packages?*

Register Pallante: *It has really been cut to the bone. We have huge vacancies, and we have the kind of staff that requires several years of training to get them to the point where they are applying the law and the regulations and the Compendium accurately so that courts and others can rely on it. So they are really exhausted, and then they are dealing with an electronic system that sometimes crashes, doesn't work all the time, and isn't anywhere near the generation of services that copyright owners want.*

Mr. Nadler: *So we are talking about both operating and capital costs there.*

Register Pallante: *Correct.*

As indicated by the transcript, the figure was an estimate put forward as a ballpark number in response to a question during the course of hearing. It assumes that a major investment is necessary because both registration and recordation need major improvements and the entire Copyright Office may need its own dedicated infrastructure and enterprise architecture if it is to stay within a realistic pace of its customers and offer technically compatible and interoperable services.

The figure is an approximation of systemic improvements to the process for recording documents, databases and public records, data management, a dedicated enterprise architecture, infrastructure (including capacity and storage), and cloud services. Neither staffing costs nor ongoing maintenance are included, because these were contemplated as annual operating costs, not capital costs.

As indicated in the hearing, some of the investment could come from increasing fees for certain kinds of works or copyright owners to account for certain capital costs, and costs might be reduced further if there are public private partnerships possible, *i.e.*, the Copyright Office might be able to coordinate with a private registry regarding image recognition capabilities for searching photographs or visual works of art. Any such project would require extensive analysis and vetting.

Again, the figure of \$150 million was a quick estimate offered during a hearing at the request of a Member of Congress and requires further scrutiny. What is clear is that from 2000-2009, the Library<sup>1</sup> received funding totaling nearly \$50 million to bring certain functions online (and to renovate work flow and office space and move staff to temporary locations). This was not enough to complete all aspects of the project. Thus, the registration process was automated, but a secure repository was not built (for works submitted to the Copyright Office via

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<sup>1</sup> Some of the facilities-related funding was provided to the Architect of the Capitol.

registration) and the recordation was never brought online. Given the importance of the Copyright Office to the copyright marketplace, we would not want to underestimate the actual cost of getting to a new generation of services.

*Question.* Under the current IT operations/budget do you believe that the Copyright Office has received an inadequate allocation of IT resources?

Response: This is a difficult question to answer because IT resources are allocated to the Library to spend on behalf of the entire agency and the Library has never been asked to track the amount of IT resources that it spends on the Copyright Office specifically. This is the case for all IT expenditures at the Library of Congress: resources are not assigned to specific service units or programs. As stated above, the IT needs of the Copyright Office, present and future, are significant enough that it would not be unreasonable to suggest that the Copyright Office should be the focus of a major portion of the Library's IT budget. We know this is not the case as both the IT infrastructure and services from IT staff are insufficient to meet the Copyright Office's current workload. On the other hand, the Library has traditionally followed a centralized IT governance and management approach that is reasonable by many standards, at least where missions can be jointly served. This approach does not require agencies to consider whether some services or component functions might be better served by dedicated investments and resources.

We understand from the Library's Interim CIO that, out of more than 200 people who work in ITS, about six are assigned to work specifically on Copyright Office IT, i.e., they assist with planning and development needs, including system analysis. None of these six are senior level employees and, when needed, may be directed to other non-Copyright Office work. The Library uses this management paradigm throughout the agency. Most ITS staff and related resources are jointly used across all Library functions. This means, however, that the Copyright Office must compete with other Library departments to use needed resources, frequently planning months in advance simply to get access to key staff. The Copyright Office's recent backup system test required four months of planning to ensure Library resources would be available.

The Copyright Office itself has a very small IT shop of about two dozen people. With the exception of the recently appointed CIO, this staff acts primarily as a liaison office to the Library, working on day-to-day maintenance or help desk issues. To change this structure would require a close look at resource allocations and management paradigms. The Library has set up multiple investments to serve multiple masters and programs across the agency. The question today is whether this approach can sustain the considerable requirements of the copyright system in the digital age. We also need to consider the proper measure of success. During an oversight hearing of the Copyright Office this past September, Judiciary Committee member Howard Coble, who was chairing the hearing, had this to say: "This discussion needs to be a public one, and it needs to be approached with an open mind, with the clear objective of building a 21<sup>st</sup> century Copyright Office."

As a first step towards taking on more responsibility for IT strategy, and with the approval of the Librarian, I created the position of Copyright Office Chief Information Officer in 2013 and filled it in 2014. The Copyright Office CIO advises the Register on the state of customers' IT needs and general options for moving forward. This kind of focus is important given the shortcomings of the current registration system, and the fact that customers pay for Copyright Office services. Likewise, during the same timeframe, I created a new department focused on public records and a new senior level position to head it, the Director of Public Records and Repositories. (This person has been working on a temporary assignment in the Librarian's office since January, 2015, serving as the interim CIO until the Library can hire a permanent CIO.)

As a basic premise, the Copyright Office is a small government business with significant and growing IT needs. Indeed, it seems unlikely that any other department of the Library has IT needs that are as pronounced. The infrastructure is very strained and services have been very unreliable. The Copyright Office regularly has problems with the quality and timeliness of IT services.

For example, under the Digital Millennium Copyright Act ("DMCA"), the Copyright Office is required to provide a directory of agents acting for online service providers. These are the agents who should be contacted when copyright owners ask websites to remove infringing content. After the DMCA was enacted in 1998, the Copyright Office promulgated interim regulations, which over time proved cumbersome. In 2011, the Copyright Office issued a new notice of proposed rulemaking ("NPR") outlining a new electronic system with more efficiencies, including the ability of service providers to make updates to the directory.

The Copyright Office based the NPR on feedback from its public process. The Copyright Office wanted to contract with an outside software developer to complete the project. The Library's IT department insisted on handling it directly. The project has been frustrated by continuous delays on the part of the Library's IT staff. As of today, more than three years after the Copyright Office issued its notice of proposed rulemaking, and despite many hours of written and in person contact from both the Copyright Office's technology liaisons and the Copyright Office's General Counsel, it seems that not a single line of code has been written. The project has become so urgent that we asked one of our lawyers to develop the wire frames. Even with this assistance, the Library's Information Technology operation cannot identify resources to complete the development, testing and implementation of a simple system.

Experiences like this make it difficult for the Copyright Office to believe that the Library's IT department is devoted or accountable to the copyright system. As a result, we look for ways to handle things more directly. For example, the Copyright Office has created an index of court opinions regarding the fair use doctrine, as a project it is required to undertake in partnership with the Office of the Intellectual Property Enforcement Coordinator (the IPEC). We have resorted to asking one of our two webmasters to build the interface, both because we cannot afford a lengthy delay with the Library's IT staff and because our own webmaster better understands and appreciates the context of the copyright law and our agency responsibilities.

As the Committee knows, and mentioned above, the Copyright Office is one of several departments that compete for IT resources. The Library has other urgent needs that relate to its singularly impressive collection, including storage, preservation, and educational programs. However, because the Copyright Office administers a federal law, its needs relate to the legal rights and economic interests of its many customers. We believe this distinction is why the Senate Appropriations Committee directed GAO to “identify any deficiencies or obstacles to serving the copyright community in a modernized environment.”

*Question.* What is your vision of how you would operate with your own IT department?

*Response:* This is an interesting and important question. An ideal IT department would be autonomous in assessing the Copyright Office’s needs and implementing solutions. The Copyright Office’s CIO released the Technical Upgrades report just last month, which explored many possible improvements. For instance, the Copyright Office would have its own central investment board, where it is not trading priorities across disparate missions but rather within its own area of expertise and statutory responsibility, *e.g.*, registration and recordation. It would have its own lean but high-end data center, geared only towards copyright services. One key aspect would be an enterprise solution that is dedicated to the Copyright Office and deploys a highly reliable, high performing, redundant, and cost-effective server environment designed to meet the current and future IT needs of the Copyright Office.

The Copyright Office would couple this with cloud services and would work with customers to ensure that all databases and data standards are working for the copyright community. For example, that the Copyright Office’s system would be interoperable with outside databases for information embedded in copyrighted works or in public records. It would be satisfying if customers could hook into APIs and individuals could register or search for licensing information on mobile devices. To have a separate data center, even a small one, the Copyright Office would need its own isolated space (either in a current Library building or a smaller building offsite). The Madison building is a particular challenge, as the capacity, power, cooling and general footprint are insufficient to handle the Library’s current work let alone the kind of additional services many Copyright Office customers want. We believe that experts in the various copyright industries and technology sectors may be helpful in devising a solution to these challenges.

Moreover, the Copyright Office would need the authority to hire its own expert technology and data staff. In general, given that everything the Copyright Office does is IT intensive and data driven, and only like to become more so, about a third of the Copyright Office’s staff should be professionals with expertise in these areas. The Copyright Office has taken a quick look at other organizations in the copyright space that have online businesses and this appears to be the usual ratio. Without this kind of expertise, it is difficult to see how the Copyright Office will be able to improve and adopt data standards for its public records, devise services that are compatible with mobile devices, or otherwise move beyond the current frustrations. The alternative is for the Library to attract this kind of expertise itself, which it can then leverage for

multiple purposes. For the reasons expressed above, the Copyright Office, or more directly, its customers, would need assurances as to how exactly this would inure to the benefit of the copyright system.

*Question.* Has the investment of over 50 million dollars since 2000 been a bad investment?

Response: We would suggest that the Committee view the current electronic processes as a successful “first generation” system in need of both ongoing upgrades and additional systemic improvements.

As stated last year for the record (see Copyright Office Questions for the Record, FY 2015 Budget, House Appropriations Committee), the Committee provided nearly \$50 million to the Library during 2000-2009 for the primary purpose of automating the paper-based registration system. It was not an immediate success, as it required significant troubleshooting after it was implemented in 2007-2008, and caused an initial backlog that was not brought under control until 2011. The system has improved, however. Today more than 80% of applicants submit applications online and about half of these submit digital copies of works.

Having stated this, it is also true that the system remains incomplete. A secure repository was initially envisioned as part of the new system (for the works that copyright owners submit electronically for examination) but was never completed. The Copyright Office’s needs in this regard should not be conflated with the Library’s repository needs or goals as a library. However, even so, the Library’s Interim CIO has stated that the Library has not created any repository that is appropriate for the kind of legal repository required by the Copyright Office and expected by copyright owners.

Although the Committee’s investment was before the tenure of the current Register and her senior staff, we understand the \$50 million that was allocated was used as follows:

- Renovation of Copyright Office workspaces to accommodate new work flows and temporary relocation of staff in Arlington, VA: \$28.4 million
- Development of new technology systems: \$15.6 million
- Planning and program management: \$5.3 million

The amount spent on technology systems appears to have been insufficient. While the Copyright Office has a duty to run a lean and efficient operation, it also needs to properly serve the vibrant and dynamic markets of its customers (both those who produce and those who aggregate and disseminate creative works). This is not a measure we take lightly, as the copyright marketplace is worth a trillion dollars to our economy.

*Question.* What are the major concerns or complaints you receive from your customer base, and what are the short, middle, and long term solution to their concerns?

Response: These issues have been the focus of two hearings convened by the House Judiciary Committee over the past few months, on September 18, 2014 and February 26, 2015, respectively. Testimony from these hearings may be accessed through the House Judiciary Committee website at <http://judiciary.house.gov/>.

The long term solution may well be to separate all or part of the Copyright Office's IT resources and IT management from the Library's central control. This was the conclusion of the Technical Upgrades Special Project Team, convened by the Copyright Office CIO over the past few years. Part of the Team's process included soliciting written comments from stakeholders across multiple industries in the copyright marketplace. The report can be accessed on the Copyright Office website ([http://copyright.gov/docs/technical\\_upgrades/usco-technicalupgrades.pdf](http://copyright.gov/docs/technical_upgrades/usco-technicalupgrades.pdf)) and a copy is included for your convenience.

Stakeholders believe that the Copyright Office's functions and technologies should be more efficient and interoperable with those of its customers, and that additional precautions should be exercised with respect to the exchange of digital works. In the case of copyright registration, these works are entrusted to the care of the Copyright Office by authors, publishers, and producers seeking the protection of the law. As explained by the Software & Information Industry Association ("SIIA") at the February 26 hearing, some customers have made the dramatic decision to forego registration "because they have found the process to be too expensive and cumbersome and because they are concerned about the security of their deposits."

During the same hearing, the ABA Section on Intellectual Property Law suggested that the online application system's user interface could be improved and that one of the "main obstacles" to registration is that applicants must comply with Library requirements that ask for certain types of a work, which may not be an electronic copy that could be submitted online. For example, SIIA noted that some newspapers do not register their works because the Library requires microfilm deposits, which many newspapers no longer use. Others have testified that the missions of the Library and the Copyright Office are no longer as symbiotic as they once may have been, and that the Copyright Office needs to keep pace with the marketplace of copyrighted works, in which films, music, books, video games, photographs, and other works support a nearly trillion dollar economy.

Specific strategies over varying time frames may require: investing in commercial-grade security measures to ensure the safety of digital works; reducing or otherwise altering the deposit requirements for certain works; improving the interface, functionality, and security of the Copyright Office website ([www.copyright.gov](http://www.copyright.gov)) vis-à-vis the Register's specific duties and authorities articulated in Title 17; offering new ways to register and identify copyright interests, for example, registering photographs through mobile device applications or identifying the individual tracks of a sound recording through new investments in metadata and web interfaces; and implementing platforms and data standards that allow for business-to-business applications with programs and databases in the copyright industries or technology sectors.

The kinds of improvements referenced above will require capital investments, but are necessary to make the Copyright Office a twenty-first century institution. More importantly, they will help create a less burdensome, more efficient, and more useful copyright system for the benefit of global commerce and cultural exchange. The Copyright Office has long been a model for agencies and stakeholders in foreign countries. However, it has a clear obligation to acknowledge and plan for the next generation of services and customers.

*Question.* Is the primary concern of Copyright one of organizational location or the lack of resources?

Response: The lack of resources impacts the Copyright Office's ability to meet its statutory responsibilities in an acceptable manner. In other words, the steady attrition of staff coupled with the limited means to update IT systems with more intuitive, user-friendly interfaces and robust, secure databases collectively act as significant negative constraints on the Copyright Office's ability to deliver public services that meet the needs and expectations of its customers.

Organizationally, many people, including Members of Congress, are surprised to learn that the Copyright Office is not an agency or even a sub-agency, but rather a department of the Library. As noted by the Register at the oversight hearing last September, this structure has worked fairly well until recently, when both resource challenges and the growing complexity of the Copyright Office's duties have raised concerns. In other words, while there are some synergies, there are also certain natural tensions or conflicts that arise from the completing missions.

Beyond this, there are important legal questions that affect the authority of the Copyright Office and potentially call into question what branch of government the Library, Copyright Office, and Congressional Research Service (CRS) reside in. The work of the Copyright Office, including registration and recordation, are primarily executive branch functions, as are rulemakings. And, the Department of Justice has taken the position that because of copyright functions, the entire Library is executive branch and the Librarian, as the supervisor of those functions, is accountable solely to the President. *See, e.g., Dep't of Justice Br. in Opp'n to Pet. for Cert.* (Apr. 2013). This would make CRS accountable to the executive branch as well, perhaps to the surprise of Congress. Still, the Copyright Office has been the primary policy advisor to Congress on matters of copyright policy since 1897. Most people are of the view that this deep and impartial work has been to the benefit of the Nation and should be preserved in some form if at all possible.

In any event, the Copyright Office's status as a department of the Library of Congress and within the legislative branch of the government is a question that is properly before Congress. We are respectfully participating in the discussion as needed.

*Question.* Are you suggesting that the Copyright Office could more effectively serve its constituents if additional resources were available? If so, then would you also suggest/recommend that the Copyright community bear a significantly greater share of Copyright's operating budget through increased fees?

Response: The Copyright Office would be pleased to explore this issue further with the Committee. As a general matter, the Office already bears the majority of its operating budget through fees. While the Copyright Office has noted that more could be done to improve fee revenue, it is unlikely that it could or should be funded entirely from fees. This would cause copyright owners to bear the cost of the entire copyright system, even though many others, including companies that aggregate or disseminate copyright information or copyrighted works, also benefit. Moreover, copyright law is ubiquitous. It affects almost every member of the public.

The Copyright Office released a new fee schedule in May 2014 resulting in an increase in fees for certain public services. The new fee schedule also introduced a tiered fee structure for applications to register copyright claims. For single works of authorship where the author is also the claimant and is filing electronically, the application fee remains \$35. For all other applications filed electronically, including for works made by an employee in the course of his employment, the application fee is \$55. The tiered fee structure is intended to encourage participation in the national registration program by keeping fees reasonable, but also to provide for an appropriate cost sharing structure between individual and corporate filers.

Regarding the Committee's question, it is important to note that the Copyright Office is somewhat constrained in how it can set fees, because the current statutory language limits fees to cover "the costs incurred by the Copyright Office for the registration of claims, the recordation of documents, and other services." The Copyright Office's fee authority does not permit it to collect for capital improvements or other forms of investment above the cost it incurs in the ordinary course of business. Moreover, the fees must be "fair and equitable and give due consideration to the objectives of the copyright system," which means that the Copyright Office must consider the public interest in maintaining a registration and recordation system and take care to not unduly discourage registrations and filings through inappropriately high fees.

At the same time, as suggested above, the true cost of the Copyright Office's services is unknown, as the infrastructure for the copyright systems is intertwined with, managed by, and subsidized to some degree by the appropriations and central enterprises of the Library.

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Dr. Billington and Ms. Pallante, understand that this Committee takes very seriously the length of time required for copyright registration and the service you provide to your customers. A vibrant efficient copyright process is essential to serving an industry with billions of dollars at stake. The Committee expects the Librarian of Congress and the Register of Copyrights to work as a team to address the needs of the copyright process and the customers it serves.

## NATIONAL COLLECTION STEWARDSHIP PROGRAM

The Library is requesting 4.8 million dollars and 9 FTE's for the National Collection Stewardship Program to address collections storage requirements that will require the installation of compact shelving and the lease of additional storage space.

You have stated that to assure the "structural integrity of book stack areas" ... you need to "convert existing space to compact shelving and rent temporary space to store collections that have been processed for ultimate location at Ft. Meade".

Dr. Billington and Mr. Sweeney, in fiscal year 2014 the Committee provided funding for the construction of the 5<sup>th</sup> book module at the Ft. Meade facility. You state that it will not be ready for occupancy until late in calendar year 2017.

*Question.* Has construction of the module begun?

Response: No. According to the Architect of the Capitol (AOC), construction is scheduled to begin on October 1, 2015.

*Question.* If not, do you know what has been the delay?

Response: The original design for Module 5 was completed in 2006. Funding was requested for construction but not approved over several budget cycles. Several years had passed since the initial design was completed and construction could start. Building and Fire and Life Safety Codes changed, and several lessons learned from the construction of Modules 1 through 4 and other operational efficiencies were identified. For these reasons, a design update was required. With this requirement, a delay in the construction start was encountered. The design update is substantially complete and a construction award is expected by the AOC in the Spring of 2015. The AOC projects construction to be completed by late 2017.

*Question.* When you take possession of the module, does the requirement for the additional space staff and other associated costs no longer become part of your budget? Does this new program start and never end?

Response: Even if in fiscal 2018 we filled Ft. Meade Module 5 entirely with books, those approximately 2.2 million volumes would be only a fraction of the more than 6.7 million that, by that time, will be stored in improper or deficient storage locations, with that number growing larger by 250,000 new receipts every year. Since there are no suitable staging locations for large volumes of material on Capitol Hill, leased storage is also necessary to pre-process and stage materials in advance of modules becoming available, enabling us to fill them in a third of the time it would otherwise require. Regardless of where the items are stored, additional cataloging and processing (part of the staffing costs in the plan) are necessary to move collection items from improper storage. When leased storage is acquired, we will need the staff, equipment, and services requested to run it safely and efficiently as well as to ensure that the items stored there are accessible for use. We prefer to place collection items in the

highest quality storage environments (such as Ft. Meade Modules), but until sufficient module space is available it is preferable to move them from their current locations into leased storage, where the collections, Library buildings, and Library staff will come to less harm. The speed with which the leased storage can be vacated depends entirely on the availability of better storage environments, such as new Ft. Meade modules, to move the collections into.

*Leased storage space is necessary to store collections currently in deficient storage locations that negatively affect the collections, buildings, and endangering staff.* We plan to store approximately 1.65 million books in Module 5, filling the remaining 25% of the space with special collections materials. But even if we filled it entirely with books, those approximately 2.2 million volumes would be only a fraction of the more than 6 million books currently stored in improper or deficient storage locations. With an additional 250,000 new receipts expected each year and no suitable place to store them, even if we placed the maximum 2.2 million books in Ft. Meade Module 5 (assuming it opens in fiscal 2018), we would still have 4.6 million books in improper storage, with that number growing larger every year. While not the exemplary storage environment of Ft. Meade, leased storage is necessary not only for additional capacity, but also to improve the conditions where these materials are currently stores.

*Leased storage space is necessary as a staging area in order to rapidly fill anticipated Ft. Meade Modules.* With the exception of a limited number of fully processed materials stored at Landover, most of our materials require additional cataloging and processing before they can be stored in Ft. Meade Modules. Current plans call for processing 500,000 volumes a year, at which rate it would take more than 3 years to fill a single or 6 years to fill a double sized module. As these times are longer than we would all prefer, it is necessary to pre-process and stage materials in advance of modules becoming available. After items are cataloged and processed, it is impossible to place them back in the deficient storage locations they came from (for example, Ft. Meade boxes could not be re- triple-shelved), and there are no suitable staging locations for that volume of material on Capitol Hill. Therefore Leased Storage is necessary for advanced staging necessary to more rapidly fill Ft. Meade Modules as they become available.

*Along with Leased Storage rental costs, staffing and other associated costs are necessary for the Library to move its collections from improper storage locations.* Regardless of where the items are stored, additional cataloging and processing (part of the staffing costs in the plan) are necessary to move collection items from improper storage locations to better more efficient ones (leased storage or Ft. Meade modules). When leased storage is acquired, we will need the staff, equipment and services requested to run it safely and efficiently. The items stored there need to be accessible for use.

*Leased Storage is not permanent, but is a stopgap measure until improperly stored items can be placed in Ft. Meade Modules.* More than 6 million Library collection items are currently stored in deficient storage locations that negatively affect those collections, compromising the structural integrity of the Library's buildings and endangering Library staff. We prefer to place collection items in the highest quality storage environments (such as Ft. Meade modules), but

until sufficient module space is available it is preferable to move them from their current locations into leased storage where the collections, Library buildings, and Library staff will come to less harm. The speed with which the leased storage can be vacated depends entirely on the availability of better storage environments, such as new Ft. Meade modules, to move the collections into.

*Question.* Why is there a requirement for both new Library staff and contract personnel? Can this not be one or the other, why both?

Response: In considering whether it is advisable to utilize contractors or new staff, the Library looks at the nature and duration of the work. Ongoing work is best performed by staff who can be trained and gain experience over time. Outsourcing is utilized primarily for more time-limited projects where the Library can anticipate an end date and a finite end result. For example, the transfer of collections to a new facility will be done at a specific rate, and once the facility is full, that need ends. On the other hand, providing service from the facility is ongoing and therefore best performed by Library staff.

#### DIGITAL COLLECTION CENTER

Dr. Billington and Mr. Sweeney you are requesting a little over 2 million dollars and 15 permanent FTE's to establish a NEW "Digital Collections Center". You state that this organization will provide a platform for the Library to manage your program to collect content in digital formats and thereby address vital unmet needs.

You state that your digital holdings have grown from 15.3 million to 52.3 million files and that your digital collections now rival your physical collection.

*Question.* How have you determined that you have unmet needs?

Response: Over the past three decades, the communication and publishing have changed radically to a digital environment, with the Internet often serving as the means of transmission of content. In 1998, the Library commissioned a study by the National Academy of Sciences that resulted in the publication, in 2000, of *LC21: A Digital Strategy for the Library of Congress*. At that point, it became clear that the Library needed to develop the technical infrastructure and supporting framework of policies and programs to allow it to collect a full range of digital content. Since then, much has been done and some of the Library's digital programs, such as digitization and web archiving, have been fully developed. However, there are other digital collecting areas that are yet to be fully developed, including scaled acquisition of digital content via the Copyright Office and acquisitions of routine digital content via purchase, exchange and gift means.

The immediate impact of limited collecting and making available a wide range of digital content is that the Library is not serving as fully as possible its users. That negative impact will continue to grow as the universe of digital content being produced expands. Should this situation

remain unaddressed, the Library will become less relevant to our users, most importantly, the Congress.

*Question.* With the digital collection expansion exceeding the physical do we see a turning point in what our Library will be in the future?

Response: The core mission of the Library of Congress is to support the Congress in fulfilling its constitutional duties and to further the progress of knowledge and creativity for the benefit of the American people, both today and in the future. That will not change. The Library has traditionally met this mission through its collection of analog – or physical – materials. As the Library’s acquisition, management, preservation, and serving of digital content becomes as routine, well-planned, and effective as it is for traditional physical content, the institution will increasingly meet its mission through its digital collections. A turning point between print and digital remains many years in the future.

*Question.* Why is the ability of your staff to acquire and sustain the digital collections extremely limited?

Response: That capacity is limited at present because most Library staff who work with the collections are fully focused on processing, managing and preserving the analog collections of over 160 million items. Although many experts had predicted that print production would drastically decline in this digital era, it has not happened. In fact, some sectors of the book publishing industry have actually grown greatly as an increasing number of individuals and organizations can publish their own books relatively easily.

*Question.* With these changing times have we begun to realize that more digital rather than paper is going to be the future? Are we now at a crossroads? Is the digital coming so fast that you are unable to keep up?

Response: As noted above, this challenge has been known for at least fifteen years. However, with other immediate priorities and a recently difficult budget climate, sufficient resources could not be allotted to this growing need without failing to acquire suitable analog materials.

You further state that staff assigned to the Center will likely need to increase.

*Question.* What is the basis for this projected increase?

Response: There is no long-range plan for additional personnel beyond the fifteen requested at this time.

*Question.* Why cannot there be a shift in resources from print to digital?

Response: The analog publishing world has not diminished even while digital publishing has proliferated. As the Library continues to build its digital collecting capacity, there may be an opportunity for decisions made regarding “print versus digital” when content is available in both analog and digital formats. As that balance is achieved on the collecting side, there likely need to also be a re-balancing of staff resources and their areas of focus. Additionally, some of

the technical skills required to process digital content into the Library's collections are different from those required to handle purely analog works.

Hearing on the Library of Congress Fiscal 2016 Budget Request  
February 26, 2015 at 2:00 p.m.  
H-2, Capitol

Questions for the Record  
Representative Betty McCollum

#### MASS DEACIDIFICATION

*Question.* What is the status of the Mass Deacidification program at the Library?

Response: To date the Library has deacidified more than 4 million book equivalent volumes and approximately 11.8 million manuscript sheets from the Library's collections.

*Question.* Where is the Library in terms of the targeted quantities of treated material and timetable in the original 30-year plan?

Response: The goal of the Library's One Generation Mass Deacidification Plan is to treat 8.5 million books and 30 million manuscript sheets over a thirty year period (fiscal years 2002-2032), and to date the Library has deacidified more than 4 million book equivalent volumes and approximately 11.8 million manuscript sheets from the Library's collections. Thirteen years (or 43%) into the plan with approximately 47% of the planned book equivalent volumes deacidified, the Library is slightly ahead of the plan for books. With 39% manuscript sheets deacidified, the Library is slightly behind the plan for sheets.

*Question.* How should the timetable and quantities of material to be treated to reflect overall collection needs?

Response: To facilitate program execution, in 2013 the Preservation Directorate initiated a program review (completed in 2014) to identify remaining collections in need of treatment. This review determined that there were a million fewer books to be deacidified (7.5 million rather than 8.5 million) than called for in the Library's One Generation Mass Deacidification Plan. The reduction in the overall number of suitable books for treatment, coupled with collection storage issues that make it difficult to efficiently access and process books that would benefit from deacidification, make the current planned pace of 200,000 book equivalent volumes a year difficult, and a pace of 150,000 – 175,000 book equivalent volumes a year a more reasonable target. At an annual contract cost of approximately \$5.5 million, the Library currently dedicates approximately half of the Preservation Directorate's non-personnel budget to mass deacidification contract activity. That level of spending is disproportionate to other pressing preservation needs throughout the collections. The Library remains the single largest purchaser of deacidification services in the country.

## COLLECTIONS STORAGE

*Question.* Why does the Library require additional collections storage?

Response: Appropriate collections storage is a core requirement for sustaining collections for current and future users – the heart of the Library’s mission. One of the most immediate challenges facing the Library is finding enough appropriate storage space for its steadily growing collections, storage that allows for efficient retrieval for current collection users and conditions that prolong rather than shorten collection material life for future users.

The Library has a major storage problem primarily for four reasons:

1. the Library continues to take in books at the rate of 250,000 additional volumes per year;
2. material in all other formats continues to come in, too, but at less predictable rates;
3. all the Library’s current storage facilities are filled to more than 100% capacity; and
4. Ft. Meade preservation storage module construction is significantly behind schedule.

This situation has resulted in overloaded stacks in the Jefferson and Adams Buildings on Capitol Hill, and the necessity of temporarily using a sub-standard storage facility, in Landover, MD, to meet a long-term collection need. A key reason we are now in this situation is that there has been a delay in the construction of planned preservation storage modules at Ft. Meade. For various reasons, this work is approximately 10 years behind schedule and therefore, storage space we had hoped to have used beginning in 2010 will not be ready until late 2017. In the meantime, new collections keep coming in and the overcrowding is exacerbated, creating issues with the safety of the Library’s staff, the structural integrity of the buildings, and creation of obstacles to Architect of the Capitol’s ability to execute planned modifications to the building.

## DIGITAL COLLECTIONS CENTER

*Question.* Why does the Library need a Digital Collections Center?

Response: The Library’s digital collections continue to grow in size and scope, limited primarily by our capacity to ingest and manage them. Over the past fifteen years, the Library has achieved much in its digital collecting effort. Some of the Library’s digital programs, such as digitization and web archiving, have been fully developed. However, there are other digital collecting areas that are yet to be fully developed, including acquisition of digital content via the Copyright Office and acquisitions of routine digital content via purchase, exchange, and gift means.

The Digital Collections Center (DC2) will provide an essential increase in the capacity for ingestion, processing, management, and access of digital material at the Library of Congress. As a centralized team collaborating with technical staff elsewhere in the Library, DC2 will also help Library Services and Law Library staff who work with digital collections; increase

standardization of the work; engage underserved curatorial divisions; and provide training across the Library.

#### LIBRARY OF CONGRESS COLLECTIONS POLICY

*Question.* Could you please explain the Library's collections policy? Does the Library acquire everything that is sent to it? Will your policies change now that most published materials are available in a digital format?

Response: The Library has a set of more than 70 Collections Policy Statements and Supplementary Guidelines documents (see <http://www.loc.gov/acq/devpol/cpsstate.html>) that guide the institution's acquisitions and selection operations. These policies continue to be updated to provide the policy framework to support the Library's responsibilities to serve the Congress, as well as the United States Government as a whole, the scholarly community, and the general public. The policies provide a plan for developing the collections and maintaining their existing strengths and set forth the scope, level of collecting intensity and goals sought by the Library to fulfill its service mission.

The policy documents make use of the following collecting intensity scale:

0. Out-of-Scope: The Library does not collect in this area.
1. Minimal Level: A subject area in which few selections are made beyond very basic works.
2. Basic Information Level: A collection of up-to-date general materials that serve to introduce and define a subject and to indicate the varieties of information available elsewhere.
3. Instructional Support Level: A collection that in a university is adequate to support undergraduate and most graduate instruction, or sustained independent study; that is, adequate to maintain knowledge of a subject required for limited or generalized purposes, of less than research intensity.
4. Research Level: A collection that includes the major published source materials required for dissertations and independent research, including materials containing research reporting, new findings, scientific experimental results, and other information useful to researchers.
5. Comprehensive Level: A collection which, so far as is reasonably possible, includes all significant works of recorded knowledge (publications, manuscripts, and other forms), in all applicable languages, for a necessarily defined and limited field.

The Library does not retain everything sent to it. On an average working day, the Library receives about 15,000 items (books, photographs, maps, manuscripts, etc.) with approximately 75% of those items eventually being added to the collections. Out of scope materials are transferred to appropriate institutions (agricultural materials to the National Agricultural Library, medical material to the National Library of Medicine). Other materials that are not selected are either used as part of the Library's Duplicate Materials Exchange Program or are

made available at no cost to other libraries as part of the Surplus Books Program (<http://www.loc.gov/acq/surplus.html>).

The core mission of the Library of Congress is to support the Congress in fulfilling its constitutional duties, and to further the progress of knowledge and creativity for the benefit of the American people, both today and in the future. Historically, the Library has met this mission through its collection of analog – or physical – materials. As the Library's acquisition, management, preservation, and serving of digital content becomes as routine, well-planned, and effective as they are for traditional physical content, the institution will increasingly meet its mission through its digital collections. It is inevitable that the Library's collecting policies will change as its digital capability becomes more fully developed.

Hearing on the Library of Congress Fiscal 2016 Budget Request  
February 26, 2015 at 2:00 p.m.  
H-2, Capitol

Questions for the Record  
Representative Sam Farr

CONGRESSIONAL RESEARCH SERVICE STAFFING

*Question.* At current staffing levels, is CRS able to meet the full range of requests made by Congress?

*Response:* In the last year, CRS experts worked with every Member office and congressional committee. We answered more than 61,000 individual requests; had more than 7,500 people attend CRS seminars, trainings, and briefings; and provided more than 3,500 new or refreshed CRS reports and other products. We are meeting the full range of requests made by Congress, but not always as quickly or as in-depth as desired.

Thanks to the support of this Committee, the Service has been able to fill some critical gaps in our analytical and information professional ranks – replacing about one-third of the decreases in personnel that occurred over the past few years due to budget reductions. However, we remain thinner than we would like in some important areas, as highlighted by our request for additional FTEs to help expand our coverage of health care issues.

We are constantly monitoring our staffing across the service to ensure that we have the skill sets and expertise needed to support Congress. But with little to no back-up in our staffing across many issue areas and critical support roles, the Service is consistently operating with little margin for unanticipated circumstances.

*Question.* What would be the impact on CRS's ability to meet the needs of Congress if your funding remains flat this year? What impact would a reduction in funding have on CRS?

*Response:* Almost 90% of the CRS budget is used for staff pay and benefits. If funding remains constant, mandatory pay and price level changes will have to be offset by reductions in staff levels which impact our ability to meet Congressional requests for in-depth analysis and/or increase the length of time necessary to respond to Congressional inquiries.

In addition to precluding increased analytical capacity to meet the high client demand and fully support the work of Congress on health care issues, we anticipate that constant funding would result in a loss of four or five FTEs due to within-grade increases in pay and price level changes in contracts. Additional FTE reductions would be necessary to accommodate any pay raise or cuts in funding.

A reduction in funding would only increase those effects and compound existing difficulties. For every million dollars in reduced funding CRS would have to reduce staffing by approximately six FTEs.

*Question.* Why is CRS asking for six additional health policy analysts/attorney positions in your funding request. Why is that necessary?

Response: Healthcare has always been, and will continue to be, a hot topic of congressional interest, with a wide range of very specialized areas – from how the federal government provides care, to how the private market works, to how health needs are financed and taxed. With recent legislation and other changes in our healthcare system, the regulatory framework is only getting more complex. For example, now the oversight of the health insurance market resides with at least three different executive agencies, Health and Human Services (HHS), the Department of Labor (DoL), and the Internal Revenue Service (IRS).

In addition to a complex regulatory environment and complex financing and delivery system, the amount of data available about our healthcare system – its delivery, its efficacy, etc. – is growing tremendously. With more data becoming available for sophisticated analysis, CRS requires expanded capacity to meet congressional needs in this important policy area.

That increase in demand and complexity is putting real pressure on CRS health experts, some of whom are shouldering two to three times the average number of requests as other CRS staff while having to meet the ongoing need to maintain an active and robust portfolio of CRS reports and other products on critical health topics.

The six requested staff positions would help relieve that pressure and add expertise in evaluating health industry trends and availability, tax and legal issues, veterans' care, and data evaluation that do not currently exist in the staff (e.g., expertise in health tax policy or experience in the private health insurance industry). The staff that CRS will gain with these new positions, including tax and legal experts, will also be available to assist in other areas and deployed to cover other issues if necessary as well.

*Question.* Does the budget request allow CRS to maintain the technology necessary to meet the demands of Congress?

Response: The current IT investment is adequate to meet the demands of Congress and maintain the existing CRS technological infrastructure that allows us to serve Congress efficiently and securely. However, IT capabilities evolve rapidly and increased spending may be required in the future to continue this level of service and meet new technology challenges.

#### MASS DEACIDIFICATION PROJECT

*Question.* Can you provide the committee with a breakdown of how much the Library spends annually on the Mass De-acidification Project, how many books and documents are treated annually, and a timeline to complete your goals of treating the 3.7 million books and 30-million-plus documents

currently in stock? Does the Library intend to maintain the current level of de-acidification which I understand to be 200,000 books annually and 1 million pages of manuscript documents?

Response: Over the last thirteen years the Library has spent more than \$70 million deacidifying collection material (see table below). Average annual expenditures were \$5.4 million. Quantities of books and manuscript sheets varied primarily based on availability of funds and of space and materials to support the program. To date the Library has treated more than 4 million book equivalent volumes and almost 12 million manuscript sheets. We estimate that approximately 3.5 million volumes and 18 million sheets remain to be treated during the life of the program. At an annual production rate of 200,000 volumes and one million sheets, the program would conclude in 17 years. That level of production will likely cost \$5.5 million per year. However, the Library proposes to temporarily reduce the book volume to about 175,000 units per year because of the overcrowded storage situation that makes review and retrieval of books at a higher rate problematic. The level of sheet deacidification will remain at approximately one million sheets per year. The Library views this program as overfunded relative to other preservation needs of the collection. The highest priority collection areas have mostly been treated, so there is not a need to accelerate or even maintain the current book treatment rate.

<b>Deacidification Treatment Fiscal 2002 - Fiscal 2014</b>			
<b>(Dollars in Thousands)</b>			
<b>Fiscal Year</b>	<b>Collections Treated</b>		<b>Total Obligations</b>
	<b>Books</b>	<b>Manuscripts</b>	
2002	170,600	0	\$ 2,748
2003	215,319	696,000	3,687
2004	299,064	1,219,500	4,681
2005	296,119	1,012,500	5,445
2006	298,826	1,069,500	6,614
2007	292,648	1,086,000	5,551
2008	345,937	1,066,500	4,329
2009	325,830	736,500	6,284
2010	330,497	1,365,000	5,444
2011	288,334	1,013,400	5,664
2012	258,087	846,900	6,681
2013	249,874	851,450	6,098
2014	240,070	903,461	7,451
<b>Total, Actuals 2002-2014</b>			<b>\$ 70,677</b>
<b>Total, Estimated 2015-2031</b>			<b>\$ 93,500</b>
<b>Total, Actual and Estimated Thirty-Year Mass Deacidification Program Cost</b>			<b>\$164,177</b>

*Question.* I'd also be interested in knowing that, once the Library has treated its collection, how it intends to keep up with de-acidifying other items that come into the collection, which I understand is approximately 25,000 acidic books per year.

Response: The need for deacidification of newly received collection items will be determined near the end of the overall program. The quantity of newly received acidic material is likely to be significantly less than 25,000 units per year at that point. An alternative to deacidification may be cool storage to extend the life of the items.

[Written Testimony  
of Other Interested  
Individuals and  
Organizations follow:]

**Written Testimony of Holly M. Riccio  
President of the American Association of Law Libraries (AALL)  
On Behalf of AALL, Association of Academic Health Sciences Libraries, Medical Library  
Association, and Special Libraries Association  
On Funding for the Government Publishing Office and Library of Congress**

**To the House Committee on Appropriations Subcommittee on Legislative Branch  
For the Record  
March 6, 2015**

Dear Chairman Graves, Ranking Member Wasserman Schultz, and Members of the Subcommittee:

Thank you for the opportunity to submit testimony for the record in support of the Fiscal Year (FY) 2016 funding requests of the Government Publishing Office (GPO) and the Library of Congress (LC). We congratulate Chairman Graves on his selection as chair of the Legislative Branch Subcommittee. We also recognize Ranking Member Wasserman Schultz for her many years on the Subcommittee and deep knowledge of GPO and LC.

The American Association of Law Libraries (AALL), the Association of Academic Health Sciences Libraries (AAHSL), the Medical Library Association (MLA), and the Special Libraries Association (SLA) represent more than 18,000 librarians and information specialists in the United States and around the world. We serve researchers, students, professionals, businesses, and members of the public with their information needs. Our members rely on GPO for permanent public access to official, authentic government information and on LC for access to unique collections and authoritative resources. GPO and LC also provide leadership on many critical information policy issues, such as authentication, digitization, and preservation. Therefore, advocating for adequate funding for these agencies is a high priority for our associations.

**Government Publishing Office**

Access to government information is the bedrock of a strong democracy. For more than 150 years, GPO has “kept America informed” by providing access to official, authentic government information. Today, GPO provides cost-effective access to government information from all three branches in tangible and electronic formats primarily through the 200 year old Federal Depository Library Program (FDLP) and FDsys.

We are pleased that Congress recognized GPO’s place in the twenty-first century by approving a name change for the agency in the *Consolidated and Continuing Appropriations Act of FY 2015*, P.L. 113-235. The new name, which changed GPO from the Government Printing Office to the Government Publishing Office, reflects GPO’s essential role in publishing and providing access to print and electronic information in the digital age.

Our associations strongly support GPO’s request of \$120 million, essentially a flat funding request. We urge the Subcommittee to fully fund each account within the request, including

Congressional Publishing, Public Information Programs of the Superintendent of Documents, and the Revolving Fund.

Our associations support GPO's request of \$79,736,000 for the Congressional Publishing account. Legislative information—the daily and bound *Congressional Record*, congressional bills, full committee hearings, reports, prints and documents, as well as other materials—is among the most highly used government material. While our members value the ability to access many of these materials electronically through FDsys, they continue to rely on print distribution of congressional and other materials to depository libraries. In part, this is because not all collections on FDsys are complete; for example, GPO recently conducted a study that revealed that thirty percent of distributed hearings are not available in FDsys. In addition, many users, including members of the public, law students, and faculty, still prefer to use the print. Therefore, it is essential that GPO continue to produce some materials in tangible form.

We also urge you to approve the requested \$30,500,000 for the Public Information Programs of the Superintendent of Documents, which supports cataloging, indexing, and distribution of federal publications to depository libraries. As indicated in the Superintendent of Documents' National Plan for the Future of the FDLP, support for a strong cataloging and indexing program is essential to ensuring continued discovery and access to government information.

For more than 200 years, the FDLP has provided geographically convenient access to government information through the FDLP. Today, your constituents receive congressional and other important government publications and information products with the assistance of trained librarians. The FDLP is undergoing a transformation to an increasingly electronic program. A key component of the National Plan is the Federal Information Preservation Network, which we believe will ensure continued access to government information, now and for future generations.

Our associations also support GPO's request of \$9,764,000 for the Revolving Fund. Particularly important to our associations is funding for the next generation of FDsys. FDsys launched in 2009 as the source for no-fee access to official, authentic government information and today includes more than one million individual titles from all three branches of the government. Members of our associations contributed to the development of the first generation of FDsys. For example, AALL members suggested the "search by citation" feature, which was implemented by GPO. It is very important that GPO has adequate funding to increase FDsys content, improve search functionality, and pursue certification as a Trustworthy Digital Repository.

### **Library of Congress**

For 215 years, the Library of Congress has been pursuing its mission to support the Congress in fulfilling its constitutional duties and to further the progress of knowledge and creativity for the benefit of the American people. LC has the unique role of acquiring, cataloging, preserving and making accessible a vast array of books, recordings, photographs, maps, and manuscripts.

The Law Library of Congress is the world's largest law library, with a collection of nearly three million volumes spanning the ages and covering virtually every jurisdiction in the world. The Law Library is a world leader in providing access to reliable legal materials in print and

electronic formats. We strongly support the Library's priority initiatives, including the classification of the remaining volumes to Class K Law Classification and the hiring of dedicated staff to complete this work. Additional staff will allow the Law Library to complete this challenging work in a timely manner and improve the discoverability and accessibility of these materials.

We also support the Library's \$4,814,000 million request for its National Collection Stewardship Program to protect its collections by expanding storage on its Capitol Hill campus through the installation of compact shelving and the lease of interim collections storage space until construction of Fort Meade modules, including Module 5, is complete. The Library's one-of-a-kind collection must be protected.

As information is increasingly produced, acquired and preserved electronically, the Library faces monumental challenges in its quest to provide access to knowledge. Therefore, we support the Library's decision to hire a Chief Information Officer (CIO) and Deputy CIO. We believe the CIO and Deputy CIO will help the Library update its infrastructure and better respond to the growing needs of the institution.

We commend LC and GPO for working together, along with the National Archives and Records Administration, to form the Federal Web Archiving Working Group. Preserving born-digital government information and making it accessible will benefit librarians, researchers, historians, and all Americans. Without this collaboration, publicly available born digital materials are at risk of being lost forever.

### **Conclusion**

GPO and LC play a critical role in ensuring permanent public access to government information in all formats and preserving our cultural heritage. GPO and LC ensure that the American people have continued access to the information that supports a strong democracy.

AALL, MLA, and SLA respectfully urge you to fully fund the appropriations requests of the Government Publishing Office and the Library of Congress. If we can provide additional information or assistance to the Subcommittee, please contact AALL's Director of Government Relations Emily Feltren at [efeltren@aall.org](mailto:efeltren@aall.org) and (202) 942-4233.

Sincerely,



Holly M. Riccio  
President  
American Association of Law Libraries



## American Association of Law Libraries

The American Association of Law Libraries (AALL) was founded in 1906 to promote law libraries' value to the legal and public communities, foster the law librarianship profession, and provide leadership in the legal information field. With nearly 5,000 members, AALL represents law librarians and related professionals who are affiliated with law firms; law schools; corporate legal departments; courts; and local, state, and federal government agencies.

<http://www.aallnet.org>

Contact: Emily Feltren, (202) 942-4233



The Association of Academic Health Sciences Libraries (AAHSL) supports academic health sciences libraries and directors in advancing the patient care, research, education and community service missions of academic health centers through visionary executive leadership and expertise in health information, scholarly communication, and knowledge management. AAHSL membership is composed of 166 academic health sciences libraries whose medical schools hold member or associate member status in the Association of American Medical Colleges.

<http://www.aahsl.org/>

Contact: Paul Schoening, (314) 362-3119



The Medical Library Association (MLA) is a nonprofit, educational organization with 3,700 health sciences information professional and institutional members worldwide. Founded in 1898, MLA provides lifelong educational opportunities, supports a knowledgebase of health information research, and works with a global network of partners to promote the importance of quality information for improved health to the health care community and the public.

<http://www.mlanel.org>

Contact: Mary M. Langman, (312) 419-9094, ext. 27



The Special Libraries Association (SLA) is a nonprofit global organization for innovative information professionals and their strategic partners. SLA serves about 8,000 members in 75 countries in the information profession, including corporate, academic, and government information specialists. SLA promotes and strengthens its members through learning, advocacy, and networking initiatives.

<http://www.sla.org>

Contact: Douglas Newcomb, (703) 647-4923

**Holly M. Riccio**  
**Biography**

Holly M. Riccio serves as the 97<sup>th</sup> president of the American Association of Law Libraries (AALL). She is director of library innovation and library manager at O'Melveny & Myers LLP in San Francisco.

Ms. Riccio has been an active AALL member throughout her 20-year career. She served as vice-president elect and chair of the AALL Appointments Committee, Executive Board Strategic Directions Committee and the Chapter Summit Planning Committee. She has also been active within her local AALL chapter, the Northern California Association of Law Libraries (NOCALL), serving as its president from 2011 to 2012.

Riccio holds a Master of Information and Library Studies (MILS) from the University of Michigan and a Bachelor of Arts from New York University.

[Insert Subcommittee Name Here]

**Witness Disclosure Form**

**Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.**

<p><b>Your Name, Business Address, and Telephone Number:</b>                  Holly M. Riccio                  President, American Association of Law Libraries                  Director of Library Innovation, Library Manager San Francisco                  O'Melveny &amp; Myers LLP                  2 Embarcadero Ctr Fl 21                  San Francisco, CA 94111-3903                  (415) 984-8761</p>
<p><b>1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing.</b>                  American Association of Law Libraries, Association of Academic Health Sciences Libraries, Medical Library Association, and Special Libraries Association</p>
<p><b>2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2012 related to the agencies or programs funded by the Subcommittee?</b></p> <p>Yes      No</p>
<p><b>3. Have you or any organization you are representing received any contracts or payments originating with a foreign government since October 1, 2012 related to the agencies or programs funded by the Subcommittee?</b></p> <p>Yes      No</p>
<p><b>4. If your response to question #2 and/or #3 is "Yes", please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof), and/or the amount and country of origin of any payment or contract originating with a foreign government. Please also indicate whether the recipient was you or the organization(s) you are representing.</b></p>

**Signature:**

**Date:** March 6, 2015

Statement of Valerie Bailey Grasso

President, Congressional Research Employees Association  
(CREA), IFPTE Local 75

Submitted to the Subcommittee on the  
Legislative Branch, Committee on Appropriations, U.S. House of  
Representatives,

on

CRS Fiscal Year (FY) 2016 Budget Requests

March 6, 2015

Chairman Graves, Ranking Member Wasserman Schultz and  
Members of the Subcommittee:

My name is Valerie Grasso and I am the President of the Congressional Research Employees Association (CREA). CREA is the exclusive representative of all bargaining unit employees at the Congressional Research Service (CRS). CREA represents approximately 500 bargaining unit members employed by CRS, of whom over half are currently dues-paying members. We are analysts, attorneys, librarians, information professionals and other personnel who support Members and committees of Congress. On behalf of all of our members, I thank you for this opportunity to submit testimony for the record regarding the Library's FY2016 budget.

In support of the statutory requirement of responding, without partisan bias, to the needs of the Members and committees of Congress, CRS has requested an increase of \$1.087 million, which includes \$820,000 for salaries and benefits; \$250,000 for external contract support; and \$17,000 for professional training and development. Included in salaries and expenses is certain funding

for six additional full-time equivalents (FTE) of staffing expertise to expand CRS's current policy portfolio in the areas of health care data analysis and research.

In his testimony to the Committee this year, the Librarian of Congress stated: "We will need in the near future more flexibility in hiring an expert staff – not just for this Library but for the country. The erosion of basic funding is already compromising our ability to deliver high-quality knowledge resources to the Congress and the American People."

There are two areas that CREA believes require your attention: capturing and maintaining the CRS institutional memory that exists in its seasoned veteran employee group, particularly those with 30-40 years of CRS tenure and who are eligible to retire at any time; and increasing the degree of workplace flexibility that CRS employees are afforded to perform their duties in service to Congress.

At CRS, the future is now. Nowhere is the loss of talent and expertise felt more than in the ranks of CRS employees. From the inside, it appears that CRS is losing its expertise faster than it can be replaced. The loss of veteran staff and the limited hiring of seasoned experts have resulted in some cases where certain critical areas of expertise upon which Congress relies are thinly staffed or one-deep, with no back-up analyst. In some areas, critical expertise has never been replaced. Health care, for which CRS has requested additional resources, is just one example. Another example is in the area of national defense. One national defense budget specialist (one of three specialists) passed away in 2012 and was never replaced. Additionally, one of the remaining two specialists is planning to retire soon.

According to the Library's annual reports, staffing levels at CRS have dropped from 651 employees in FY2007 to 593 employees in FY2013. While some employees are retiring, others leave for a

variety of reasons, among them to seek jobs with better workplace flexibilities.

It is notable that CRS management has made a decision in recent years to stop hiring senior-level specialists who directly provide to Congress the highest level of expertise in critical policy areas, under Title 2 U.S.C. 166(e). Instead, CRS has reserved these senior-level positions for managers and certain former managers. CREA regrets this decision to cease hiring senior specialists and to cease promoting high-performing analysts to become senior specialists. CREA sees this now-unused authority as a critical tool for attracting and retaining CRS' most expert analysts.

While CRS management has asked employees to be more flexible and remain more accessible to Congress, they have not always accorded reciprocal flexibility to employees. This Subcommittee was instrumental in bringing telework to CRS, for which CRS employees are very grateful. Telework has enhanced CRS' ability to serve Congress. However, additional flexibility is needed.

CREA and CRS have recently reached agreement for a one-year pilot program that allows employees to earn and carry over up to 12 credit hours. By contrast, employees in the rest of the Library of Congress may earn up to 24 credit hours in a pay period. Credit hours are requested by employees to complete work assignments for Congress, when completion of the assignments would necessitate working beyond the normal work hours. Even with the advent of the pilot program, some managers are reportedly denying employee requests to earn credit hours, and in some sections of CRS, employees are discouraged from even asking for approval. CREA is concerned that newer employees begin their life at CRS with limited ability to take medical and other leave and thus have a limited ability to cope with illnesses and other family matters. Credit hours pose no additional financial burden on the Library or CRS, and will help CRS compete for and retain new talent. New employees should not be afraid to ask for, and within reason,

should be granted the use of credit hours without artificial barriers being put in place.

As workplace flexibility is increasingly available in the executive branch and elsewhere, CRS has seen employees who bring substantial expertise to Congress leave.

As President of CREA, thank you for this opportunity to speak on behalf of the analysts, attorneys, librarians, information professionals, and other areas of research support.

**Valerie Bailey Grasso**

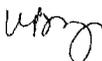
Valerie Grasso was elected as President of the Congressional Research Employees Association (CREA) in October 2014. She has been employed with the Library of Congress since 1984. Ms. Grasso is a Specialist in Defense Acquisition in the CRS Foreign Affairs, Defense and Trade Division. Her portfolio includes defense contract policy, competitive sourcing, sole-source contracting in Iraq and Afghanistan, international procurement, and strategic and critical materials. She holds degrees from Georgetown University (BA), Howard University (MSW), and the National Defense University, Industrial College of the Armed Forces (MS).

[Insert Subcommittee Name Here]

**Witness Disclosure Form**

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Your Name, Business Address, and Telephone Num	Congressional Research Employees Association Representing employees of the Congressional Research Service in the Library of Congress
1. Are you appearing on behalf of yourself or a no Please list organization(s) you are representing.  <p style="text-align: center;">C R E A</p>	Valerie Bailey Grasso President   Phone: 202-707-7636 Fax: 202-707-8968 crec@crs.loc.gov creunion.org 101 Independence Ave., SE, LM-412 Washington, DC 20540-4999
2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2012 related to the agencies or programs funded by the Subcommittee?  Yes <input type="radio"/> No <input checked="" type="radio"/>	
3. Have you or any organization you are representing received any contracts or payments originating with a foreign government since October 1, 2012 related to the agencies or programs funded by the Subcommittee?  Yes <input type="radio"/> No <input checked="" type="radio"/>	
4. If your response to question #2 and/or #3 is "Yes", please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof), and/or the amount and country of origin of any payment or contract originating with a foreign government. Please also indicate whether the recipient was you or the organization(s) you are representing.	

Signature: 

Date: 3/6/15

**Statement of Saul Schniderman**  
**President, Library of Congress Professional Guild**  
**AFSCME Local 2910**  
**For the Subcommittee on Legislative Branch Appropriations**  
**U.S. House of Representatives**  
**March 6, 2015**

Chairman Graves, Ranking Member Wasserman Schultz, and Members of the Subcommittee:

Thank you for providing us with this opportunity to comment on the fiscal year 2016 budget request for the Library of Congress submitted by the Librarian, Dr. James H. Billington. Our organization – the Library of Congress Professional Guild, AFSCME Local 2910 – represents over 1250 professional employees throughout the Library of Congress including Library Services, the Copyright Office, the Law Library, Information Technology Services and the Office of Strategic Initiatives, and all of the Library’s Support Operations. We appreciate the opportunity to present you with their concerns.

The American economy is a knowledge-based economy which demands high levels of education and innovation. The ability to leverage the intellectual capital in our society is becoming as important as the utilization of our natural resources or the production of commodities. Advances in medicine, science, energy, literature and the arts, telecommunications and information technology are being transformed into economic prosperity for our nation.

The Library of Congress has a pivotal role to play in this unfolding drama. We thank you for your support of the Library’s programs in fiscal year 2015 as the Library strives to meet these challenges. For this coming fiscal year we urge you to support the Librarian’s request for funding for mandatory pay-related and price level increases as well as for the relatively few program increases which are critical for the Library to function.

**Staffing.** Sequestration and flat funding in recent years have taken a toll. It can be debated whether the Library is experiencing a “retirement tsunami.” But one thing is certain – talented, seasoned Library veterans are leaving the workforce at an alarming rate, taking with them their institutional knowledge and often a life-time of experience. This exodus of career employees poses a real and growing threat which is undermining the Library’s ability to fulfill its’ mission to the Congress and the American people.

Hiring staff to fill critical vacancies is imperative to stem the erosion of the Library’s mission-critical functions. As statistical information the Guild recently compiled shows, two of the Library’s core functions have suffered crippling shortages. In 2004 there were 506 staff members in the Acquisitions and Bibliographic Access (ABA) unit of Library Services. Ten years later – in 2014 – these cataloging and acquisition librarians saw their numbers reduced to 238, a roughly 50 percent decrease. Similarly, reference services in the Library’s Collections

Services (CS) unit were supported by 313 staff members in 2004. But by 2014 their numbers were reduced to 238, almost a 25% reduction in the staff who directly serve our users. Congressional support is essential if the Library is to sustain its' staff many of whom have highly specialized subject matter and foreign language expertise.

Too often, government institutions are characterized as being too unwieldy and too bureaucratic to quickly implement the innovations needed to address problems like staff loss. Although the Library is not immune to this criticism, I am pleased that today we can report to the Subcommittee one small, but important initiative at the Library, a one year Phased Retirement Pilot program that was negotiated with the Library's three unions and implemented by the Library's Human Resources Services office.

On August 8, 2014 the Office of Personnel Management (OPM) published the final rules for its' long-awaited phased retirement program. In less than two months, the Library proposed the establishment of a Phased Retirement Pilot and was bargaining its' implementation with the employee unions. Although the Library's pilot is a modest one, we are pleased to note that it is the first one implemented in the federal government and it can serve as testing ground for OPM's new program. The Guild applauds the Human Resources Services for working with the employee unions to test this program. In time, we hope it will become an important tool and benefit for both employees reaching retirement age and in assisting the Library with the transfer of knowledge from veteran staff to the next generation of employees.

**Stewardship.** The Library of Congress is well-known for having the largest and most comprehensive collection of intellectual and cultural materials in the world. The Library acquires, arranges, preserves and makes accessible book and digital collections for the Congress and the American public but where is it going to house all of these collections? Even digital resources must be housed.

Members of the Subcommittee may have heard stories of the hundreds of thousands of books on the floor or on book trucks in the Jefferson and Adams buildings. You may have seen some of the books damaged by overcrowding. It may be hard for Subcommittee members to visualize, but this overcrowding of the stacks also creates and magnifies the fire safety and life safety hazards present in those book stacks, putting the collections at greater risk as well as the employees who work in the stacks.

Our book stacks are housed on a metal grid of flooring that is very old. Unlike the regular floors in these historic buildings, the stacks provide no good barriers to the spread of fire and smoke. An old book conveyor system cuts through the floors making a path for the spread of fire. In addition, the weight of all of these books is nearing the peak load sustainable by the metal grid of flooring. These areas have no protected exit path for staff and some even lack fire doors.

As far back as 2000-2001, the Office of Compliance cited the Library and the Architect of the Capitol for these life safety and fire safety hazards and while some corrections have been made,

overloading the stacks and piling books on the floor worsens conditions in this fragile area. At least the overcrowding can be alleviated with funds for offsite storage. We also urge you to support the Architect's request for funding to build the necessary protected exits for the Adams and Jefferson buildings.

Like Gutenberg's printing press seven centuries ago, the advent of the Internet and advances in information technology have triggered another information revolution that affects every part of American society. All of us have witnessed the explosion of digital media and materials of all types -- e-books, e-journals, blogs, social and down-loadable media in a wave that has touched and transformed how we run our homes, our government institutions, our schools, and also every other civic and social institution. Just like traditional print materials, acquiring, maintaining, providing access and preserving digital materials and digital collections, for both our current users and those in future centuries, present unique problems and challenges. A key issue is storing and access for general collection material in digital format. For the past thirty years, the Library's programs to collect and manage digital materials in its special collections have been based in different Library units without an adequate central location to provide coordination and communication among them, but with your support that is about to change.

The Guild seeks your support for the Library's request for funding to establish and staff a Digital Collections Center. The Library's collection of digital materials doubles in size every few years and this rapid growth shows no sign of abating in the years to come. It is vital, both for the Library itself and the wider American and world library community, for the Library to establish this centralized platform for managing, preserving, and providing access to the vast array of digital materials that the Library collects.

**Reference Service.** In February it was announced that the acting Director of Collections and Services would continue in this position for two additional years. Collections and Services is the largest grouping of divisions within Library Services; the 630 employees who work there are custodial stewards for the bulk of the Library's cultural heritage resources. Last month the Director met in an open forum with reference librarians and subject specialists asking for their help in undertaking a variety of bridge-building activities. One such task is to "represent the kind of change where the familiar strength of the past blends with the new technology to build a stronger future." Our organization supports these efforts and, in the spirit of consultative management, hopes to join with the Director and begin a conversation with her which we hope will improve reference and research services at the Library.

**The National Library Service for the Blind and Physically Handicapped.** The National Library Service for the Blind and Physically Handicapped (NLS) administers a free library service to U.S. citizens who, due to organic dysfunction, are unable to read conventionally printed materials. This includes persons with blindness, low vision, macular degeneration, as well as those with physical disabilities, such as Parkinson's Disease, Muscular Dystrophy, Cerebral Palsy, spinal cord injuries – in other words, anyone with a condition that inhibits the

handling of printed material. NLS administers this national library system for persons with print disabilities and supplies audio and braille books, magazines, and music-instructional materials via a network of libraries that includes 55 regional, 39 sub-regional libraries and 14 advisory and outreach centers serving over 500,000 patrons. Books and magazines are available in accessible audio and braille formats; books are sent on flash memory cartridges to patrons or can be downloaded directly from the BARD web site and a free digital player is provided for audio titles. Over 23 million books and magazines are circulated annually by NLS.

Due to the rapid changes in accessible technologies, improvements in delivery mechanisms, and the expansion of international library cooperation, access to materials by the print disabled community is improving. To that end, the Guild supported the staff of NLS by advocating for the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled. NLS rightly enjoys a reputation as a global leader in the provision of library service for persons with print disabilities and serves a diverse patron base that includes veterans, children, the elderly, and an ever-growing Spanish-speaking population. We thank the committee for its continued support of this vital service which is an informational lifeline for many persons with disabilities across the U.S.

**The U.S. Copyright Office.** The creativity of authors in the United States is available everywhere one looks – in ebooks and print, in songs on streaming internet radio, in motion pictures, and in smartphone apps hidden in our pockets. It is no understatement to say that American creativity brings cultural and economic riches.

As the agency administering Copyright Law, the U. S. Copyright Office plays a critical role in the life of our nation. Today, elected officials, academics, and others are examining how the Copyright Office can better serve the public; strengthen its technology infrastructure, and broaden its external mission. Such a review is important and long overdue. Behind this big picture, we wish to highlight one office that is central to the Copyright Office’s mission – the Registration Program, whose employees work directly with small authors and the large copyright industry.

Copyright owners rely on registration because the Copyright Office uses it to establish a public record of copyright ownership. These public records represent a stable foundation of copyright facts that direct the use of copyrighted material and enable parties to resolve problems without litigation. Of the 476,000 copyright claims that were registered by the Office in 2014, less than 1% ended up in U.S. federal court. The copyright registration system hums because of 79 registration specialists and 7 problem resolution specialists. These individuals are the unflagging engine of the Copyright Office.

Unfortunately, the number of registration staff has diminished substantially over the last 4 years (there were 130 registration specialists in 2010). For this reason, the Guild strongly supports the budget request for increased funding to the Copyright Office. The Register of Copyrights has

assured the Guild that these are full career-ladder positions to the GS-12 level. The addition of 20 Registration Specialists comes at a critical time as work-on-hand is increasing; the electronic system remains inadequate and unfinished; and as the Copyright Office is refocusing its internal policies according to the Compendium of Copyright Office Practices, Third Edition. The Guild remains committed to improving the work environment and full professional development for registration staff.

The Guild also supports the Library's request to add 5 FTEs in Recordation to direct the business process reengineering in that area. The office must continue its transition from a labor-intensive paper process to an effective electronic one. The Guild would like to recognize the Recordation Specialists who are already assisting in the early stages of this effort.

**Office of Inclusiveness, Opportunity and Compliance.** Resources for the Library's Office of Inclusiveness, Opportunity and Compliance (OIC) are at its lowest ebb. OIC implements the Library's Equal Employment Opportunity Program. It is responsible for the internal resolution of complaints and charges of discrimination and for assisting managers, supervisors, and employees with the resolution of other workplace disputes through mediation. The Office is a resource for identifying effective accommodations under the Americans with Disabilities Act and it provides interpreting services for deaf and hard of hearing employees and members of the public. It provides training and analysis on diversity issues. But insufficient staffing and stature within the Library has resulted in significant delays in mediation services, providing effective accommodations, and discrimination complaint processing.

**Information Technology.** This past year the Government Accounting Office (GAO) has been at the Library studying the Library's technology infrastructure. And on January 23, 2015 Dr. Billington announced that the Library will be conducting a national search for a Chief Information Officer and a Deputy Chief Information Officer. The forthcoming GAO report and the selection of a CIO is big news.

We assure the members of the Subcommittee that whatever recommendations or changes may be implemented as a result of these initiatives, they can depend upon the IT specialists at the Library of Congress to move forward with dedication, expertise and skill. While there is an air of uncertainty about the future of the Library's IT management structure, we know that the employees who provide direct, in-house technology services and digital planning will be there for us on the front lines, thinking forward to the next challenge.

**In conclusion,** thank you for your continuing support for the programs and staff of The Library of Congress.

###

Biographical information for Saul Schniderman

Saul Schniderman started work at the Library of Congress as a cataloger in 1988, having previously worked in three federal libraries: the Government Printing Office, the Smithsonian Institution and the U. S. Department of the Interior. He is currently employed in the Copyright Office and has served as president of the Library of Congress Professional Guild since 1998.

### Witness Disclosure Form

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Your Name, Business Address, and Telephone Number: 202-767-6493 SAUL Schniderman, President Guild office, LM-643 Library of Congress Washington, DC 20540
1. Are you appearing on behalf of yourself or a <u>non-governmental organization</u> ? Please list organization(s) you are representing. Library of Congress Professional Guild, AFSCME LOCAL 2910
2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2012 related to the agencies or programs funded by the Subcommittee?  Yes <input type="radio"/> No <input checked="" type="radio"/>
3. Have you or any organization you are representing received any contracts or payments originating with a foreign government since October 1, 2012 related to the agencies or programs funded by the Subcommittee?  Yes <input type="radio"/> No <input checked="" type="radio"/>
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Signature:

Date:

SAUL Schniderman

3/6/2015

**Congressional Data Coalition Testimony, FY 2016**  
**Submitted by Zach Graves, Digital Director R Street Institute**  
**March 6, 2015**

Dear Chairman Graves, Ranking Member Wasserman Schultz, and Representatives Amodei, Rigell, Young, Jenkins, Farr, and McCollum:

Thank you for the opportunity to submit testimony on legislative branch funding priorities for fiscal year 2016. We focus on ways to further the House of Representatives' efforts to increase legislative transparency in accordance with the House of Representative's 114th Congress rules package's order on "Broadening Availability of Legislative Documents in Machine Readable Formats."<sup>1</sup>

**About us**

The Congressional Data Coalition is a coalition of citizens, public interest groups, trade associations, and businesses that champion greater government transparency through improved public access to and long-term preservation of congressional information.<sup>2</sup>

**Recognition of Ongoing House Activities**

To begin, we commend the House of Representatives for its ongoing efforts to open up congressional information. We applaud the House of Representatives for publishing online and in a structured data format bill status and summary information—soon to be joined by legislative text—and are pleased the Senate will join these efforts in the 114th Congress. In addition, the website <http://docs.house.gov/> continues to serve as an excellent online source for committee and House floor information, thanks in large part to work performed by the Clerk of the House. Furthermore, the Rules Committee's website is a tremendous resource for learning about legislation to be considered on the House floor.

We also congratulate the Office of Law Revision Counsel for its ongoing improvements to publication of the US Code, which serve as a showcase of the potential of the House's efforts. We appreciate the House's annual conferences on legislative transparency and are looking forward to the 2015 conference. And we eagerly await the public roll-out of the Amendment Impact Program<sup>3</sup> and the LRC's codification tools as well as the quarterly public meetings hosted by the invaluable Bulk Data Task Force. We also remain hopeful that progress will be made on the Joint Committee on Printing's obligation to digitize volumes of the Congressional Record from 1873 to 1998.

**Summary of Requests**

- Extend and Broaden the Bulk Data Task Force
- Publish the Congressional Record in XML and eliminate electronic publication gaps
- Publish a complete and auditable archive of bill text, in a structured electronic format
- Publish a contemporaneous list of widely-distributed CRS reports that contains the report name, publication/revision/withdrawal date, and report ID number

<sup>1</sup> H. Res 5, 114th Congress, Section C, Separate Orders, item (n), which states: "The Committee on House Administration, the Clerk, and other officers and officials of the House shall continue efforts to broaden the availability of legislative documents in machine readable formats in the One Hundred Fourteenth Congress in furtherance of the institutional priority of providing public availability and use of legislative information produced by the House and its committees."

<sup>2</sup> For more information, visit <http://congressionaldata.org/>.

<sup>3</sup> With AIP's automation of the consolidation of amendments into bills and bills into laws, we hope the public will be provided access to this and all of its software, in whole or part, through an application programming interface, to encourage third party developers to leverage this groundbreaking work and make legislation easier for the public to understand.

- Release widely-distributed CRS reports to the public
- Publish the House rules and committee rules in a machine-readable format
- Publish Bioguide in XML with a change log
- Publish the Constitution Annotated in a machine-readable format
- Publish House office and support agency reports online
- Publish House Expenditure Reports in a machine-readable format

### **Extend and Broaden the Bulk Data Task Force**

One of the greatest successes of the House's legislative modernization efforts was the creation of the Bulk Data Task Force,<sup>4</sup> the recommendations of which led to the online publication of bill summaries and text in a structured data format and the commitment to add bill status information this year, as well as other improvements. While the Task Force issued its final report in the 113th Congress, many of its participants continue to meet. The Task Force is a unique forum for congressional content creators and publishers to work together and interact with the public.

We urge the committee to formally reestablish the Task Force on a permanent basis and expand its mission to broadening availability of congressional information in machine readable formats. There is precedent for this, with the XML Working Group that was created in the 1990s to establish document type definitions for use in creating legislative documents in XML.<sup>5</sup> Its scope should include legislative information and records held by committees, offices, and legislative branch agencies as well as other information concerning the operation of Congress.

### **Congressional Record in XML**

The Congressional Record, as the official record of the proceedings and debates of the Congress, is central to understanding congressional activities. Many of the resources we have come to rely upon, such as *Congress.gov*, republish just a fraction of its contents. Unfortunately, the Congressional Record is not published in bulk in a structured data format, but instead as plain text, and, in some cases, as (even less versatile) PDFs. In addition, the Congressional Record is available online only from 1994 forward and prior to 1873. The Joint Committee on Printing authorized GPO to fill in the 100-plus-year gap in 2011,<sup>6</sup> although it is unclear whether online publication would be as structured data or in a less flexible format (such as PDF).

While there had been efforts by the public to scrape the version of the Congressional Record on the old THOMAS.gov,<sup>7</sup> the results were incomplete, the same scrapable information no longer exists on *Congress.gov*, and there is no substitute for official publication in a structured data format like XML. We urge the committee to inquire into GPO's efforts to fill the online publication gap and to require future publication of the Congressional Record in XML. We are sensitive to the cost constraints on GPO but suggest that publication in a more versatile format may lead to reduced print demands, improved internal efficiencies, and greater reuse and transformation of the Congressional Record into useful products.<sup>8</sup>

<sup>4</sup> House Report 112-511, available at <http://www.gpo.gov/fdsys/pkg/CRPT-112hrpt511/pdf/CRPT-112hrpt511.pdf>.

<sup>5</sup> See <http://xml.house.gov/>

<sup>6</sup> See <http://www.scribd.com/doc/48672433/Constitution-Annotated-Congressional-Record-and-Statutes-at-Large>.

<sup>7</sup> <https://sunlightfoundation.com/blog/2014/02/20/sample-the-new-a-la-carte-congressional-record-parser/>

<sup>8</sup> In the meanwhile, publication of the Congressional Record in locator code format along with GPO's locator code-to-PDF conversion software, in source code form, may suffice in the interim.

### **Complete and Auditable Bill Text**

The Government Publishing Office is charged to accurately and authentically print the bills before Congress, yet there are gaps in GPO's archive—as seen on FDSys—without any explanation. In addition, public access to the text of bills in the 101st and 102nd Congresses are being removed as a part of the retirement of THOMAS.gov. Furthermore, GPO holds structured data for bills prior to the 111th Congress (when both House and Senate legislation were first published in XML), which it does not make available to the public at all (locator code format). We ask that GPO publicly report on the presence or absence of public access to all prints of bills starting with the 101st Congress, including access to the prints in a structured data format, with a public audit log in CSV format. This would build trust in GPO's authenticity and accuracy processes.

### **CRS Reports**

CRS reports often inform public debate. Its analyses are routinely cited in news reports, by the courts, in congressional debate, and by government watchdogs. However, unlike its sister legislative branch agencies, CRS reports are not released to the public by CRS even though CRS routinely shares them with the media upon request and with officials in the executive branches. In addition, public access often is through third parties that routinely charge a fee for access, and the most recent version of a report is not always available. We believe all Americans should have an equal opportunity to be educated about important legislative issues, and that includes knowing which reports have recently been released and having free access to them.

We request the Committee require CRS to contemporaneously publish online a list of the names, report numbers, and publication/revision/withdrawal dates for CRS reports. We do not include CRS memoranda, which are confidential. In this way, members of the public may contact their representative if they see a report they are interested in upon its publication or revision. CRS already provides an annual report to the Committee, published on CRS's website, which lists the total number of reports issued or updated. In FY 2012, for example, 534 new reports were prepared and 2,702 reports were updated.<sup>9</sup> This accounting should be expanded to include an index of the reports and be updated on a daily basis in a machine-readable format.

We further request the public be provided direct online access to the recent Congressional Research Service reports.

In recent years CRS has declined to release its reports directly to the public in part based upon language inserted into the legislative branch appropriations bill.<sup>10</sup> That limiting language, however, was put in place over concerns regarding printing and mailing costs. Moreover, the modern language was initially inserted in 1954, 16 years prior to CRS' creation. A broad 1952 limitation on the Library of Congress was put in place because of concerns around printing costs.<sup>11</sup> In 1954 the language was loosed to allow publication with prior authorization by the Committee on House Administration or the

<sup>9</sup> Annual Report of the Congressional Research Service of the Library of Congress for Fiscal Year 2012, p. 2, available at [http://www.loc.gov/crsinfo/about/crs12\\_annrpt.pdf](http://www.loc.gov/crsinfo/about/crs12_annrpt.pdf).

<sup>10</sup> "Provided, That no part of this appropriation may be used to pay any salary or expense in connection with any publication, or preparation of material therefor (except the Digest of Public General Bills), to be issued by the Library of Congress unless such publication has obtained prior approval of either the Committee on House Administration or the Senate Committee on Rules and Administration."

<sup>11</sup> Legislative Branch Appropriations Bill, 1952, Hearings, pages 29-33.

Senate Rules Committee, but retained in part out of concerns of the cost of mailing the documents to “newspapers and women’s clubs”<sup>12</sup> unless there was reimbursement for the costs of mailing.

Electronic publication of CRS reports imposes no additional printing or mailing costs. CRS already maintains a Congress-only website with reports published in an electronic format. Depending on how the reports would be released to the public—via FDSYS, via FTP, through a website maintained by the Clerk, through a GPO bulk data download,<sup>13</sup> or a website maintained by CRS—the costs would be minimal and the value to the public enormous.

We acknowledge while respectfully disagreeing with CRS’s often-voiced concerns regarding speech and debate clause implications of publication, staff privacy, and copyright. We and others have addressed these issues at length.<sup>14</sup> Reports are already prepared with the possibility they will be released through a Member office or committee, by CRS to a member of the media, or by CRS to the executive branch. As online publication through non-CRS entities already exists, publication by another entity (GPO, the Clerk, etc.) would not adversely affect CRS’s position. With respect to staff privacy, in some instances CRS already removes staff names from reports it believes will raise safety issues. If so desired, it could expand that practice. Finally, as CRS reports may contain material subject to copyright by third parties, it should adopt GAO’s policy of including a disclaimer.

### House and Committee Rules

Crucial to understanding the House and its committees are their rules, but these vital documents are usually published as PDFs or garbled text files. The House rules for the 114th Congress, for example, are published by the Rules Committee but only as a PDF, and, if you can find it on FDSYS, it is available as a [PDF file](#) and an [annotated, discontinuous TXT file](#). By way of another example, while the Committee on Rules at least makes its rules available as [HTML](#), the Permanent Select Committee on Intelligence publishes its rules only as a [PDF](#). Ideally, all rules should be published in a structured data format like XML. However, in the interim, in addition to however else they are published, rules should be published in an open, non-proprietary format, even if it is as a TXT, ODT or DOCX file, without the annotations that make GPO’s version unusable for many purposes.

### Publish Bioguide in XML with a Change Log

The Biographical Directory of the United States Congress (or Bioguide) is an excellent source of information about current and former members of Congress. Since 1998, the online version of the Bioguide has been maintained by staff in the Office of the Clerk’s Office of History and Preservation and the Office of the Historian of the United States Senate at <http://bioguide.congress.gov>. And, since at least 2007, the underlying data structures for Bioguide data have been provided by the House at its XML website. Unfortunately for those who wish to programmatically make use of the information, the website’s data is published only in HTML. In addition, the Bioguide website provides up to three HTML files for each Member: a biography, extended bibliography, and research collection, which can triple the amount of work required to fully scrape the website. We recommend Bioguide information be published in XML. In addition, a change log for the Bioguide website through Twitter or an RSS/Atom feed would be helpful to keep the public apprised of updates/changes.

<sup>12</sup> Legislative-Judiciary Hearings, 1954, page 11, available at <http://assets.sunlightfoundation.com/policy/papers/Sen%20Leg%20approp%201954%20hearing.pdf>.

<sup>13</sup> See <http://www.gpo.gov/fdsys/bulkdata>.

<sup>14</sup> See, e.g., Testimony Before the House Legislative Branch Appropriations Committee, FY 2012, on May 11, 2011, available at <http://www.scribd.com/doc/54642878/Daniel-Schuman-Testimony-Appropriations-Subcommittee-2011-05-11>

### **Constitution Annotated**

The Constitution Annotated (or CONAN) is a continuously-updated century-old legal treatise that explains the Constitution as it has been interpreted by Supreme Court. While the Joint Committee on Printing required in November 2010 that GPO and CRS to publish CONAN online, with new features, and with updates as soon as they are prepared, it did not require publication in a machine-readable format.<sup>15</sup> This is an important omission, as the document is prepared in XML yet published online as a PDF, even while it is internally available to Congress as a series of HTML pages. (It also is published every other year as a series of less-than-useful books or pocket-part updates.) In light of the House's drive to broaden the availability of documents in machine-readable formats, this issue is ripe for resolution. At a minimum, publication of either the XML source or the HTML pages would address many of our concerns.

### **House Office and Support Agency Reports**

The legislative offices and agencies that support of the work of the House of Representatives issue annual or semi-annual reports on their work. These reports are of interest to the public, as they help explain legislative operations and often can help ensure public accountability. While some offices, such as the Chief Administrative Office, routinely publish their reports online, others do not, or do not do so in a timely fashion. We urge that the Committee to require all legislative support offices and agencies that regularly issue reports that summarize their activities to publish those reports online in a timely fashion, including back issues.

### **House Expenditure Reports**

The quarterly House Expenditure Reports contain all spending by the House of Representatives and are currently published online as a PDF. They should be published as data files, such as CSV or XLSX, to allow for the public to easily analyze the information. The online publication that started in 2009 was a significant step forward, but the data should be available in a more flexible format.

We appreciate your attention to these issues. If you would like to discuss this further, please contact Daniel Schuman, co-chair, Congressional Data Coalition, at 202-577-6100 or [daniel.schuman@gmail.com](mailto:daniel.schuman@gmail.com) or Zach Graves, digital director, R Street Institute, at (202) 733-8976 or [zgraves@rstreet.org](mailto:zgraves@rstreet.org).

Sincerely yours,

Congressional Data Coalition  
 Data Transparency Coalition  
 Demand Progress  
 GovTrack.us  
 LegisWorks.org  
 OpenTheGovernment.org  
 R Street Institute  
 Sunlight Foundation  
 OpenGov Foundation

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<sup>15</sup> See <http://www.scribd.com/doc/48672433/Constitution-Annotated-Congressional-Record-and-Statutes-at-Large>.

**Bio for Zach Graves – Digital Director, R Street Institute**

**Zach Graves** is director of digital and a senior fellow at the R Street Institute, a free-market think tank headquartered in Washington, DC. His work is centered on the intersection of public policy and technology.

He is primarily responsible for R Street's digital strategy, to better communicate the institute's policy research and ideas to key stakeholders. Some of the digital properties he has helped create include [rstreet.org](http://rstreet.org), [congressionaldata.org](http://congressionaldata.org), and [ridescore.org](http://ridescore.org). He also manages many of R Street's campaigns and coalitions on technology policy, focusing on innovation, open governance, government data, disruptive technologies, and online privacy.

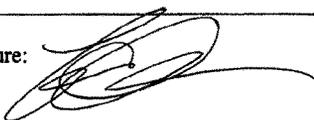
Zach previously worked at the Cato Institute, America's Future Foundation, and the Competitive Enterprise Institute. He holds a master's from the California Institute of the Arts and a bachelor's from the University of California at Davis.

## Witness Disclosure Form

**Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.**

<p>Your Name, Business Address, and Telephone Number:</p> <p>ZACH GRAVES          1050 17TH ST NW #1150, WASHINGTON DC 20036          (202) 733 8976</p>
<p>1. Are you appearing on behalf of yourself or a non-governmental organization?          Please list organization(s) you are representing.</p> <p>R STREET INSTITUTE</p>
<p>2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2012 related to the agencies or programs funded by the Subcommittee?</p> <p>Yes <input type="radio"/> No <input checked="" type="radio"/></p>
<p>3. Have you or any organization you are representing received any contracts or payments originating with a foreign government since October 1, 2012 related to the agencies or programs funded by the Subcommittee?</p> <p>Yes <input type="radio"/> No <input checked="" type="radio"/></p>
<p>4. If your response to question #2 and/or #3 is "Yes", please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof), and/or the amount and country of origin of any payment or contract originating with a foreign government. Please also indicate whether the recipient was you or the organization(s) you are representing.</p>

Signature:



Date:

3/6/15

**DAVITA VANCE-COOKS**  
*Director*  
*U. S. Government Publishing Office*

**Prepared Statement before the  
Subcommittee on Legislative  
Branch Appropriations, Committee  
on Appropriations, U.S. House of  
Representatives**

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On the Appropriations Request of the  
U.S. Government Publishing Office for FY 2016

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HT-2, The Capitol



**U.S. GOVERNMENT PUBLISHING OFFICE**  
732 North Capitol Street, NW  
Washington, DC 20401-0001

Keeping America Informed | OFFICIAL | DIGITAL | SECURE  
[www.gpo.gov](http://www.gpo.gov) | [facebook.com/USGPO](https://facebook.com/USGPO) | [twitter.com/usgpo](https://twitter.com/usgpo)

Chairman Graves, Ranking Member Wasserman Schultz, and Members of the Subcommittee on Legislative Branch Appropriations, it is an honor to present the appropriations request of the Government Publishing Office (GPO) for FY 2016. As background, my prepared statement provides an overview of GPO's functions and operations.

## GOVERNMENT PUBLISHING OFFICE

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The Government Publishing Office (GPO) is the OFFICIAL, DIGITAL, SECURE resource for producing, procuring, cataloging, indexing, authenticating, disseminating, and preserving the official information products of the Federal Government.

Under Title 44 of the U.S. Code, GPO is responsible for the production and distribution of information products for all three branches of the Government, including the official publications of Congress and the White House, U.S. passports for the Department of State, and the official publications of other Federal agencies and the courts. Once primarily a printing operation, we are now an integrated publishing operation and carry out our mission using an expanding range of digital as well as conventional formats. Congress and the President recognized this change in our operations in the Consolidated and Continuing Appropriations Act of FY 2015 (P.L. 113-235), which contains a provision redesignating GPO's official name as the Government *Publishing* Office. GPO currently employs about 1,700 workers.



Along with sales of publications in digital and tangible formats to the public, GPO supports openness and transparency in Government by providing permanent public access to Federal Government information at no charge through our Federal Digital System (FDsys, at [www.fdsys.gov](http://www.fdsys.gov)), which today makes more than 1 million Federal titles available online from both GPO and links to servers in other agencies. In FY 2014 FDsys averaged 38.1 million retrievals per month, with a spike up to 47.5 million during the Government shutdown of October 2013. We also provide public access to Government information through partnerships with approximately 1,200 libraries nationwide participating in the Federal Depository Library Program.

In addition to GPO's Web site, [www.gpo.gov](http://www.gpo.gov), we communicate with the public routinely via Facebook <http://www.facebook.com/USGPO>, Twitter [twitter.com/USGPO](http://twitter.com/USGPO), YouTube <http://www.youtube.com/user/gpoprinter>, and Pinterest <http://pinterest.com/usgpo/>.

### History

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From the Mayflower Compact to the Declaration of Independence and the papers leading to the creation and ratification of the Constitution, America is a nation based on documents, and our governmental tradition since then has reflected that fact. Article I, section 5 of the Constitution requires that "each House shall keep a journal of its proceedings and from time to time publish the same." After years of struggling with various systems of contracting for printed documents that were beset with scandal and corruption, in 1860 Congress created the Government Printing Office as its official printer. GPO first opened its doors for business on March 4, 1861, the same day Abraham Lincoln was inaugurated as the 16th President.

Since that time, GPO has produced and distributed the official version of every great American state paper and an uncounted number of other Government publications, documents, and forms. These documents include the Emancipation Proclamation, the legislative publications and acts of Congress, Social Security cards, Medicare and Medicaid information, census forms, tax forms, citizenship forms, passports, military histories ranging from the *Official Records of the War of the Rebellion* to the latest accounts of our forces in Afghanistan, the 9/11 Commission Report, Presidential inaugural addresses, and Supreme Court opinions. This work goes on today, in both digital as well as print forms.

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### Strategic Vision and Plan

GPO is transforming from a print-centric to a content-centric publishing operation. In FY 2016 and the years ahead, GPO will continue to develop an integrated, diversified product and services portfolio that focuses primarily on digital. Although industry experts predict tangible print will continue to be required because of official use, archival purposes, authenticity, specific industry requirements, and segments of the population that either have limited or no access to digital formats, we recognize that the volume of tangible print that is requisitioned from GPO is declining and will continue to decline.



GPO's strategic plan, which is available for public review at <http://www.gpo.gov/about/>, is built around four goals: satisfying our stakeholders, offering products and services, strengthening our organizational foundation, and engaging our workforce. The plan provides the blueprint for how GPO will continue to achieve its mission of *Keeping America Informed* with an emphasis on being OFFICIAL, DIGITAL, SECURE. GPO's senior managers convene at the beginning of the fiscal year to review the plan and approve it before it is issued.

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### Technology Transformation

GPO has continually transformed itself throughout its history by adapting to changing technologies. In the ink-on-paper era, this meant moving from hand-set to machine typesetting, from slower to high-speed presses, and from hand to automated bookbinding. These changes were significant for their time.

Yet they pale by comparison with the transformation that accompanied our incorporation of electronic information technologies, which began over 50 years ago in 1962 when the Joint Committee on Printing directed the agency to develop a new system of computer-based composition. That order led to the development of GPO's first electronic photocomposition system, which by the early 1980's had completely supplanted machine-based hot metal typesetting. Following the enactment of the GPO Electronic Information Access Enhancement Act in 1993, the databases generated by our composition system were uploaded to the Internet via GPO's first Web site, GPO Access, vastly expanding the agency's information dissemination capabilities. Those functions continue today with FDsys on a more complex and comprehensive scale.

While transforming to an increasingly digital footing, GPO continues to provide an array of printing services to support the needs of Congress, Federal agencies, and the public. GPO is retooling its print operations to utilize a smaller, more flexible, more digitally-based equipment profile than previously. In FY 2014 we took delivery of a new zero make-ready press to support congressional and Federal agency publishing requirements, which will

replace two aging presses that have been in place since 1979. We are continually reviewing product and equipment options to ensure that our publishing activities are conducted with the most efficient, effective technologies available.

As a result of these sweeping technology changes — digital products, equipment, and processes GPO is now fundamentally different from what it was as recently as a generation ago. It is smaller, leaner, and equipped with digital production capabilities that are the bedrock of the information systems relied upon daily by Congress, Federal agencies, and the public to ensure open and transparent Government in the digital era. As we prepare GPO for the Government information environment and technology challenges of the future, our transformation is continuing with the development of new ways of delivering Government information, including apps and bulk data download files.

## GPO AND CONGRESS

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For the Clerk of the House, the Secretary of the Senate, and the committees of the House and the Senate, GPO publishes the documents and publications required by the legislative and oversight processes of Congress in digital and tangible formats. This includes the daily *Congressional Record*, bills, reports, legislative calendars, hearings, committee prints, and documents, as well as stationery, franked envelopes, memorials and condolence books, programs and invitations, phone books, and the other products needed to conduct the business of Congress. We also detail expert staff to support the publishing requirements of House and Senate committees and congressional offices such as the House and Senate Offices of Legislative Counsel. We work with Congress to ensure the provision of these services under any circumstances.



Today the activities associated with creating congressional information databases comprise the majority of the work funded by our annual Congressional Publishing Appropriation (formerly known as the Congressional Printing and Binding Appropriation). Our advanced digital authentication system, supported by public key infrastructure (PKI), is an essential component for assuring the digital security of congressional publications. The databases we build are made available for providing access to congressional publications in digital formats as well as their production in tangible formats.

GPO's congressional information databases also form the building blocks of other information systems supporting Congress. For example, they are provided directly to the Library of Congress to support its Congress.gov system as well as the legislative information systems the Library makes available to House and Senate offices. We work with the Library to prepare summaries and status information for House and Senate bills in XML bulk data format. We are also collaborating with the Library on the digitization of historical printed documents, such as the *Congressional Record*, to make them more broadly available to Congress and the public.

## GPO Cuts the Cost of Congressional Work

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The use of electronic information technologies by GPO has been a principal contributor to lowering the cost, in real economic terms, of congressional information products. In FY 1980, as we replaced hot metal typesetting with electronic photocomposition, the appropriation for Congressional Publishing was \$91.6 million, the equivalent in today's dollars of \$263 million. By comparison, our approved funding for FY 2015 is \$79.7 million, a reduction of more than two-thirds in constant dollar terms.

Productivity increases resulting from technology have enabled us to make substantial reductions in staffing requirements while continuing to improve services for Congress. In 1980, GPO employment was 6,450. Today, we have 1,695 employees on board, representing a reduction of 4,755, or more than 70%. This is the smallest GPO workforce of any time in the past century.

#### Highlights of FY 2014 Congressional Work

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In FY 2014, essential staff from GPO remained on duty during the Government shutdown in October 2013 to meet the publishing requirements of Congress throughout the shutdown period without any interruption or reduction in service. During the year, we published the *Congressional Directory* for the 113th Congress under the direction of the Joint Committee on Printing, and late in the year we released the *New Member Pictorial Directory for the 114th Congress* as prepared by the Committee on House Administration. We also worked with the Office of the Clerk of the House to prepare an eBook version of *Hispanic Americans in Congress 1822-2012*.

At the direction of the House Appropriations Committee, and in support of the House's task force on bulk data, in 2014 we began work with the Library of Congress to make House bill status information prepared by the Congressional Research Service available in XML bulk data format. Late in the year our work in making legislative information available in XML bulk data format was expanded to include Senate bills, at the request of the Secretary of the Senate.



GPO is a regular participant and presenter at the House Legislative Data and Transparency Conference, along with staff from other legislative branch agencies, data users, and transparency advocates.

#### GPO AND FEDERAL AGENCIES

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Federal agencies are major generators of information in the United States, and GPO produces their information products for official use and public access. Federal agencies and the public also rely on a growing variety of secure credentials produced by GPO, including travelers holding U.S. passports, members of the public who cross our borders frequently, and other users. Our digital systems support key Federal agency publications, including the annual *Budget of the U.S. Government* and, most importantly, the *Federal Register* and associated products. As it does for congressional documents, our digital authentication system, supported by public key infrastructure (PKI), assures the digital security of agency documents. GPO does not receive appropriations to produce work for Federal agencies. Instead, we provide products and services on a reimbursable basis.

#### Highlights of FY 2014 Agency Operations

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For the past three years we have made the *Budget of the U.S. Government* available as a mobile app.

One of GPO's major agency customers is the Office of the Federal Register (OFR), which produces the daily *Federal Register* and related publications such as the *Code of Federal Regulations*, and other key information products like the *Daily Compilation of Presidential Documents* and the *Public Papers of the President*. GPO produces these publications in both digital and tangible formats.

4 Prepared Statement before the Subcommittee on Legislative Branch Appropriations, Committee on Appropriations, U.S. House of Representatives On the Appropriations Request of the U.S. Government Publishing Office for FY 2016

Since 1926 GPO has been responsible for producing the U.S. passports for the Department of State. At one time, no more than a conventionally printed document, the U.S. passport since 2005 has incorporated a digital chip and antenna array capable of carrying biometric identification data. With other security printing features, this document – that we produce in Washington, DC, as well as a secure remote facility in Mississippi – is now the most secure identification credential obtainable. In FY 2014, we made changes to our facilities to begin installing equipment that will be used to produce the next generation passport.

Since 2008, we have served as an integrator of secure identification smart cards to support the credentialing requirements of Federal agencies and other Government entities. Our secure credential unit has been certified by the General Services Administration (GSA) as the only government-to-government provider of credentials meeting the requirements of Homeland Security Presidential Directive 12 (HSPD-12).

We anticipated that the sequester implemented during FY 2013 would impact funding for printing and other information products ordered through GPO. In response, we implemented increased controls on spending, reprioritized capital investment plans, and closely monitored costs. GPO was able to continue its support of Federal agency publishing and information product requirements without any interruption or reduction in service. During the October 2013 Government shutdown, GPO initially scaled back support of Federal agency requirements consistent with Office of Management and Budget and related requirements for a lapse in funding. However, as the shutdown continued and some agencies returned to business (such as the Department of Defense), GPO responded to their essential requirements. Additionally, GPO provided public access via FDsys to health and safety regulatory information issued by the Office of the Federal Register during the shutdown.



During FY 2014, GPO reported positive results on a customer satisfaction survey of approximately 500 Federal agencies. The survey focused on GPO's products, services, and programs, the cost-effectiveness of services, and satisfaction with GPO's Web site and customer service. Some of the results included:

- 91% of customers are satisfied with overall service from their primary GPO location
- 90% are likely to recommend GPO to a colleague
- 90% say they do not believe they can beat or match GPO pricing

The survey was conducted in support of GPO's Strategic Plan, that emphasizes a customer-centric approach through agency-wide procedures, policies, and activities implemented to ensure GPO is meeting customers' needs and exceeding their expectations.

#### Partnership with industry

Other than congressional and inherently governmental work such as the *Federal Register*, the Budget, and secure and intelligent documents, we produce virtually all other Federal agency information products via contracts with the private sector printing and information product industry issued by our central office and regional GPO offices around the country. In FY 2014, this work amounted to approximately \$289.3 million. Approximately 16,000 individual firms are registered to do business with GPO, the vast majority of whom are small businesses averaging 20 employees per firm. Contracts are awarded on a purely competitive basis; there are no set-asides or preferences in contracting other than what is specified in law and regulation, including a requirement for Buy American. This partnership provides great economic opportunity for the private sector.

## GPO AND OPEN, TRANSPARENT GOVERNMENT

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Producing and distributing the official publications and information products of the Government fulfills an informing role originally envisioned by the Founders, as James Madison once said:

“A popular Government without popular information, or the means of acquiring it, is but a Prologue to a Farce or a Tragedy, or perhaps both. Knowledge will forever govern ignorance, and a people who mean to be their own Governors, must arm themselves with the power which knowledge gives.”

GPO operates a variety of programs that provide the public with “the means of acquiring” Government information that Madison spoke of. These programs include the Federal Depository Library program (FDLP), Federal Digital System (FDsys), Publications Sales, and Social Media.

### Federal Depository Library Program

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The FDLP has legislative antecedents that date back 200 years, to 1813. Across those years, depository libraries have served as critical links between “We the People” and the information made available by the Federal Government. GPO provides the libraries with information products in digital and, in some cases, tangible formats, and the libraries in turn make these available to the public at no charge while providing additional help and assistance to depository library users. The program today serves millions of Americans through a network of approximately 1,200 public, academic, law, and other libraries located across the Nation, averaging nearly three per congressional district. Once limited to the distribution of printed and microfiche products, the FDLP today is primarily digital, supported by FDsys and other digital resources. This overwhelming reliance on digital content allowed for the first digital-only Federal depository library designation in FY 2014, with others to follow.

In FY 2014, GPO completed work on our FDLP Forecast Study, a collaborative research project between GPO and depository libraries, that surveyed all depository libraries to assess the current conditions of the program. Primary issues identified in the survey include budget constraints, use of physical space, staffing, and collection scope changes. Results from this initiative will serve as a blueprint for developing a new National Plan for Access to Federal Government Information.

Also supporting the Federal depository libraries and the public nationwide is the work GPO does under its statutory mandate to catalog a comprehensive index of public documents issued or published by the Federal Government that are not confidential in character. The public interface for accessing these cataloging records is GPO’s *Catalog of U.S. Government Publications* (CGP). In FY 2014, there were 25.6 million successful searches of the CGP, an increase of 10.5 million over FY 2013. Also during this period, more than 13,800 new cataloging records were added to the CGP, of which 60% contained direct online links to the cataloged content. Additionally, more than 150 free Federal Government eBooks from various agencies are now available via the CGP, with more being added continuously. Thanks to a partnership we forged with the Digital Public Library of America (DPLA), more than 150,000 records from GPO’s digital Catalog of Government Publications are now also available to the public through the DPLA’s Web site.



## Federal Digital System

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GPO has been providing access to digital congressional and Federal agency documents since 1994. Today, FDsys provides the majority of congressional and Federal agency content to the FDLP as well as other online users. This system has reduced the cost of providing public access to Government information significantly when compared with print, while expanding public access dramatically through the Internet. Public utilization of FDsys has increased substantially. In 2014, FY FDsys recorded its 1 billionth document retrieval since replacing our original online Web site, *GPO Access*. Currently, FDsys serves as a secure preservation repository for more than 1 million individual titles from all three branches of the Government, the only system of its kind in operation today. In FY 2014, FDsys averaged 38.1 million retrievals per month, with a spike of up to 47.5 million during the October 2013 Government shutdown.

GPO is continually adding collections to FDsys to provide increased public access to Government information. In FY 2014, new collections were added ranging from audio books to digital editions of historic publications like the Warren Report on the assassination of President Kennedy and the Civil Rights Act of 1964. At the end of the year, we were one of 5 institutions named by the Library of Congress and the National Institute of Museum and Library Services to be part of the National Digital Stewardship Residency program, under which we are now preparing to become the first Federal agency certified as a Trustworthy Digital Depository for Government information.



During the October 2013 Government shutdown, the FDsys congressional and regulatory information collections were continually updated as an essential function in order to provide public access to this essential information. The other collections on FDsys were not updated but were still accessible. All other information on [gpo.gov](http://gpo.gov) (concerning our Online Bookstore, FDLP.gov, Contractor Connect, etc.) remained static during the shutdown.

### FDsys Improvements Planned for FY 2016

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As GPO's enterprise information management system for digital information dissemination and preservation, FDsys is a critical component of our integrated publishing operation. Continued investment in this cornerstone system is needed in order to ensure FDsys technology, features, and functionality supports GPO's mission and meets the needs of key stakeholders, including Congress, federal agencies, and the American public.

In FY 2016, the Next Generation FDsys public website (NextGen) will officially launch and the legacy site will be retired. NextGen functionality will greatly enhance the way stakeholders can interact with FDsys, including a responsive user interface, replacement of the current search engine with an Open Source search engine, the implementation of linking between related publications, and user interface improvements based on extensive stakeholder engagement.

Along with the launch of NextGen, other initiatives are crucial for managing Federal Government content in FDsys, including developing new content collections, increasing content in existing collections, enhancing the accessibility of content, and increasing the discoverability of information within the system. GPO also has begun the initial process to seek certification for FDsys as a Trustworthy Digital Repository in compliance with the International Organization for Standardization (ISO 16363). This certification will validate that FDsys, its infrastructure, and its supporting organization are reliable and sustainable, in order to ensure the highest level of service now and into the future.

With the planned updates to the FDsys search, content management, and preservation components and along with certification of FDsys as a Trusted Digital Repository, it is also critical to invest in the IT infrastructure supporting the system. This includes bandwidth, storage, and servers needed for the Production, COOP, Test, and Development environments. In FY 2016, GPO will also explore how to migrate FDsys to the Cloud to reduce reliance on on-site physical infrastructure.

#### **GPO Achieves Savings in Information Dissemination**

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Since FY 1995, the first full year of our online operations, the cost of producing and distributing millions of copies of printed publications to Federal depository libraries nationwide was funded at \$17.6 million, the equivalent of \$27.3 million in constant dollars. For FY 2016, we are proposing to fund this function at \$8.2 million, a reduction of nearly 70% in constant dollar terms. Along with appropriations to GPO's Revolving Fund, we have used the savings from reduced printing and distribution costs to pay for the establishment and operation of our digital information dissemination operations, achieving additional savings for the taxpayers and vastly expanding public access to Government information.

#### **Publication and Information Sales Program**

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Along with the FDLP and FDsys, which are no-fee public access programs, GPO provides public access to official Federal information through public sales featuring secure ordering through an online bookstore, a bookstore at GPO headquarters in Washington, DC, and partnerships with the private sector that offer Federal publications as eBooks. As a one-stop shop for eBook design, conversion, and dissemination, our presence in the eBook market continues to grow. We now have agreements with Apple, Google's eBookstore, Barnes & Noble, OverDrive, Ingram, Zinio, and other online vendors to make popular Government titles such as the *Public Papers of the President-Barack Obama*, the *Financial Crisis Inquiry Report*, and *Ponzimontium: How Scam Artists are Ripping Off America* available as eBooks. Additionally, in FY 2014 we worked with Congress to make *Hispanic Americans in Congress* available as an eBook.

#### **Reimbursable Distribution Program**

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We operate distribution programs for the information products of other Federal agencies on a reimbursable basis, including General Services Administration (GSA) Consumer Information Center publications, from warehouses in Pueblo, CO, and Laurel, MD.

#### **GPO and Social Media**

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We use Facebook, Twitter, YouTube, and a book blog to share information about GPO news and events and to promote specific publications and products. By the end of FY 2014, we had 3,932 likes on Facebook, 5,372 followers on Twitter, and 120,000 views across 66 videos on YouTube. On Pinterest, we had 422 followers pinning on 15 boards of Federal Government information. Our book blog, Government Book Talk, focuses on increasing the awareness of new and classic Federal publications through reviews and discussions.

## GPO'S FINANCES

### Business Operations Revolving Fund

All GPO activities are financed through our Business Operations Revolving Fund. This business-like fund is used to pay all of GPO's costs in performing congressional and agency publishing, information product procurement, and publications dissemination activities. It is reimbursed from payments from customer agencies, sales to the public, and transfers from GPO's two annual appropriations: the Congressional Publishing Appropriation and the Public Information Programs of the Superintendent of Documents Appropriation.

The Business Operations Revolving Fund functions as GPO's checking account with the U.S. Treasury. GPO pays its expenses from this account either with electronic transfer or check. The fund is reimbursed when the Treasury Department transfers money from agency appropriations accounts to the fund when agencies pay GPO invoices. This procedure also applies to the payment of transfers from the Congressional Publishing and Public Information Programs appropriations, and to deposits of funds collected from sales to the public.

GPO maintains a cash balance in the Business Operations Revolving Fund that is used to pay all expenses. The cash balance fluctuates daily as payments are received from agency reimbursements, customer payments, and transfers from GPO appropriations.



### Retained Earnings

Under GPO's system of accrual accounting, annual earnings generated since the inception of the Business Operations Revolving Fund have been accumulated as retained earnings. Retained earnings make it possible for GPO to fund a significant amount of technology modernization. However, appropriations for essential investments in technology and plant upgrades are also necessary and are requested annually.

### Appropriated Funds

GPO's Congressional Publishing Appropriation is used to reimburse the Business Operations Revolving Fund for costs of publishing the documents required for the use of Congress in digital and tangible formats, as authorized by the provisions of chapters 7 and 9 of Title 44, U.S.C. The Public Information Programs of the Superintendent of Documents Appropriation is used to pay for costs associated with providing online access to, and the distribution of, publications to Federal depository libraries, cataloging and indexing, statutory distribution, and international exchange distribution. The reimbursements from these appropriations are included in the Business Operations Revolving Fund as revenue for work performed. Money is also appropriated to GPO's Business Operations Revolving Fund to increase working capital for necessary investments in information technology and facilities maintenance and repair.

### FY 2014 Financial Results

Revenue totaled \$696.3 million while expenses charged against GPO's budget were \$672.3 million, for an overall net income of \$24 million from operations. Included in both GPO's revenue and net income is approximately \$15.1 million in funds set aside for passport-related capital investments, as agreed to by GPO and the Department of State, and \$2.1 million in funds resulting from an adjustment to GPO's long-term workers' compensation

liability under the Federal Employees Compensation Act (FECA). Apart from these funds, GPO's net operating income from FY 2014 was \$6.8 million. GPO's financial statements are audited annually by an independent third party contracted for by our Office of Inspector General, and we routinely receive a clean, or as it is now called, "unmodified," opinion.

## FY 2016 APPROPRIATIONS REQUEST

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We are requesting a total of \$120,000,000 for FY 2016, which is essentially flat compared to the level of funding, \$119,993,000, approved for FY 2015 in P.L. 113-235. Continuing overhead cost-cutting actions undertaken since FY 2011, in addition to a buyout successfully conducted in the first quarter of FY 2015 that reduced GPO's workforce by 103 positions, have helped make this flat funding request possible. Additionally, with the approval of the House and Senate appropriations committees, each year we have transferred any unspent prior year balances from our appropriations to GPO's business operation revolving fund, where they are available for the uses for which they were originally appropriated. This also has made it possible for us to reduce the need for new funding.

Our FY 2016 request will enable us to:

- meet projected requirements for congressional publishing;
- fund the operation of the public information programs of the Superintendent of Documents; and
- develop information technology and perform facilities maintenance and repair.

### Congressional Publishing Appropriation

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We are requesting \$79,736,000 for this account, the same level approved for FY 2015 in P.L. 113-235. Unspent prior year balances from this account that have been transferred to GPO's business operations revolving fund are available for the purposes of this account for FY 2015 and FY 2016.

House Report 112-148, accompanying the Legislative Branch Appropriations bill for FY 2012, requires the presentation of budget requirements from a zero base. However, GPO has no control over the workload requirements of the Congressional Publishing Appropriation. These are determined by the legislative activities and requirements of the House of Representatives and the Senate as authorized by the applicable provisions of Title 44, U.S.C. GPO utilizes historical data incorporating other relevant factors to develop estimates of likely congressional publishing requirements. These requirements are used as the basis of the budget presentation for this account.

For FY 2015, we estimate that total congressional publishing requirements will be \$82,669,000, using projections based on prior year data. We plan to use \$2,933,000 of transfers from the unexpended balances of prior year appropriations to help offset these requirements. This reduced our need for new funding to \$79,736,000, the level that has been approved for this year.



For FY 2016, we estimate that total congressional publishing requirements will be \$85,750,000, using projections based on prior year data. We plan to use \$6,014,000 that is available in unexpended prior funds to offset part of these requirements, resulting in our request for \$79,736,000 in new funding. Additionally, we plan to set aside \$7,478,000 in transferred unspent prior year funds to finance the continuing development of our Composition System Replacement project, which will implement an XML-based composition system in place of our 30-year old Microcomp system. This year, we plan to request approval for the transfer of approximately \$540,000 in unspent prior year funds to our Business Operations Revolving Fund, to help cover future congressional publishing requirements.

The estimated requirements for FY 2016 include a projected price level increase of \$1,881,000, primarily to cover employee pay increases equivalent with those paid government wide. Additionally, there is a \$1,200,000 increase to cover anticipated volume requirements as derived from historical data, principally for the *Congressional Record*, calendars, and hearings. Partially offsetting these increases are volume decreases projected primarily for documents, bills, and committee prints.

#### Public Information Programs of the Superintendent of Documents

We are requesting \$30,500,000 for this account, representing a decrease of \$1,000,000 or 3.2% from the amount approved for FY 2015 in P.L. 113-235. As with our Congressional Publishing Appropriation, unspent prior year balances from this account that have been transferred to GPO's business operations revolving fund are available for the purposes of this account for FY 2015 and FY 2016. The requested amount is based on the outcome of using zero-based budgeting to determine the proper levels of funding needed to perform program activities at minimum levels, as directed by House Report 112-148.



The funding we are requesting for FY 2016 will cover mandatory pay and related cost increases of \$342,000. Merit and other pay increases are included for 94 FTE's, the same as for FY 2015. In addition, the requested funding covers projected price level increases of \$175,000, including ongoing systems maintenance and FDsys operating expenses.

Unspent prior year appropriations balances that have been transferred with the approval of the Appropriations Committees to our Business Operations Revolving Fund, totaling \$1,517,000 will be used to fund the continuation of cataloging and indexing efforts to harvest and catalog historical publication for digital preservation. In 2015, we plan to request approval for the transfer of an additional \$6,000,000 in unspent prior year funds to support GPO's digitization efforts to expand and develop new digital content and maintain the integrity of the system as a trusted digital repository.

#### Business Operations Revolving Fund

We are requesting \$9,764,000 for this account, to remain available until expended, for continued information technology projects and necessary facilities projects. This compares with \$8,757,000 that has been appropriated for FY 2015.

## Information Technology Projects \$5,532,000

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### FDsys Projects - \$4,000,000

- **General Development (\$3,050,000)** – Development of new FDsys features to support identified needs of key stakeholders, including developing new content collections, increasing content in existing collections, enhancing the accessibility of content, and increasing the discoverability of information in FDsys.
- **NextGen FDsys Public Website (\$450,000)** – Completion of development and launch of FDsys NextGen to support a responsive user interface, search engine replacement, public ation linking, user interface improvements, and content curation.
- **Certification of FDsys as a Trustworthy Digital Repository (\$250,000)** – Development to support the certification of the FDsys Preservation Repository as a Trustworthy Digital Repository.
- **FDsys Infrastructure (\$250,000)** – Infrastructure for the hardware, storage, and infrastructure environments to manage system performance as FDsys content and usage continues to grow, including support for GPO efforts to migrate FDsys infrastructure components to the Cloud.



### Enterprise System Upgrades \$1,532,000

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- **Core Router/Switch Replacements (\$400,000)** – Replacement and upgrade for segments of GPO's existing core routing infrastructure that have reached end of life.
- **Itanium Servers (\$400,000)** – Replacement and upgrade of the servers that support GPO's publishing and printing capabilities.
- **Enterprise Storage (\$300,000)** – Infrastructure funding is necessary to ensure that GPO's IT storage capacity continues to grow to support the agency's application and data storage requirements.
- **Data Communications Equipment (\$232,000)** – Replacement and upgrade of core communications equipment that has reached end of life.
- **Web Filtering (\$200,000)** – Replacement and upgrade of the web filtering equipment that protects GPO users from accessing malicious and/or inappropriate internet sites.

### Facilities Projects \$4,232,000

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- Ⓜ **Upgrade Electrical Substation (\$3,500,000)** – There is only one 480V substation in all of GPO's Buildings A, B and C. New, more efficient equipment is 480V by standard (including elevators as well as production equipment). Without upgrading our substation, we risk running out of power to produce essential work for Congress and Federal agencies.
- Ⓜ **Structural Evaluations and Remedy Actions (\$400,000)** – We have areas of concrete floors that are degrading to the point where they may fail. This funding is to continue any third party structural analysis and for ongoing repairs on the areas in the worst shape.
- Ⓜ **Roof replacement (\$332,000)** – This represents the remaining phase of our multi-year roof upgrade to improve energy efficiency and reduce the potential for damage and health and safety concerns that can result from leaks in areas that are currently compromised.

Chairman Graves, Ranking Member Wasserman Schultz, and Members of the Subcommittee, this concludes my prepared statement and I look forward to working with you and members of your staff as you consider our appropriations request for FY 2016.



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