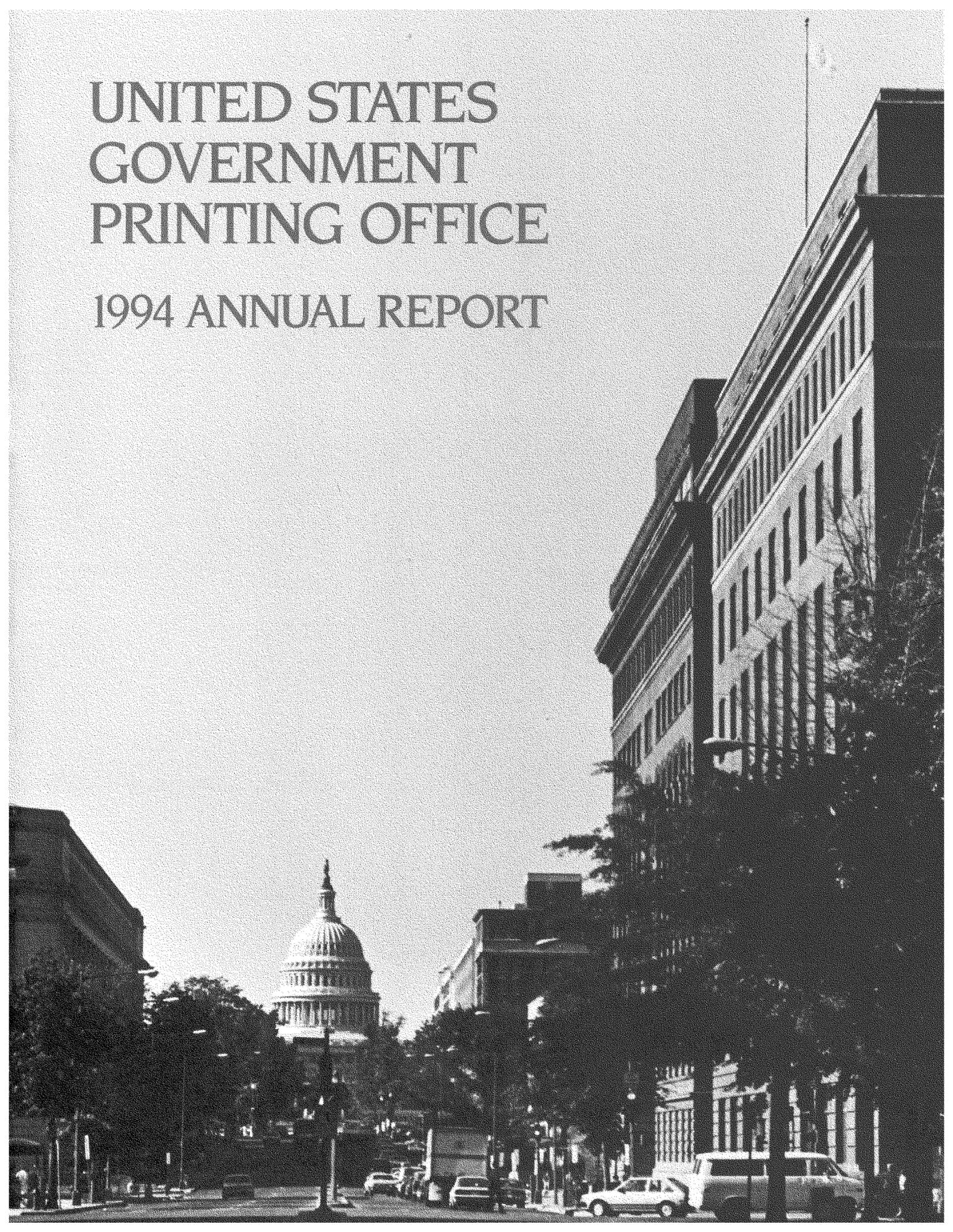


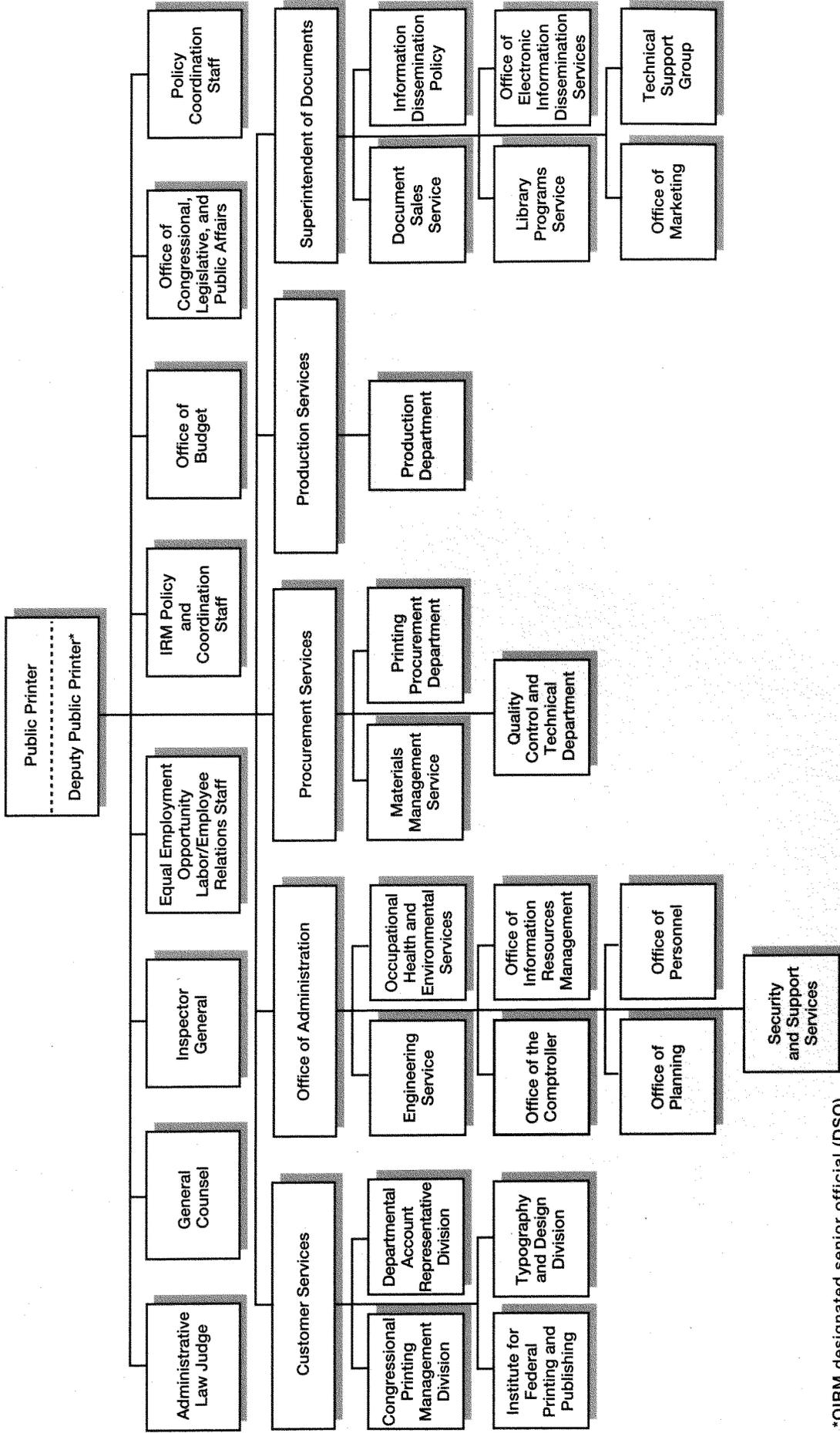
UNITED STATES GOVERNMENT PRINTING OFFICE

1994 ANNUAL REPORT



U.S. Government Printing Office

(as of September 30, 1994)



*OIRM designated senior official (DSO).

UNITED STATES
GOVERNMENT
PRINTING OFFICE
1994 ANNUAL REPORT



PRODUCTION AND DISTRIBUTION NOTES

This publication was printed in vegetable ink on alkaline recycled paper.

Printed copies have been distributed to approximately 1,400 Federal depository libraries nationwide where they are available for the free use of the public. Contact GPO's Library Programs Service at (202) 512-1119 to find the Federal depository library nearest you.

Printed copies are also available on request without charge from GPO's Office of Congressional, Legislative, and Public Affairs at (202) 512-1991.

The electronic text of this publication is available free of charge from GPO's Federal Bulletin Board. Telnet to: **fedbbs.access.gpo.gov**, or dial-in (202) 512-1387. From the main menu, type: **s annual report <enter>**.

CONTENTS

Public Printer's Message	1
Financial Highlights	3
Printing for Congress	10
Printing for Federal Agencies	20
Electronic Information Dissemination	25
Printing Papers and Inks	27
Superintendent of Documents	30
Administrative Operations	37
Financial Statements	40
Consolidated Financial Statements	43
Notes to Consolidated Financial Statements	48
Supplemental Schedules	60

We usually think the information products of the Government Printing Office (GPO)—regulations, reports, and statistical data—are used only by researchers, lobbyists, and big business. But the truth is they are used just as much by everyday people, in all walks of life, and often for purposes that are compellingly human.

Not long ago, information distributed by GPO to depository libraries, where it is available free of charge to public users, had a dramatic impact on the life of a 2-year-old child. The child's father had kidnapped him from his home in California and taken him to Iraq. His mother, who sought information on how to locate abducted children overseas, was referred to the nearby depository library in Arcadia by local officials.

Using the library's depository collection, the child's mother identified the names and addresses of Iraqi officials. She used the State Department's International Parental Child Abduction document, which includes information on abductions abroad, the role of U.S. authorities, and a step-by-step guide for conducting a search. She also made photocopies of useful forms, such as the State Department's "Application for Assistance Under The Hague Convention on Child Abduction." With this information, the young mother was able to locate and ultimately recover her son.

The free access to information provided through depository libraries has helped many Americans in a wide variety of ways: to find a job, start a small business, plan a trip abroad, become a U.S. citizen, obtain educational opportunities, improve health care, and more. With nearly 1,400 depository libraries nationwide, GPO's Depository Library Program serves millions of people each week. Along with our



Sales Program, which distributes millions of low cost publications annually, the Depository Library Program is one of the most important parts of GPO's commitment to keep the American public informed.

For many years, GPO fulfilled that commitment by producing and distributing printed publications. With the advent of the information superhighway, however, we expanded public access to Government information electronically. In 1994, we inaugurated our GPO Access online interactive system. Using the Internet, GPO Access links the public with the online Congressional Record, Federal Register, congressional bills, General Accounting Office reports, the U.S. Code, and other important information resources.

As required by law, we offer sales subscriptions to GPO Access at the incremental cost of dissemination. GPO Access is free of charge, however, to depository library users, including users in the libraries themselves as well as those who are electronically linked to the libraries through offsite

gateways operating around the clock, every day. To date, more than 500 depository libraries are linked with GPO Access, and more than 20 public gateways are open in 18 states and the District of Columbia. We now provide a direct electronic link to the various gateways via GPO's home page on the World Wide Web, which can be reached at <http://www.access.gpo.gov>.

The response to GPO Access has been overwhelmingly positive. At this writing more than 3.2 million documents have been downloaded via the service, and the monthly rate of downloads—currently about 750,000, or nearly 20 documents every minute of the day—continues to grow. In December 1994, GPO Access won the Federal Technology Leadership Award in a competition sponsored by Government Executive magazine and the Office of Management and Budget. GPO Access also won the 1995 James Madison Award from the Coalition on Government Information for promoting improved public access to Government information.

GPO Access builds on other successful electronic efforts undertaken by GPO. Since 1988, GPO has been a leading Government producer of CD-ROM. In 1992, we received the annual award of the Special Interest Group for CD-ROM Applications and Technology (SIGCAT), the largest CD-ROM user group in the world. The following year, the General Accounting Office cited our CD-ROM program as one of the most cost-effective in the Government, specifically noting that GPO's CD-ROM products are among the least expensive for users. Today, with over 180 titles in CD-ROM, this technology is a standard product line at GPO.

As a result, GPO is widely recognized today as a major producer of electronic information products. Yet printing remains our middle name,

and it continues to represent the largest service we provide. In 1994, we produced or procured approximately 262,000 printing orders for Congress and other agencies in the legislative, executive, and judicial branches, a rate of nearly 1,200 every workday. Three-quarters of this work, valued at approximately \$527 million, was procured by GPO from the private sector printing industry. GPO's Printing Procurement Program generated jobs and tax revenues throughout the printing industry while ensuring the Government's printing needs were obtained at the lowest possible cost to taxpayers.

The balance of GPO's work—primarily congressional printing jobs, Federal Register publications, and U.S. passports and postal cards—is produced inhouse in our central plant in Washington, DC. Unlike other Government printing which is considered commercially procurable, these core Government printing jobs have special requirements for timeliness and control. Congressional work alone, including the daily Congressional Record, bills, resolutions, amendments, reports, and hearings, totaled nearly 2.4 billion copy pages in 1994. All of this work was produced in accordance with the strict time schedules established by Congress for the conduct of legislative business, and in direct cooperation with the leadership offices in both Houses.

Printing modernization occupied much of our attention in 1994, as we incorporated new technologies into GPO's operations to improve service and reduce costs. For example, the Secretary of the Senate and GPO initiated a print-on-demand project utilizing a networked copier system to reduce the storage of printed documents. Instead of printing large volumes of documents on the initial press run, additional copies can be called up on the system, which is lo-

cated in the Senate Document Room, and printed out as needed. We are using print-on-demand technology in our main plant with great success and are looking forward to working with the House of Representatives on a similar initiative. This technology has the potential for achieving substantial savings and improving customer information options in both GPO's print production and documents dissemination programs.

Despite advances made in technology utilization, a declining volume of work coupled with a printing price structure that has remained unchanged since 1990 continued to overshadow GPO's financial results in 1994. Revenues decreased by \$13.5 million to \$803.1 million. Expenses declined also, but by a lesser amount (\$5.8 million to \$824.9 million). The result was an under-recovery of cost of \$21.8 million for the year. However, we were able to sustain the under-recovery out of retained earnings with no additional financial assistance.

Only part of the under-recovery was attributable to an operating loss. Nearly 40 percent, or \$8.7 million, was due to payments GPO made in the first quarter of the fiscal year pursuant to a retirement incentive program authorized by Congress in the Legislative Appropriations Act of 1995. The program resulted in the separation of 357 employees, with annual salaries totaling \$17.5 million, and will generate substantial savings for GPO in coming years. The direct operating under-recovery for the year, \$13.1 million, was 7 percent less than the under-recovery of \$14.1 million experienced in 1993.

Restoring GPO's financial condition to full cost recovery was a primary concern for both GPO management and the Joint Committee on Printing (JCP) in 1994. In May, the JCP passed a resolution directing GPO, in the

fourth quarter of FY 1994 and for all of FY 1995, to meet its obligations from revenues collected with no increase in prices. Despite the overall under-recovery for the year, we fulfilled the obligation to break even in the fourth quarter. Actions continued in 1995 to reduce expenses, including no wage increases, downsizing the workforce through managed attrition, increasing the utilization of cost-saving technologies, discontinuing selected regional operations, and consolidating functions. By the end of 1994 GPO had its smallest staffing complement in the post-World War II era, a reduction made possible almost entirely by productivity gains from computer-driven technology implemented over the past several years.

We are committed to changing GPO into a leaner, more efficient, high-tech agency, and to do so without jeopardizing the timely delivery of essential products and services ordered by Congress, Federal agencies, and the public. We are beginning to improve GPO's financial condition without hindering our transformation into a value-added provider of Government information in a variety of formats, both print and electronic. Compared to where we were even a year ago, we are now a major provider of online Government information not only as a retailer, but as a producer and wholesaler of electronic databases to other Government information providers, both public and private. GPO will continue to build on this ongoing transformation to maximize our responsibility under the law to keep America informed.

Michael F. DiMario

MICHAEL F. DiMARIO
Public Printer
October 1995

The public printing and documents chapters of Title 44 of the U.S. Code require GPO to fulfill the printing needs of the Federal Government and distribute Government publications to the public. In addition, a 1993 amendment to Title 44 requires GPO to provide a number of online dissemination and related services.

GPO fulfills its printing responsibility by producing publications in-plant or procuring them from private sector printers. GPO's printing production and procurement activities are performed at a central office facility in Washington, DC, and by 6 regional printing plants, 14 regional procurement offices, and 6 satellite procurement facilities around the Nation.

Publications distribution activities are overseen by GPO's Superintendent of Documents, and include sales of publications, distribution to depository and international exchange libraries, agency and statutory distribution, and the cataloging and indexing of Government documents. These activities are performed from centrally located operations in Washington, DC; distribution centers in Laurel, MD, and Pueblo, CO; and from 23 GPO bookstores nationwide.

GPO FINANCES

Revolving Fund

All GPO activities are financed through a business-like revolving fund. The fund is used to pay all of GPO's costs in performing congressional and agency printing, printing procurement, and distribution activities. It is reimbursed by payments from customer agencies, sales to the public, and transfers from GPO's two annual appropriations, the Congressional Printing and Binding Appropriation and the Salaries and Expenses



Appropriation of the Superintendent of Documents.

The revolving fund is GPO's checking account with the U.S. Treasury. GPO pays its expenses from this account either with a check or electronic transfer. The fund is reimbursed when the Treasury Department makes an accounting entry that 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 Printing and Binding and Salaries and Expenses Appropriations, and to deposits of funds collected from sales to the public.

Most executive branch agencies use the Treasury Department's electronic payment system known as OPAC, for Online Payment and Collecting System. Cash does not change hands when the Treasury Department processes these payments to GPO; Treasury simply makes a bookkeeping entry that reduces the customer agency's appropriation account and increases GPO's revolving fund account. However, the Defense Department (DOD), which is one of GPO's major customers, is not on the OPAC system. As a result, GPO's accounts receivable from DOD were

\$23 million at the end of 1994. GPO has been working with DOD to expedite the payment of funds owed for work performed.

GPO maintains a cash balance in the 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 our appropriations.

Accrual Accounting System

When Congress established GPO's revolving fund in 1954, it also required GPO to establish an accrual system of accounting for the fund. This requirement is in section 309 of Title 44, U.S.C.

Under the accrual method, financial transactions are recorded in the accounts when they occur regardless of when the payments are actually made. Revenue for plant printing operations is recognized when the work is performed. Revenue from printing procurement is recognized on the date the contract requirements are fulfilled. Revenue from distributing and selling publications is recognized when publications have been shipped or when services have been performed. This differs from cash basis accounting which records transactions in the accounts when payments are made or received.

A significant benefit of accrual accounting is that if, as in the case of DOD, payments are not made to GPO on a timely basis, operating results (as reported in the financial statements) are not affected and GPO can still properly report all of its revenues, expenses, and net income. This was the intent of Congress when it required accrual accounting for GPO.

GPO produces financial statements that have been approved as to their reliability by the General Accounting Office (GAO) and its contractor, Arthur Andersen LLP.

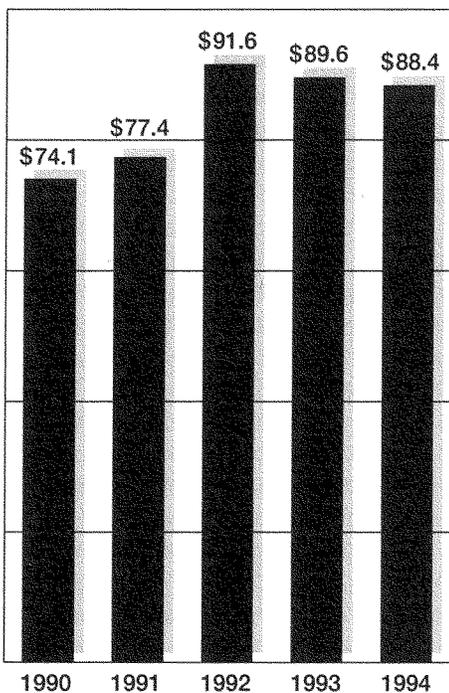
Retained Earnings

Under GPO's system of accrual accounting, small annual earnings generated since the inception of the revolving fund have been accumulated as retained earnings. Retained earnings make it possible for GPO to fund plant and equipment modernization without requesting additional appropriations from Congress.

An accumulation of retained earnings over the past 40 years has also created a strong balance sheet position for GPO, enabling it to withstand recent yearend losses. However, it also means that GPO's costs, which are supposed to be recovered by the printing rates, are instead being subsidized out of retained earnings that otherwise should be available for modernization. At the beginning of FY 1994, GPO's retained earnings were \$151.8 million; at the end of the year, they were \$130.1 million.

Congressional Printing and Binding Appropriation

(in millions of dollars)



Appropriated Funds

GPO has two annual appropriations, each for specific purposes. The Congressional Printing and Binding Appropriation is used to reimburse the revolving fund for costs incurred in performing congressional work. The Salaries and Expenses Appropriation of the Superintendent of Documents is used to pay for costs associated with depository distribution, cataloging and indexing, statutory distribution, and international exchange distribution. The reimbursements from these appropriations are included in GPO's total revenue.

Unlike most appropriations to other Federal agencies, these appropriations are for work that GPO itself does not control. The Congressional Printing and Binding Appropriation in effect is an appropriation by Congress to itself to cover the costs of its own printing. The appropriation is made to GPO to relieve Congress of the burden of maintaining detailed accounting records for all the printing ordered from GPO both by law and by other congressional requisitions, as well as the burden of estimating the anticipated volume of congressional printing that is used as the basis for the appropriation.

Congress, not GPO, controls the rate of spending of the Congressional Printing and Binding Appropriation. GPO can transfer funds from the appropriation to the revolving fund when, and only when, it performs congressional printing; the appropriation is not available for expenditure for any purposes other than congressional printing. While GPO does its best to estimate the volume of congressional printing in any given year, that volume can change due to circumstances beyond GPO's control.

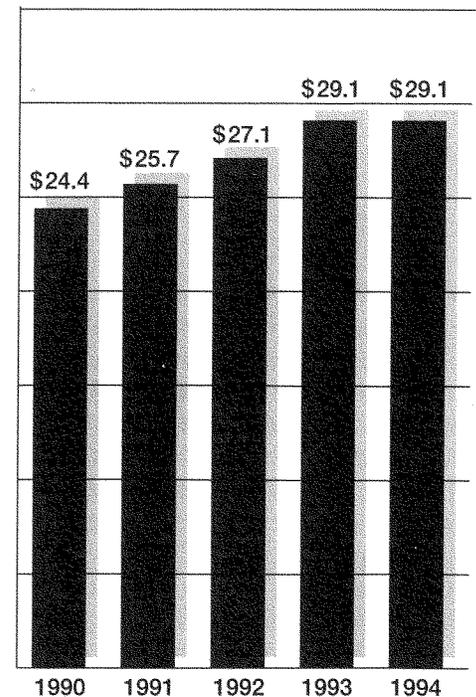
If congressional requisitions fall short of GPO's estimate, there will be

a balance remaining in the appropriation at the end of the year. If Congress's requirements exceed GPO's estimate, GPO will continue to fulfill them, and Congress will in effect spend more than it appropriated. As a result, there will be a shortfall in the appropriation for which GPO would need additional funding in a subsequent year. In recent years, there were a number of shortfalls in the Congressional Printing and Binding Appropriation, which were subsidized out of GPO's retained earnings until the shortfalls were reimbursed by subsequent appropriations.

The Salaries and Expenses Appropriation of the Superintendent of Documents primarily funds the distribution of documents to depository libraries. As long as Federal publications meet the requirements established by law for depository distribu-

Salaries and Expenses Appropriation

(in millions of dollars)



tion, GPO is required to distribute the publications and thereby incur the distribution cost. The volume of this work, and thus the rate of spending for the majority of the Salaries and Expenses Appropriation, is determined by the publishing activities of Federal agencies and Congress, not by GPO.

Funding for the statutory distribution of publications, the distribution of publications to international libraries, and for cataloging and indexing publications is also spent at a rate determined by publishing activities external to GPO. GPO uses the funding provided by the Salaries and Expenses Appropriation primarily in a ministerial role to ensure that the distribution requirements established by law are fulfilled. Like the Congressional Printing and Binding Appropriation, the Salaries and Expenses Appropriation is not available for purposes other than those specifically required and authorized by Title 44.

For FY 1994, the Congressional Printing and Binding Appropriation was \$88.4 million. The Salaries and Expenses Appropriation of the Superintendent of Documents was \$29.1 million.

Annual Budget

For 1994, the total operating expenses charged against GPO's budget (after intraprogram eliminations) were \$824.9 million, including separation incentive payments of \$8.7 million, compared with \$830.7 million in 1993. Appropriated funds from Congress provided a total of \$99.5 million of this amount, or about 12 percent. All other GPO activities, including inplant printing, procured printing, sales of publications, agency distribution services, and all administrative support functions, were financed through the revolving fund by revenues generated by payments from agencies and sales to the public.

The single largest component of GPO's annual expenses is procured printing. In 1994, the cost of procured printing totaled \$469.4 million, or about 57 percent of total expenses (after intraprogram eliminations). The second largest component was personnel compensation and benefits. These components totaled \$227.8 million in 1994, or about 28 percent of all expenses.

GPO PRICING

Scale of Prices

All GPO inplant printing, including congressional printing, is priced according to all-inclusive hourly rates. These rates combine the costs of labor, machine time, and overhead, which includes the costs of direct production support as well as general and administrative support costs, into standard rates for each production operation and class according to the kinds of work performed. The time spent on each operation and class is logged into the automated Production Reporting of Operations Budgeting and Expenditures (PROBE) system. Production rates are then applied to the PROBE data and added to materials costs to determine final job costs.

Ordinarily, inplant rates in the Scale of Prices are adjusted periodically to ensure they are set at full cost-recovery levels. However, the Scale has not been adjusted since 1990. A JCP resolution, enacted in 1994 and applicable to the fourth quarter of FY 1994 and all of FY 1995, required GPO to finance all of its expenses out of existing revenue without raising prices.

Procurement Surcharge

Generally, procured work is billed at the contractor's cost of the pro-

cured job plus a 6 percent surcharge. However, there is a \$10 minimum for small orders. The surcharge is applied up to a job cost of \$100,000, after which the rate decreases to 3 percent, with a dollar maximum of \$10,000.

The surcharge covers all of the costs of contracting work, such as drafting specifications and bidding, awarding, and administering contracts, plus associated work, such as certifying the vouchers submitted by contractors and paying them, and billing the agencies for the work performed. Other services covered are the provision of legal advice to contracting officers and dispute resolution through GPO's Board of Contract Appeals.

Occasionally, a rush job through GPO's Printing Procurement Program may be billed a 9 percent surcharge for expedited work. In reality, however, few procured jobs are billed at 9 percent since most existing contracts are capable of handling expedited work on a routine basis.

Sales Prices

Under section 1708 of Title 44, publications offered for sale by the Superintendent of Documents are to be sold at "cost, as determined by the Public Printer, plus 50 percent." Costs include the cost of printing and binding, handling, and postage. The 50 percent factor covers the costs of reprints, statutorily authorized 25-percent discounts to bookdealers and quantity purchasers, unsalable publications, and related expenses. The typical publication ranges in price from 50 cents to \$17, with the average price of about \$11. This compares favorably with the average prices for similar books in the private sector bookdealing industry. Even at these low prices, the Sales Program has fully recovered its costs in every fiscal year since 1982.

The Congressional Record and the Federal Register are priced under different sections of Title 44. Section 910 limits the price of subscriptions and individual issues of the Record to the cost of printing and distribution. There is no 50 percent increment. The current price of an annual subscription to the Record is \$225. The price of subscriptions and individual issues of the Federal Register is determined by the Administrative Committee of the Federal Register, pursuant to section 1506. An annual subscription to the Register today, including the daily Register, the Federal Register Index, and List of Sections Affected, is priced at \$490.

Under P.L. 103-40, the GPO Access service is provided without charge to Federal depository libraries. The libraries, in turn, provide free public access to the service. Fees for other users are priced without regard to section 1708 of Title 44 and are set so as to recover the incremental cost of dissemination.

UNDER-RECOVERY OF COSTS

Since 1991, GPO has under-recovered its costs at yearend. The under-recoveries have resulted from the combined effects of printing rates which have been frozen since 1990, a decline in the volume of printing orders, and a highly competitive private sector market for printing which has had a downward effect on prices and thus on GPO's revenues from the procurement surcharge.

No adjustment to the printing rates since January 1990 has left GPO unable to fully recover the costs that have increased in the interim, including mandatory and negotiated pay increases as well as increases in the cost of utilities, materials, and supplies. Ordinarily, rates that under-recover

their costs would not be as serious in the presence of a stable or increased workload volume, since only marginal cost reductions would have been required to offset their impact. The combination of under-recovering rates with a decreasing workload volume, however, has necessitated aggressive cost-reduction measures.

The losses sustained since 1991 have been marginal compared to total revenues. In FY 1991, the loss was one-tenth of one percent of total revenues. In FY 1992, it was six-tenths of one percent. In FY 1993, it was 1.7 percent. The largest under-recovery to date of \$21.8 million was experienced in FY 1994 and was only 2.7 percent of total revenues. However, that included \$8.7 million for retirement incentive pay, yielding a direct operating under-recovery of 1.6 percent of total revenues. GPO has sustained these under-recoveries out of retained earnings rather than through additional funding from Congress.

The primary means for reducing costs has been through downsizing GPO employment. Other measures have included a continued freeze on hiring, deferred maintenance on buildings and equipment, planned closures of selected regional operations, consolidation of functions from leased to owned space, restrictions on travel and training, and the continued review of all GPO functions to ensure they are essential to mission requirements.

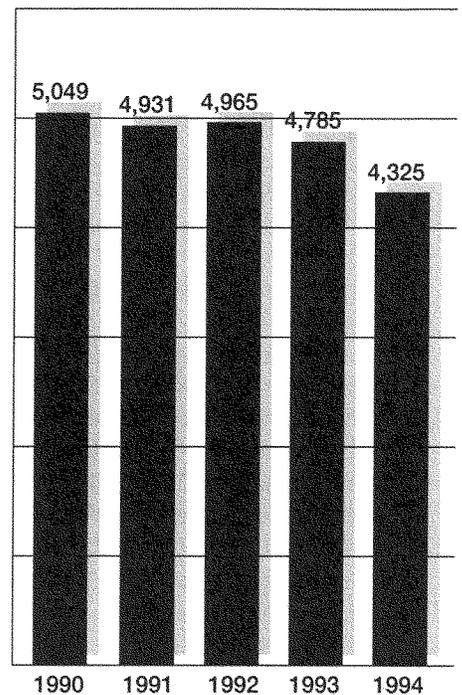
GPO EMPLOYMENT

During 1994, GPO utilized 4,248 full-time equivalents (FTE's), less than the level of 4,493 FTE's established by the 1994 Legislative Branch Appropriations Act.

On September 30, 1994, there were 4,325 employees on board, a decrease of 460, or 10 percent, from the previ-

GPO Staffing Levels

(on board as of September 30)



ous year. Of these, 60 percent were employed in printing and binding operations, 20 percent in Superintendent of Documents operations, and the remaining 20 percent in administrative and executive operations. GPO's gross payroll in 1994 was \$7.4 million per payday.

GPO recognizes 16 labor unions which represent employees in 21 bargaining units throughout the Nation. Under the provisions of the Federal Service Labor-Management Relations Statute, GPO deals with unions on all personnel policies, practices, and matters affecting working conditions other than wages. Wages are negotiated under the provisions of section 305 of Title 44, known as the Kiess Act, with 13 unions representing 18 bargaining units containing approximately 3,500 employees.

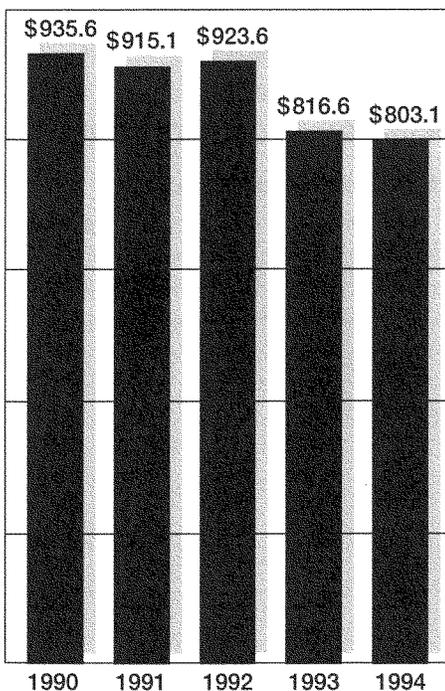
RESULTS OF GPO OPERATIONS FOR FISCAL YEAR 1994

GPO experienced an under-recovery of \$21.8 million in FY 1994, compared with an under-recovery of \$14.1 million in FY 1993. The change was attributable to a continuing decline in printing requisitions submitted by Federal agencies, a continued freeze on GPO prices, reduced income from printing procurement, increased costs due to negotiated and mandatory payraises, and separation incentive payments to employees.

Consolidated revenue decreased from \$816.6 million in 1993 to \$803.1 million. The largest decrease was in Printing and Binding Operations, where revenue decreased \$15 million. Total expenses decreased also, from \$830.7 million in 1993 to \$824.9 million, primarily as the result of a de-

GPO Consolidated Revenues

(in millions of dollars)



crease of \$3.5 million in printing and reproduction procured from commercial printers.

Retirement Incentive Program

The results of operations for FY 1994 were impacted by a retirement incentive program conducted by GPO in the first quarter of the year pursuant to statutory authority provided in the Legislative Appropriation Act of 1994. Under this program, retirement-eligible employees were paid \$25,000 or their severance, whichever was less, to separate from Government service. A total of 357 employees, with annual salaries totalling \$17.5 million, left GPO under the program by the end of the first quarter. Total separation payments to these employees were \$8.7 million, resulting in a \$4.8 million net savings to GPO in FY 1994. This savings reduced overall expenses for the year.

The total under-recovery of \$21.8 million reported for FY 1994 included the \$8.7 million in separation payments made under the retirement incentive program. Excluding this non-recurring cost, the under-recovery for the year was \$13.1 million, or \$1 million less than the under-recovery reported for FY 1993.

Printing and Binding Operations

In 1994, printing and binding operations generated revenue of \$726.8 million compared with \$741.8 million in 1993. Printing and binding revenue represented approximately 90 percent of GPO's consolidated revenue.

Revenue from commercially procured printing was \$526.8 million compared with \$530 million in 1993. Excluding revenues from sales of blank paper and other operations, which were \$20.3 million in 1994 compared with \$19.9 million in 1993, printing procurement revenue repre-

sented approximately 74.5 percent of total printing and binding revenue.

During the year, GPO received approximately 262,000 printing orders, compared with 279,000 in 1993. This was an average of approximately 1,200 orders per day.

GPO used or sold 43,300 tons of paper in 1994, compared with 44,300 tons in 1993. Of the amount used or sold in 1994, 55 percent was used for inplant printing and 45 percent was sold to Government agencies.

Central Office Plant Printing

Operations: In 1994, revenues from printing produced in the central office plant were \$147.5 million (exclusive of paper issued to plant work and intraprogram eliminations, or \$28.7 million), compared with \$157.6 million in 1993. Expenses were \$164.1 million, compared with \$165.1 million the previous year. As a result, the central office plant under-recovered \$16.6 million, compared with an under-recovery of \$7.5 million in 1993.

Materials Handling Operations, which directly support plant operations, under-recovered \$4.1 million compared with an under-recovery of \$5.6 million in 1993.

Congressional Printing and Binding Operations:

For 1994, reimbursements to the revolving fund from the Congressional Printing and Binding Appropriation were \$75.3 million compared with \$80 million in 1993. In 1994 the shortfall in appropriations resulting from prior years was eliminated. The shortfall resulted because Congress ordered printing that cost more than was appropriated for congressional printing and binding.

Other Operations: Other Operations consist of non-operating income including the sale of retired fixed assets, the GPO parking program, and other transactions. Other Operations generated net income of \$949,000 in 1994 compared with a net income of \$671,000 in 1993.

Regional Plant Printing Operations:

Regional printing operations generated revenues of \$5.3 million in 1994 compared with \$7.3 million in 1993. Expenses were \$7.6 million compared with \$8.5 million the previous year. As a result, these operations sustained a combined under-recovery of \$2.3 million compared with an under-recovery of \$1.2 million in 1993. In May 1994, a satellite facility in Juneau, Alaska, was transferred to GPO from the General Services Administration (GSA).

Printing Procurement Operations:

Central office and regional printing procurement operations under-recovered their costs by \$6.2 million in 1994 compared with an under-recovery of \$4.2 million in 1993. A highly competitive printing procurement market and reduced prices for paper depressed the cost of procured printing, which reduced the income from the procurement surcharge. Total revenues were \$526.8 million compared with \$530

million the previous year. Total expenses were \$532.9 million compared with \$534.2 million in 1993.

Revenue from central office printing procurement activities was \$322.4 million compared with \$326.5 million in 1993. Expenses, comprising primarily the cost of purchased printing, were \$323 million compared with \$324.7 million the previous year. These activities under-recovered their costs by \$641,000 compared with net income of \$1.7 million in 1993.

Regional printing procurement revenues were \$204.5 million compared with \$203.5 million in 1993. Expenses increased to \$210 million from \$209.5 million the previous year. Regional printing procurement operations decreased the under-recovery of their costs to \$5.5 million in 1994 compared with an under-recovery of \$5.9 million the previous year.

Superintendent of Documents Operations

Sales Program: The Sales Program generated net income of \$6.2 million in 1994 compared with net income of \$3.6 million in 1993. Sales revenue decreased to \$81.9 million from \$84.1 million in 1993, due primarily to a decline in the number of customers. Expenses decreased to \$75.7 million from \$80.5 million the previous year.

Revenue from sales of Government publications in electronic formats increased in 1994, to \$1.5 million compared with \$1.1 million in 1993. Bookstore revenue increased to \$16.5 million from \$15.5 million in 1993.

Agency Distribution Services: On behalf of certain Federal agencies, GPO distributes publications to recipients they designate and charges for the cost of services performed. In 1994, this program generated \$5.6 million in revenue on \$5.4 million in costs, yielding net income of \$250,000. Net income in 1993 was \$114,000.

Salaries and Expenses Programs:

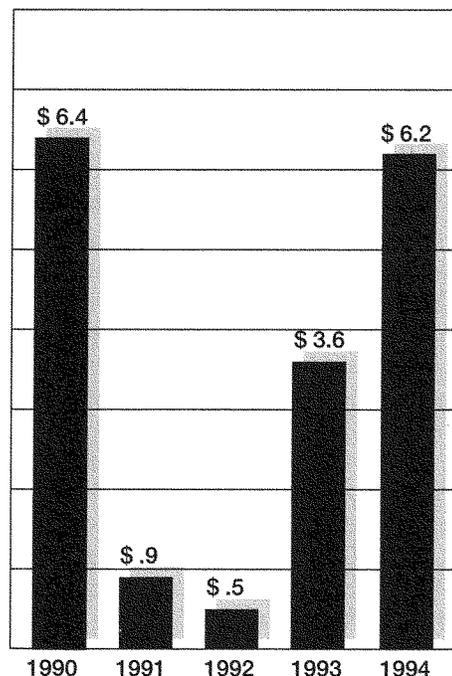
Salaries and expenses associated with the operation of the Depository Library Program, the Statutory Distribution Program, the Cataloging and Indexing Program, and the International Exchange Program were \$23.9 million in 1994, compared with \$26.2 million in 1993. These costs were funded by the Salaries and Expenses Appropriation of the Superintendent of Documents.

GPO Capital Expenditures

Capital expenditures for all GPO operations and programs in 1994 were \$17.3 million compared with \$8 million in 1993. Major expenditures included construction for the relocation of employees from leased space at Union Center Plaza in Washington, DC, to the central office; the acquisition and installation of 3 new web offset presses for printing the Congressional Record and the Federal Register; an on-demand printing system; and additional equipment upgrades.

Net Income from Sales of Publications

(in millions of dollars)



CASH AND DEBT MANAGEMENT PERFORMANCE MEASURES

Payment Performance

In 1994, GPO continued its strong payment performance by taking prompt payment discounts when it was to the Government's advantage. GPO's total purchased printing expense for 1994 was \$488.8 million after taking prompt payment discounts of \$7.2 million. The ratio of discounts to net purchased printing was 1.47 percent. This compares favorably with the goal for 1994 of a 1.4 percent prompt payment discount ratio. Discounts lost increased to \$218,000 in 1994 from \$178,000 the previous year.

Electronic Payments

Since 1988, GPO has been using electronic funds transfer (EFT) for payments to commercial printing contractors. GPO expanded its use of EFT in 1989 to include payroll and savings allotments. The use of electronic payments results in a savings to GPO and the U.S. Treasury, since paper checks do not have to be produced and processed. Each month in 1994, GPO made approximately 22,500 EFT payments, or nearly 72 percent of all payments. This compares with 23,400 EFT payments per month, or 71 percent of all payments, in 1993.

Federal Receivables

In 1994, GPO billed Federal agencies \$715.6 million for printing and binding services. Of this amount, \$405.4 million, or 57 percent, was collected using the Treasury Department's

Online Payment and Collection System (OPAC). The general rule is that the time allowed for payment by the selling terms should not be exceeded by more than 10 or 15 days. GPO's receivables turnover—the number of days it takes to collect accounts receivable from customers—was 199 times per year, or 2 days to collect, from civilian customer agencies. It was 4.9 times per year, or 75 days to collect, from DOD installations.

The average monthly delinquent receivables in 1994 were \$12.4 million, or 32 percent of the average outstanding receivables. DOD was GPO's largest delinquent account, with a monthly average delinquent receivable balance of \$11.5 million, or 93 percent of all delinquent receivables. DOD was also GPO's largest delinquent customer in 1993. At the end of 1994, DOD owed GPO \$23 million. Of

this amount, \$6.5 million was between 31 and 60 days overdue; \$3 million was between 61 and 90 days overdue; and \$13.5 million was more than 90 days overdue.

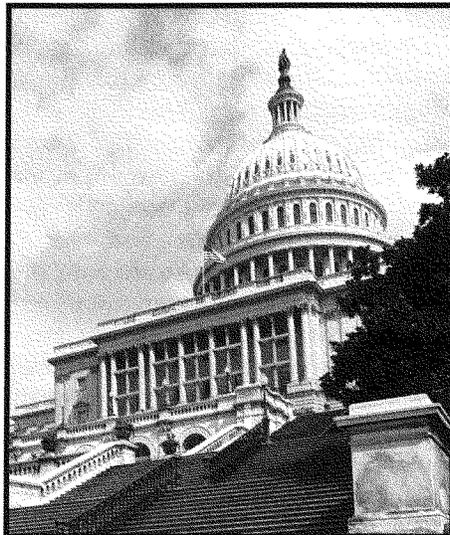
DOD's poor pay performance is a result of the Defense Printing Service (DPS) requiring that all GPO invoices pass through their organization before payment, as well as DOD's failure to use OPAC. The additional layer of administration imposed by DPS has had a negative impact on GPO's ability to collect from DOD. GPO has been working with DOD management to resolve this problem, and a special task force has been established in DOD to research and pay GPO invoices. Another goal of the task force is to convert DOD's payment process from a manual to an electronic system. The conversion is scheduled for FY 1996.

Information is the lifeblood of the congressional process. Bills, amendments, resolutions, hearings, committee reports, committee prints, and most importantly, the record of floor proceedings and debate—all are essential to the conduct of legislative business on Capitol Hill. Without them, congressional business would grind to a halt. That is why the production of congressional printing remains GPO's primary mission. In recent years, technology and the demands of the legislative process have expanded that mission to include the provision to Congress of information products in both print and electronic formats.

The requirement for Congress to publish its proceedings is traceable to Article I of the Constitution. All congressional printing is performed in GPO's central office plant in order to provide Congress with immediate service in a work environment that is under its direct control. Located four blocks north of the U.S. Capitol in Washington, DC, the central office plant is the largest manufacturing facility in the District of Columbia. During 1994, it employed approximately 1,700 production personnel on three shifts.

Before GPO was established in 1860, Congress experimented with a variety of systems of contract printing. These systems were widely acknowledged as failures for their frequent inability to perform the work, but also for the corruption and graft that were often associated with obtaining congressional printing contracts. In addition, contract systems were inordinately expensive.

To remedy these problems, Congress established the closely supervised system of printing in GPO that continues today. Under it, GPO works directly with Congress to ensure that all congressional printing is



done promptly, uniformly, and economically, and is delivered in a timely manner to ensure the orderly conduct of legislative business.

Congress's legislative priorities can and frequently do change on an hourly basis. Changes in these priorities regularly require GPO to change its printing priorities, including removing work from presses to perform makeready and production on more important jobs. To make sure that all congressional printing priorities are met, GPO works directly with the staffs of the leadership of each House of Congress through the Office of the Secretary of the Senate, the Office of the Clerk of the House, and the JCP, which serves the valuable purpose of balancing and mediating between the printing priorities of each chamber.

GPO also works regularly with the Senate Committee on Rules and Administration, the House Committee on House Oversight, other congressional committees (especially the Appropriations Committees), as well as individual Senators and Members of the House to ensure that printing is produced and delivered in accordance with frequently changing legislative schedules. GPO's

Congressional Printing Management Division is the nerve center of this liaison with Congress.

When GPO produces congressional work, it produces copies not only for Congress itself, but for Federal agencies which have standing orders for congressional publications. Copies are also produced for the Superintendent of Documents' Depository Library, Statutory Distribution, International Exchange Distribution, and Sales Programs. For all of these customers, congressional printing adds up to an enormous amount of work. In 1994, the total number of congressional copy pages produced was approximately 2.4 billion.

The printing work produced for Congress and billed to the Congressional Printing and Binding Appropriation in 1994 was \$76.4 million. Congressional work produced for other recipients, such as agencies and the Superintendent of Documents, is reimbursed by these recipients from their own funds. Overall, approximately 52 percent of the work produced in the central office plant in 1994 was congressional. The balance was for the Federal Register and U.S. passports and postal cards, and other executive and judicial branch work (primarily books, pamphlets, and forms).

PRODUCTION CHARGEABLE HOURS

GPO's inplant production inputs, including those used for congressional work, are measured as chargeable hours against which its all-inclusive printing rates are applied. In 1994, central office chargeable hours decreased to 1,259,000 from 1,356,000 in 1993, or 7 percent, reflecting both a reduced workforce and reduced plant workload.

OVERTIME MANAGEMENT

Although GPO can be relied upon by Congress to produce any congressional printing need, it has an ongoing effort to minimize overtime use to absolutely necessary levels. In 1994, total GPO overtime hours increased slightly to 454,000 from 438,000 in 1993, or 4 percent. The increase was due in part to the reduced number of personnel available to produce inplant work during normal working hours. The cost of overtime increased to \$13.4 million from \$12.4 million in 1993, or 7 percent. During the year, however, GPO successfully met its goal of constraining the use of overtime within the maximum of 467,000 hours, the amount of overtime worked in 1991.

THE CONGRESSIONAL RECORD

The most important congressional publication produced in GPO is the Congressional Record, which contains the daily proceedings of the Senate and the House of Representatives. The Record is printed and bound overnight at the central office plant and delivered the next morning every day Congress is in session.

Relation to Constitutional Requirement

Article I, section 5, of the Constitution states that “[e]ach House shall keep a Journal of its Proceedings, and from time to time publish the same . . .” Each House does keep such a journal, but they contain only parliamentary matters, such as procedural motions, actions taken, and votes on roll calls or divisions, and do not contain discussion or debates or otherwise explain the actions recorded in the journals. The Congressional Record, by contrast, is a “substantially verbatim report of proceedings” on

the floor of the House and Senate, as required by section 901 of Title 44.

Early Versions

GPO began printing the Record in 1873. Previously, the proceedings of Congress were privately published in publications with names such as the Congressional Register, the American Senator, the Political Register, the American Register, the Congressional Reporter, the National Intelligencer, the Annals of Congress, the Register of Debates, and the Congressional Globe. These early publications were largely drawn from newspaper accounts and were frequently late in reporting events.

With the beginning of the Annals of Congress, public funds were used to publish congressional proceedings. But it was not until the advent of the Congressional Globe, which debuted as a weekly in 1833 and by 1865 had moved to a daily, that Congress moved toward a contemporaneous account of its proceedings. However, high costs and uncertain production schedules continued to present problems. As a result, Congress shifted production of the proceedings to GPO in 1873.

Statutory Requirement

GPO today is required by section 906 of Title 44 to print “the public proceedings of each House of Congress” in the Congressional Record every day Congress is in session. The law also establishes what goes in the Record (“the legislative program for the day, a list of congressional committee meetings and hearings and the place of meeting and subject matter . . . [and] a brief resume of congressional activities for the previous day”). Other information to be contained in the Record is established by Congress. The rules of the House of Representatives, for example, require conference reports to be printed in the Record.

Content

The Record contains the proceedings and debates of both Houses of Congress. An issue may contain up to 4 sections: Senate proceedings, House proceedings, a section called Extensions of Remarks used by Members of the House to reproduce documents or remarks not spoken on the floor, and a section called the Daily Digest providing a summary of the day’s activities.

Also reported in the Record are bills introduced, notifications of messages received from the executive branch, and notices of meetings and hearings.

Official Purpose

The Record is the official record of the U.S. Congress. In remarks on the floor of the Senate (later reprinted in *The Senate 1789–1989: Addresses on the History of the United States Senate*, Vol. 2, pp. 311–25), Senator Robert Byrd said:

The Record is a vital instrument of the legislative process without which our work would be greatly hampered. We rely on the Record to follow the progress of legislation in both houses, from a bill’s introduction to its passage or defeat. When we are busy with committee meetings or other Senate business, we depend on the Record for a complete account of the floor discussion we might have missed. When we have completed our work, the Record, together with the Senate Journal and committee reports, preserves the legislative histories to which the courts, long into the future, will refer in determining the congressional intent behind the laws we have written.

Mr. President, the Congressional Record is a symbol of our democracy through which the people may observe the making of their laws and may hold their lawmakers accountable for their words and deeds.

Production Requirements

The Congressional Record is printed as a daily edition every day Congress is in session, including weekends if needed. Every two weeks, an index to the daily edition is issued. At the close of each session of Congress, the daily proceedings are revised, indexed, and printed and bound in a permanent edition, called the bound Record. This becomes the permanent archival history of each session of Congress.

The daily Record is delivered before the House and Senate convene for business in the morning, usually by 9:00 a.m.

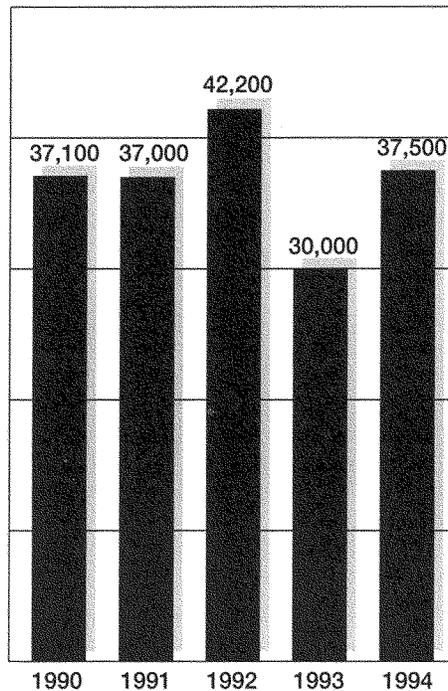
The average Record in 1994 was 214 pages, containing as much type as 4 to 6 metropolitan daily newspapers. Each page has three columns of type. The number of pages per issue varies widely, however, depending on how much business Congress transacts. One day the Record may be 20 pages, and the next it may be 400 pages. GPO must remain equipped and staffed to handle any eventuality. In 1994, GPO printed 37,500 original pages of the daily Record, compared with 30,000 pages in 1993, an increase of 25 percent. The largest issue, dated August 10, 1994, was 768 pages.

The "Revise and Extend" Rule

The Record is a "substantially verbatim account of proceedings." Members are authorized to make revisions to their remarks. According to Senator Byrd, this is a practice that dates to the earliest Congresses. Some of the finest speeches in the Senate, such as Daniel Webster's reply to Hayne, were revisions of the remarks that were actually delivered.

The words of Members are taken down by the Official Reporters of Debates in the House and Senate, using a variety of means. Transcriptions of spoken remarks are then forwarded to

Congressional Record Pages



the Members who made them, who under congressional rules are permitted to "revise" their remarks. Revisions are generally limited to technical, grammatical, and typographical corrections. When the Members have completed their revisions, the manuscripts are sent to GPO.

Members are also permitted to "extend" their remarks. In the House, unspoken remarks are printed either in the Extensions of Remarks section, or, if they occur in the House portion of the Record, they are indicated by a different style of type. In the Senate, speeches or other materials inserted in the Record without being spoken are designated with a black circle, or "bullet." Thus, along with manuscripts come other printed submissions, in the form of speeches, newspaper articles, and other materials that Members request to be inserted.

GPO also electronically receives information for printing in the Record,

and uses information in its own databases, such as bills and conference reports. In 1994, approximately 35 percent of Senate proceedings were submitted electronically. GPO is working with both the House and the Senate to increase the amount of Record copy submitted electronically.

Prepress Process

The production of the daily Record is performed on the second and third shifts at GPO. There are approximately 260 persons working on these two shifts in GPO's Electronic Photocomposition Division (EPD), but only some of these personnel work on the Record; the actual number varies nightly depending on the workload requirements of each Record. The rest of EPD's employees work on producing the Federal Register (another GPO overnight publication) as well as other "hot" documents, such as hearings, bills, and reports or documents being demanded by the executive branch.

GPO's prepress operation is entirely automated and contains some of the most advanced electronic typesetting equipment available today. GPO began migrating the production of the Record to these electronic systems in the late 1970s. The Record was completely converted to electronic prepress work in 1982.

Employees in EPD who are responsible for the Record receive manuscript and other electronic information for the Record from Congress, usually in increments. The work starts arriving in the early evening. Under the laws and rules for the publication of the Record, the work to be published in the next day's edition is to arrive by midnight. In practice, however, GPO will continue to receive work until well into the early morning hours in an effort to produce as comprehensive a Record as possible. The work is marked up with printing

instructions, keyed-in, processed through GPO's automated typesetting equipment, printed out as proof sheets, proofed and revised, corrected where necessary, re-proofed where necessary, and then finalized for printing. This is the prepress phase of production where the information inputs for the Record are assembled, by means of GPO's composition system, into an electronic database that is later output for printing.

Managing prepress is an exacting task. Since the size of the Record may vary widely, EPD must remain flexible enough to divert its workforce quickly from other priority products to the Record if large volumes of copy come in. If a small Record is produced, the workforce must be scheduled to perform other tasks. EPD must also be prepared to be flexible in the assembly of the Record.

GPO's receipt of copy, especially remarks that have been revised, also depends on how quickly the Members perform those revisions and send them to GPO. Submissions that are extremely late, usually due to sessions of Congress that run into the early morning hours, can cause the Record to be "cut," whereby only a portion of the Record will be printed to ensure that as much of the previous day's proceedings is delivered by the time Congress convenes the next morning. The proceedings following the "cut" point are then printed and bound for delivery later in the day or with the next day's proceedings. In actual practice, however, GPO makes every effort to avoid cutting the Record.

Editing by GPO

Aside from correcting spelling, ensuring proper punctuation, and conforming the Record to required style, GPO plays absolutely no role in editing or revising the Record. GPO's job is to print and produce the Record.

Authority for what goes into the Record belongs by law to Congress through the JCP.

Press and Binding

As the prepress work is completed, the Record is prepared in GPO's Press division for printing. There are 12–16 employees who operate the Record presses. From 1954 to late 1994, the Record (and the Federal Register) was printed on 4 large web letterpresses. In 1994, GPO acquired 3 new web offset presses for the Record (and Register). The new presses have begun operations.

The Record is printed on newsprint that is 100% recycled. With the new presses, the Record will be printed with vegetable-based (soy) inks, in accordance with a law passed by the 103d Congress requiring all Federal lithographic printing to use such inks. Given the speed of the presses, it takes about an hour and a half to print. Following printing, the Record is transferred to GPO's automated binding line where the printed signatures are gathered, covers are attached, and the copies are trimmed, labeled and grouped for distribution. Including delivery to Capitol Hill, the binding operation requires about 20 personnel.

Congressional Record Delivery

A significant measure of GPO's plant performance is the percentage of time the Congressional Record is delivered on time to Congress. The required delivery time is by 9 a.m. the following day, regardless of whether the Senate or House of Representatives is in session. Congressional deliveries include floor copies and copies for leadership offices, as well as copies for committees and Member offices.

While a perfect on-time delivery record is difficult to achieve, due to

instances when late-evening sessions and other reasons can cause copy to be furnished to GPO later than the scheduled time (midnight), GPO nevertheless was able to achieve a 98 percent on-time delivery rate for the Record in 1994.

Distribution

In 1994, approximately 18,000 copies of the Record were printed each day, each of them requisitioned by Congress, Federal agencies, or GPO's Superintendent of Documents for distribution. GPO only prints copies authorized by law and requisitioned with a certification that funds are available to pay for them.

Approximately 12,000 copies are paid for by the Congressional Printing and Binding Appropriation. This appropriation pays for copies ordered by Congress and copies to be distributed to recipients who are designated by law in section 906 of Title 44. The recipients include public agencies and institutions designated by Representatives and Senators (such as non-depository libraries, state and local governments, local schools, and other institutions), correspondents listed in the Congressional Directory, governors, certain Federal officials such as the President, foreign legations, Federal judges and the libraries of Federal courts, veterans homes, and others.

Of the 12,000 copies paid for by Congress, only about 3,000 actually are delivered to Capitol Hill. Over 8,000 copies are sent to recipients designated by Representatives and Senators. The remaining 1,000 go to the other recipients designated by law.

Of the other 6,000 copies not paid for by Congress, about 2,000 are requisitioned by Federal agencies, and the remaining 4,000 are requisitioned by the Superintendent of Documents for sales subscriptions and bookstore

sales as well as distribution to depository libraries nationwide.

A major avenue of dissemination of the Record is to depository libraries. Approximately 850 libraries receive the Record in paper format from GPO. About 490 libraries get the daily Record in microfiche.

The Congressional Record is also disseminated via GPO Access, GPO's online system for public access through the Internet. After the Record is approved for printing, the data is converted for search and retrieval via GPO's Wide Area Information Server (WAIS). It is available on the Internet within an hour from the time the final pages are forwarded to the pressroom for production. Following placement on the WAIS system, the Record database is then transmitted to House Information Resources (HIR) for its congressional information search and retrieval system. The databases are also made available for sale to private information vendors through the Superintendent of Documents.

Cost

The cost to produce the daily Record in 1994 was \$17.5 million. Along with additional expenses for the online Record, the bound Record, the Record Index, and the cost of Record indexers, the total costs of the Record program for 1994 were \$21.1 million. This cost was billed to the Congressional Printing and Binding Appropriation.

The cost of the Record program is measured in cost per page. The cost per page represents the total costs, in labor, machine time, materials, and overhead, to compose, print, and bind an original page. In 1994, the page rate was \$469. A total of 37,500 original pages were printed in 1994.

Because each original page is printed about 18,000 times, the average cost per copy-page in 1994 was

about 2.5 cents. Agencies which requisition the Record from GPO, as well as the Superintendent of Documents which orders copies from GPO's printing operation, in fact pay an even lower cost per copy-page. They pay only the "rider rate," which is the marginal cost of printing additional copies of the Record once the Record is on the press.

Since Congress absorbs the majority of the production costs of the Record, including all prepress costs as well as press makeready costs and the cost of printing and binding copies paid for by appropriation, the rider rate cost is about 45/100's of a cent per copy-page. Thus, the Superintendent of Documents purchases an average size Record of 200 pages for about 90 cents. Adding in the cost of distribution, the Record is sold in single issues for \$1.50, while an annual subscription is \$225.

Total Production Volume

The total volume of Record production on an annual basis is considerable. In 1994, GPO produced a total of 663 million copy-pages of the Record, in addition to 62 million copy-pages of the Record Index.

Congressional Record Index

The Congressional Record Index Office creates an index of the proceedings and debates published in the daily Congressional Record. The Office also prepares indexes for publication in the bound Record.

During 1994, approximately 37,500 pages of the Congressional Record were indexed, compared with 32,700 pages in 1993.

Bound Record

After the close of each session of Congress, the daily proceedings are consolidated, indexed, and printed as the permanent, or bound, edition of the Congressional Record. The

bound Congressional Record for an entire Congress may contain approximately 75,000 pages. Unlike the daily edition, as a publication with enduring research and educational value, it is printed on permanent paper to ensure longevity. The bound Record represents the official history of the U.S. Congress.

Of the 530 bound sets printed, approximately 140 are for congressional use while another 140 are distributed to Federal agencies and other recipients designated by law. The remaining sets are requisitioned by the Superintendent of Documents for GPO's Sales and Depository Library Programs. Along with printed sets of the bound Record, additional sets are produced on microfiche and CD-ROM for distribution through the Sales, Depository Library, and International Exchange Programs.

OTHER CONGRESSIONAL PRODUCTS AND SERVICES

Bills, Resolutions and Amendments

GPO prints congressional bills, resolutions, and amendments as they are introduced, referred, reported, and finally passed. In 1994, GPO printed 156,100 original pages of bills, resolutions, and amendments, compared with 139,500 pages in 1993. Total billings to Congress for this work were \$11.8 million, compared with \$11.4 million in 1993.

As with the Congressional Record, bills, resolutions, and amendments produced by GPO are also made available online via GPO's Access service.

Hearings

GPO prints hearings conducted before congressional committees. In 1994, 393,600 original pages of hearings were printed, compared with

493,700 pages the previous year. Total billings were \$11.1 million, compared with \$14.7 million in 1993.

Business and Committee Calendars

This production category covers the printing of Senate and House of Representatives business and committee calendars that list action on pending and completed legislation. In 1994, GPO printed 29,000 original pages of business and committee calendars, compared with 25,500 pages in 1993. Total billings were \$1.8 million, compared with \$1.4 million in 1993.

Committee Reports

GPO prints reports of congressional committees, including conference reports. In 1994, 36,500 original pages of committee reports were printed, compared with 53,700 pages the previous year. Total billings were \$3.4 million, compared with \$4.3 million in 1993.

Committee Prints

These include publications printed for the internal use of committees. In 1994, GPO printed 47,000 original pages of committee prints, compared with 78,700 pages in 1993. Total billings were \$1.7 million, compared with \$2.7 million in 1993.

Documents

This category of publications includes all classes of Senate and House of Representatives documents ordered printed by Congress which carry a congressional number, such as annual reports, engineers' reports, special reports made by Federal agencies in response to congressional resolutions, and supplementary and deficiency estimates of appropriations. In 1994, GPO printed 34,600 original pages of documents, compared with

35,500 pages the previous year. Total billings were \$2.7 million, compared with \$2.2 million in 1993.

Miscellaneous Publications

These documents include the Congressional Directory, which is printed every 2 years; the Journals of the Senate and House of Representatives; memorial addresses for Members; nominations; the United States Code, which is printed every 6 years, and annual Code supplements; serial sets of congressional publications; and publications that do not carry a document or report number, such as laws and treaties. In 1994, GPO printed 34,200 original pages of these publications, compared with 50,600 pages in 1993. Total billings were \$3.2 million, compared with \$4.6 million in 1993.

Miscellaneous Printing and Binding

This production category includes congressional letterheads, envelopes, blank paper, wall calendars, miscellaneous services, blank forms, and binding for the Senate and House of Representatives. In 1994, GPO produced 196 million units of this work, compared with 204.2 million units in 1993, generating total billings of \$14 million, compared with \$16.1 million in 1993.

Document Envelopes and Document Franks

GPO provides document envelopes to Senators and Representatives for the mailing of speeches and documents. Document franks are printed individually or in sheets with perforations and are furnished to Members of Congress. In 1994, GPO provided 39.6 million envelopes and 1.5 million franks to Congress, compared with 24.8 million envelopes and 2.4 million franks in 1993, generating total billings of \$1.2 million, compared with \$1 million in 1993.

Details to Congress

GPO details experts in the printing crafts to congressional committees and offices to assist in the preparation of congressional printing. A total of 61 GPO personnel were detailed to 36 congressional sites in 1994, generating total billings of \$3.5 million, compared with \$3.9 million in 1993. In 1993, 68 GPO personnel were detailed to 39 sites.

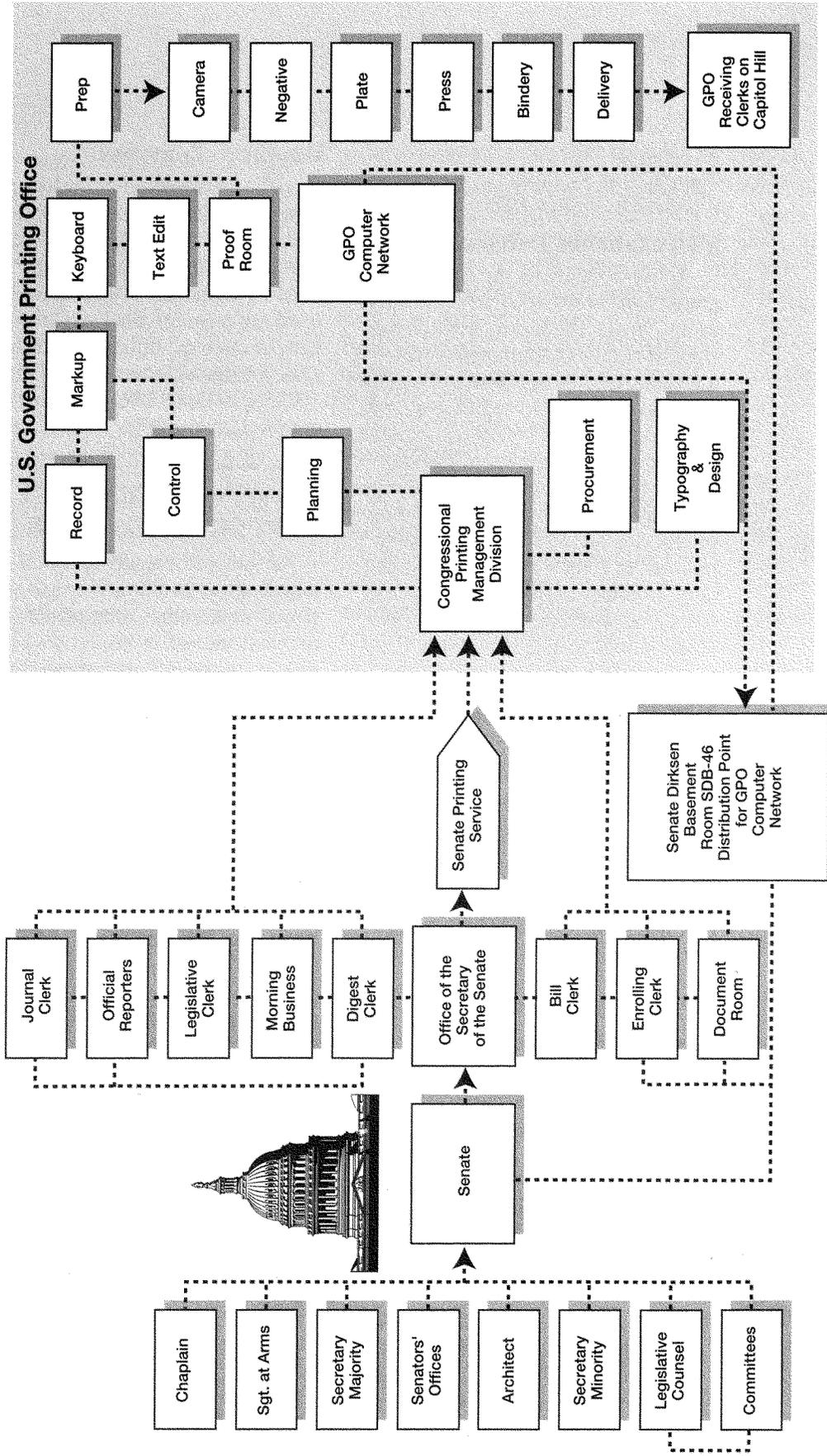
PRINTING TECHNOLOGY IN SERVICE OF CONGRESS

In terms of executing complex, demanding, and voluminous congressional workloads within turnaround times measured in hours, GPO's facilities, equipment, and staffing constitute a singular resource that is unparalleled anywhere else in Government or in private industry.

GPO is often mistakenly characterized as an outmoded printer, when in fact the technologies used in the central office plant are state-of-the-art. GPO pioneered electronic prepress technologies in the Federal Government, and indeed throughout most of the printing industry, beginning in the 1960s. By the late 1970s, the production of most congressional publications had been converted to electronics, and in the early 1980s GPO concluded its phase-out of hot metal typesetting. Since then, GPO has gone through successive generations of automated composition technologies, each more powerful and less expensive than its predecessor.

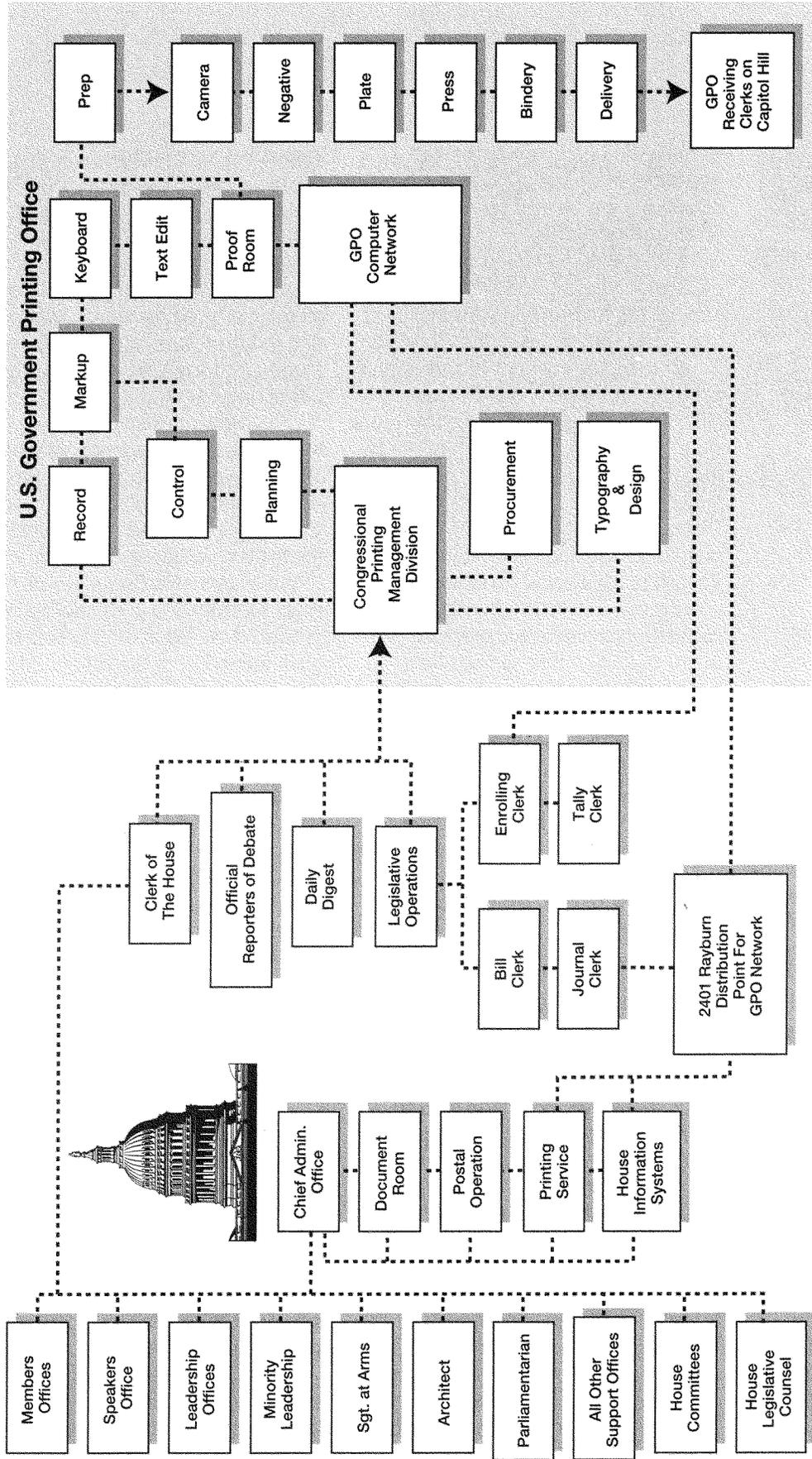
Today, GPO's electronic prepress systems are characterized by a complex of direct electronic fiber optic linkages to a variety of congressional offices on Capitol Hill for data interchange. Since 1985, GPO has been connected to Congress with a 24-line fiber optic network. Today, only 6 of

Work Flow Between the U.S. Senate and the U.S. Government Printing Office, FY 1994



(The Senate is connected to the U.S. Government Printing Office via fiber optic cable)

Work Flow Between the U.S. House of Representatives and the U.S. Government Printing Office, FY 1994



(The House of Representatives is connected to the U.S. Government Printing Office via fiber optic cable)

the lines are in use, but GPO deliberately oversized the network to handle Congress's expanding needs for electronic interchange.

Using this network, GPO currently receives a portion of Senate proceedings for the Congressional Record directly via fiber optic transmission. Drafts of legislation destined to be introduced are received electronically from the Senate and House Offices of Legislative Counsel; the input is stored at GPO and can be accessed directly back on Capitol Hill for redrafting. A significant number of congressional committees are also linked directly with GPO's prepress systems for the preparation of hearings, committee prints, and other documents. In addition, GPO now operates a print-on-demand capability for the Senate in the Senate Document Room that is networked via fiber optic cables directly with databases resident on GPO's composition systems.

GPO's electronic systems also make it possible to manipulate data and convey it from one publication to another, a capability that saves time, effort, and money. With this capability, bills, reports, and other documents can be conveyed for production in the Congressional Record, as required by congressional rules, without the need to rekey the data. Once inputted, the data from GPO's composition systems can also be converted for production in multiple medias, such as print, CD-ROM, and online access.

GPO's electronic data capabilities are unique because of format standardization and the volume of its database storage capacity. Currently, GPO has 21 gigabytes of online storage, most of which is protected by RAID 5 technology, and an additional 120 gigabytes of near-line optical disk storage in the form of an 88-disk juke box. A second juke box ensures data protection. GPO's WAIS data-

bases reside on a computer with 27.5 gigabytes of online storage. All databases are backed up regularly to ensure reliability.

With the increasing productivity of electronic information technologies supporting its printing systems, GPO has made significant strides forward in reducing the costs of congressional printing. In the past two decades, GPO's workforce has declined by more than 50 percent, virtually all of the reduction due to technology. At the same time, costs have come down. Discounted for inflation, the cost per page of producing the Congressional Record is today only two thirds of what it was before the Record was converted to electronic prepress production, and similar savings have been achieved on other congressional products. As a result, for the past decade GPO has been able to hold a relatively flat line on appropriations for congressional printing. Continued technology upgrades, in addition to new technology approaches where appropriate, will continue to provide Congress with the best information services possible.

Senate Print-on-Demand Pilot

During the year, a joint effort of the Secretary of the Senate, the Senate Sergeant at Arms, the Senate Rules and Administration Committee, the JCP, and GPO was launched to provide a print-on-demand capability for the Senate Document Room. An electronic printing system was provided by the Senate and linked by fiber optic cables to GPO's automated prepress systems in the central office plant. GPO provides staff to operate the system for the Senate.

Past practice usually required several hundred copies of each Senate bill to be printed for the Senate Document Room. Extra copies were stored in the Document Room and made

available to requestors as needed. At the end of each Congress, the Document Room would dispose of copies that were no longer needed, sometimes throwing away millions of pages of unused documents. In addition to wasting printed materials, this practice required substantial costs for storing and tracking large volumes of paper documents.

The print-on-demand capability, which was started on a pilot basis in 1994, now permits copies of bills, resolutions, and other official documents to be communicated electronically directly from databases resident at GPO to the Documents Room, where the exact number of copies needed can be produced on the spot. It makes possible a reduction in the volume of copies that are originally printed at GPO, reducing printing costs. It also reduces the paper storage and inventory requirements for the Documents Room.

Since initiating the pilot project, GPO has worked closely with the Office of the Secretary of the Senate to ensure the print-on-demand capability is used efficiently and to achieve additional savings in Senate printing. GPO would like to provide a similar capability for the House of Representatives.

New Congressional Record Presses

During the year, GPO completed the acquisition of 3 new web offset presses to replace the 4 aging web letterpresses used to print the Congressional Record and the Federal Register. Three of the old presses were installed in 1954; a fourth had been in operation since 1973. The new presses were scheduled to begin operations with the opening of the 104th Congress.

The new presses, which were installed on the fourth floor of the central office plant immediately adjacent to GPO's automated binding line,

represent the state-of-the-art in offset technology. They run at significantly greater speeds, require smaller press crews, are compatible with electronic direct-to-plate technology, are capable of producing a greater range of work to maximize their efficiency, and are fully capable of running recycled papers as well as vegetable oil-based printing inks. The total acquisition cost was approximately \$14 million; an additional \$4 million was invested in the engineering required for installation.

Congressional Record Electronic Files

As the result of joint efforts by the Office of the Secretary of the Senate and GPO, the Senate increased its submissions of electronic input to the Congressional Record to approximately 35 percent of the total volume of Senate proceedings by the end of 1994. Submission of electronic input reduces the need for keyboarding manuscript at GPO. Efforts to further increase the electronic input from the Senate are continuing; a similar effort for the House is being discussed.

Dial-Up/MICROCOMP Composition

By the end of 1994, there were 49 congressional committees utilizing 114 systems with dial-up composition capabilities linked directly with GPO's automated composition system, an increase of 2 committees. Three committees updated their systems to MICROCOMP, a GPO-developed composition program, and there were 27 committees that leased printers capable of furnishing camera-ready copy to GPO.

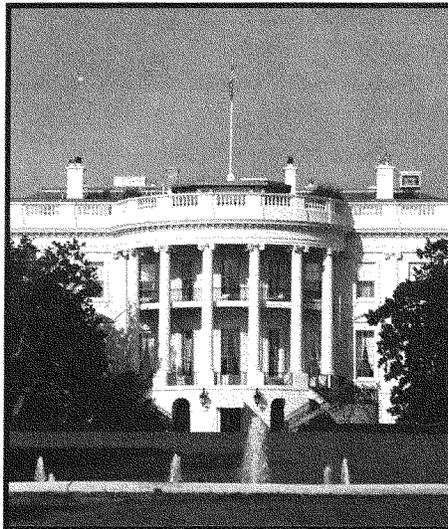
Federal agencies are major producers of information in the United States, and Government information is increasingly vital to our economy and society. The business and financial communities, the agricultural community, scientists and engineers, students and teachers, health care workers—these and a wide range of other professions rely every day on information generated by Federal agencies with a diverse range of missions.

GPO serves as an important conduit between Federal publishing agencies and the publics they serve. Today the vast majority of the work performed by GPO is on behalf of approximately 135 agencies throughout the Federal Government. Altogether, in 1994 GPO billed Federal agencies in the executive and judicial branches \$592.4 million, representing 83 percent of GPO's total printing and binding billings.

GPO'S ROLE IN THE FEDERAL GOVERNMENT

Section 501 of Title 44 requires that all Government printing, with certain limited exceptions, be produced through GPO.

The intent of this provision is not to create a "monopoly" for GPO, nor does GPO have a "monopoly" on Government printing in practice. There are more than 200 Federal agency printing plants in operation along with an uncounted additional number of agency duplicating facilities. Instead, the purpose of the statute is to organize the production of Government printing to take advantage of economies of scale, provide for specialization of printing skills, prevent overlap and duplication of effort in the Government's investment in printing, and provide for a coordinated and comprehensive



program of information dissemination to the public.

When GPO's central office plant is not occupied with congressional printing, its equipment and staffing are available to produce work for Federal agencies. This maximizes the efficient use of the Government's investment in plant and equipment. For example, the Federal Register is printed utilizing the same staff, processes, and equipment that are used in the production of the Congressional Record, obviating the need for a separate Federal Register production unit elsewhere.

With a capability to either make or buy printing, GPO retains the flexibility to keep the plant operating efficiently while at the same time utilizing private sector resources to procure additional printing needs. By concentrating GPO's specialized printing skills in one agency, the Government avoids the expense of a vastly dispersed and duplicative printing capability throughout hundreds of agencies, bureaus, and offices, while creating a cost-effective one-stop shopping resource for private sector printers seeking Government printing contract opportunities.

Finally, the institutional link between GPO's printing, procurement, and documents operations ensures that the comprehensive body of Government information handled through GPO is captured for dissemination to Federal depository libraries, and for sale to the public through a single, highly visible sales and distribution resource.

Despite the policy rationale for printing through GPO, however, GPO has experienced a marked decline in the volume of work in recent years. The Federal budget for FY 1994 indicates that GPO handles approximately half of all Federal printing and reproduction needs, or about \$700 million in work out of a total of \$1.4 billion in printing and reproduction expenses.

Workload volume reductions have been attributed to a variety of factors: an expansion of expensive and frequently under-utilized agency printing capabilities; budget reductions to administrative expenses, which include printing; the growth of agency-private sector joint ventures in publication development and distribution; and the increased use of electronic technologies by publishing agencies themselves to produce and disseminate Government information.

To the extent that workload declines experienced by GPO reflect the performance of work elsewhere, and are not the result of budget reductions to printing requirements, there is a great potential that this work will cost more to produce and that it will not be made available for access by the public, especially through Federal depository libraries.

In 1994, Congress considered but did not act on proposals by the National Performance Review to decentralize Federal printing, in large part due to these concerns. Instead, Congress approved a provision in the

Legislative Branch Appropriations Act for FY 1995 that affirmed current printing policy by requiring that the procurement of all Government printing and duplicating from the private sector be performed through GPO, with limited exceptions. In September 1994, the Director of the Office of Management and Budget issued a memorandum supporting the continued operation of Federal printing policy as detailed in Title 44 until a comprehensive proposal for changes to that policy is worked out in consultation with Congress.

GPO'S PRINTING PROCUREMENT PROGRAM

Most of the printing requisitioned from GPO is procured from the private sector printing industry. GPO historically has retained for inplant production only work which cannot be procured on a controlled, timely, and cost-effective basis. This has been the case ever since World War II when, instead of building extra Government printing capacity to meet the crush of wartime demand, the Government turned to the private sector for assistance. In the 1960s, that approach was made official policy.

In 1994, only 27 percent of GPO's printing and binding revenue (excluding sales of blank paper and other operations) was generated by work produced inplant. By comparison, 73 percent was generated by work performed by private sector contractors.

The vast majority of the work procured by GPO from the private sector is for Federal agencies in the executive branch. In 1994, printing procurements for executive branch agencies represented 98 percent of all such procurements.

Of all the executive branch work sent to GPO, proportionally little is

held for production inplant. Excluding the agency work which has historically been produced inplant—core production jobs such as the Federal Register, the Code of Federal Regulations, the Budget of the U.S. Government, passports, postal cards, and related work—more than 90 percent of all executive branch work over which GPO exercises make/buy decisionmaking is actually contracted out to the private sector.

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

The work going into the private sector generates employment, tax revenues, and a broad variety of other economic and social benefits nationwide. Most importantly, it saves money for the taxpayers. GPO's Printing Procurement Program operates on a highly competitive basis, driving prices down. Approximately 10,000 firms—or about a quarter of the industry, representing nearly 200,000 employees—are registered on GPO's Master Bid List according to their equipment, staffing, and production capabilities. About 3,500 of these firms do business with GPO on a regular basis, ensuring intense competi-

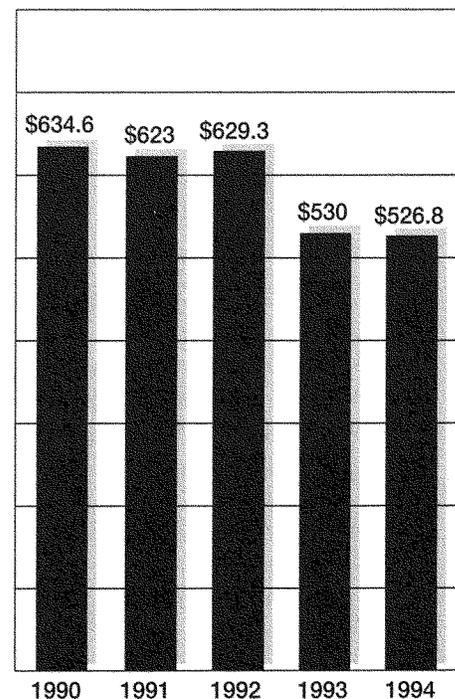
tion for Government printing contracts. Studies have shown that on the average, buying procurable printing from the private sector costs half of what it would cost if produced in agency plants.

GPO's centralized printing procurement authority provides a number of advantages to Federal agencies. It would be very difficult for every entity in the Government (represented by approximately 4,500 billing address codes distributed among more than 135 different departments, bureaus, and agencies) to maintain individual printing procurement systems large enough and sophisticated enough to obtain the same level of competitive printing procurement that GPO achieves.

In a decentralized system of procurement, the Government would lose the ability to group together orders

Revenues from Printing Procurement

(in millions of dollars)



for similar products from different sources to achieve better prices. By consolidating the Government's specialized printing procurement skills and resources in GPO, agencies save money in their printing programs.

Moreover, they achieve these savings without giving up essential controls. Most of GPO's printing procurements are conducted through direct deal term contracts, permitting agencies to place their printing orders directly with the contractor. GPO's centralized program in fact utilizes a service infrastructure that allows agencies to directly control the vast majority of their printing needs from the point of origination.

FY 1994 Financial Performance

GPO's Printing Procurement Program generated revenues of \$526.8 million in 1994, compared with revenues of \$530 million in 1993. The decreased revenues were attributable to a reduced volume of agency orders, intense competition for printing contracts, and reduced prices for paper, which constitutes a substantial part of

the cost of an average order. As the cost of procured jobs declined, so did the revenue generated by the procurement surcharge. The Program under-recovered costs by \$6.2 million for the year, compared with an under-recovery of \$4.2 million for 1993.

During the year, approximately 400 Printing Procurement Department personnel processed 231,000 procured printing orders, compared with 244,000 orders in 1993. Approximately 87 percent of the orders were for jobs valued at \$2,500 or less.

Central office printing procurement orders shipped decreased from 74,300 in 1993 to 66,400 in 1994, with a decrease in dollar value of \$4.2 million to \$322.3 million. Regional printing procurement office order activity also decreased, from 169,900 orders to 159,400. However, the dollar value of regional orders increased from \$203.5 million in 1993 to \$204.5 million.

Delivery of Procured Printing

For 1994, management's goal was to have at least 95 percent of procured printing orders delivered on

time and a quality acceptance rate of at least 99 percent. GPO achieved these goals for the year.

Expanded Procurement Services for Customer Agencies

In addition to the broad range of procurement services provided to customer agencies, in 1994 GPO continued to improve its procurement services.

A pilot program on firm estimating prices, begun the previous year, was expanded to approximately 90 contracts with no major difficulties encountered. The objective of this program is to better assist customer agencies in tracking the allocation of their limited printing dollars. In addition, an effort to simplify pricing schedules on term contracts, the most widely used procurement contract method, was initiated.

Movement toward "electronic commerce" with the automation of the procurement process continued in an effort to streamline procedures and provide customers with greater information opportunities. During the year,



the JCP approved a GPO proposal for a micro-computer-based local area/wide area network pilot system to move toward a customer- and contractor-accessible electronic computer operation. The system will support agency orders, procurement program operations, and voucher examination and payment authorizations.

Automation also enabled the development of a new service to customer agencies. With the acquisition of new computers, printing procurement personnel can now view agency-furnished computer disks and graphics. To date, the service has proven to be well received by customer agencies seeking to reduce their printing and reproduction costs. After review by GPO for any problems on the submitted disks, GPO can offer to fix any problems detected, allow the customer to come to GPO to edit the file, or allow the option of having a commercial contractor perform any editing as part of the contract price.

IRS Program Work

One of the largest single groups of procured work includes tax packages, forms, instructions, and related materials for the Internal Revenue Service (IRS). In 1994, this work was procured on 371 contracts, with a total value of \$55.5 million.

Small Disadvantaged Business Program

Since FY 1989, pursuant to the Defense Authorization Act of that year, GPO has set aside a percentage of DOD printing contracts for competitive procurement by small disadvantaged business (SDB) printing firms, owned by minorities. Since 1992, GPO has also administratively included at least one SDB firm on each solicitation for bids. These efforts have provided cost-effective, timely, and quality products to serve the printing

needs of DOD and other Federal agencies while increasing opportunities for business development and economic growth in the minority community. During the year, GPO awarded \$6.1 million in contract awards under the SDB program, representing 2,159 awards out of a potential 3,258 set-asides.

INPLANT WORK FOR FEDERAL AGENCIES

In addition to procuring printing for Federal agencies, GPO billed approximately \$189.6 million for agency work that was produced by the central office plant and regional printing plants during 1994.

A large portion of the agency work produced inplant is associated with the Federal Register, and includes the List of Sections Affected and the Code of Federal Regulations. Other work, such as passports, postal cards, the Budget of the U.S. Government, and the Commerce Business Daily, are repetitive printing jobs that traditionally have been performed inplant by the GPO due to concerns for cost, timeliness, and control over sensitive Government information.

During the year, GPO printed 4.2 million passports at the central office plant, compared with 4 million in 1993. A total of 429.7 million postal cards were also produced, compared with 458 million in 1993.

Approximately 64,200 original pages of the Federal Register—the “newspaper of record” of the Government that is used by the executive branch to publish proposed and final rules and regulations, notices of meetings, Executive Orders, and other documents—were printed at the central office plant, compared with 66,000 pages in 1993. This publication is

printed on the same presses used to print the Congressional Record.

In 1994, the Register was produced in 250 issues and averaged 257 pages per issue. It generated billings of \$26.5 million, compared with billings of \$26.6 million in 1993. The database used to build the Federal Register is also used to produce the List of Sections Affected and the Code of Federal Regulations. Like the Congressional Record, the Register is also made available online every day via the GPO Access service.

Regional Plants

GPO's regional plant workload decreased from 513 million equivalent units in 1993 to 367 million in 1994 (an equivalent unit is one side of printing on one sheet of 8½ x 11 inch paper). The Chicago Regional Printing Plant produces the Commerce Business Daily (CBD) for the Commerce Department.

During the year, GPO added a printing plant in Juneau, Alaska, which was transferred from the General Services Administration. At the same time, proposals for the continuation of selected regional plants were reviewed. As a result, the Seattle Regional Printing Office was closed at the end of the year. The review of other regional plants is continuing.

Cost Reductions for Inplant Work

During 1994, GPO billed \$72.1 million for executive and judicial agency work produced in the central office plant over which it had make/buy authority. This work was produced inplant in order to maximize the efficient utilization of plant equipment and staffing during slow periods in congressional work. At the same time, GPO utilized a variety of options to control the costs of this work to customer Federal agencies.

GPO's negotiated price program allows the central office plant to take in additional agency printing and binding work to maximize plant utilization. Customer agencies are charged competitive prices that are comparable with commercial rates. The additional work that was produced inplant in 1994 under this program was valued at \$8.1 million compared with \$10.8 million in 1993. The average price discount was 33 percent below GPO's Scale of Prices.

Typography and Design Services for Agencies

GPO's Typography and Design Division provides graphic design, illustration, consultation, photographic, video, and quality control services, such as press sheet and bindery inspections, to customer agencies. This unit provides state-of-the-art computerized graphic design and composition services to support agency printing requirements.

A major effort during the year was the design of a new quarterly publication, the National Defense University Joint Force Quarterly. After approval by the Joint Chiefs of Staff, design and production efforts commenced. The new 120-page magazine is a four-color process product including photography, cut-in quotes, color bars, reverse-outs, screens, and all of the design elements required of a quality publication. In the future, all of the magazine's contents can be offered electronically, both online and via CD-ROM, through the DOD's Joint Electronic Library.

CUSTOMER SERVICES FOR FEDERAL AGENCIES

During the year, GPO and its Customer Services management team maintained close contact with the Interagency Council on Printing and Publications Services and the Federal Publishers Committee. These organizations, representing Federal printing and publishing officers from throughout the Government, serve as valuable forums for listening to the ideas and concerns of GPO's customer agencies. In addition, GPO's departmental account representatives were involved in over 450 meetings with customer agencies and commercial contractors in 1994.

Cost Savings for Agencies

Technical assistance provided by GPO's Customer Services personnel on printing requisitions allowed customer agencies to realize significant savings in 1994.

One example was on the Health Security pamphlet published by the Department of Health and Human Services. On a reprint order for a significantly larger quantity, GPO recommended substituting an offset text stock in lieu of the requested litho coated text stock used in the original printing. The recommendation saved more than \$170,000 on the print order. Similar savings, achieved through the advice of GPO's customer service printing specialists, are routinely achieved.

In addition to achieving savings, customer agencies continued to express their satisfaction with GPO in meeting their printing needs. Of special note were letters from the Library of Congress praising the handling of "The African-American Mosaic," which was presented at a symposium in the James Madison Building. The Department of Housing and Urban Development commended GPO's expeditious handling of its publication, *Vision/Reality: Strategies for Community Change*. Similar commendations were received from the Department of Energy, the Department of Education, and other agencies.

Institute for Federal Printing and Publishing

GPO's Institute for Federal Printing and Publishing coordinates the development and delivery of educational courses for GPO's customer agencies, including courses on publications development, technology, and working effectively with GPO. Significant course offerings include "Introduction to Full-Text Coding for Electronic Manuscript Using SGML," "CD-ROM Publication," and "Working with GPO To Get The Best From Desktop Publishing." The Institute also conducted six free two-hour sessions on desktop publishing.

In 1994, the Institute conducted 26 seminars which were attended by more than 700 individuals representing more than 50 Federal agencies. Total revenue generated by these classes was \$124,600, compared with \$132,400 in 1993.

GPO ACCESS

During the 103d Congress, Congress passed, and the President signed, the GPO Electronic Information Access Enhancement Act of 1993 (P.L. 103-40). In a statement on signing the bill, the President noted, "This important step forward in the electronic dissemination of Federal information will provide valuable insights into the most effective means of disseminating all public Government information."

P.L. 103-40 required GPO to provide, within one year, a system of online access to the Congressional Record, the Federal Register, and other appropriate publications; maintain an electronic directory of Federal electronic information; and operate an electronic storage facility for Federal electronic information. To the extent practicable, GPO was also required to accommodate requests by department or agency heads to disseminate their information via the new online system.

In June 1994, GPO met the statutory requirement to provide online access to the Record and the Register with the inauguration of GPO Access, a Wide Area Information Server (WAIS)-based service made available to the public via the Internet. Earlier, in March 1994, GPO opened the Information Depository for Electronic Access (IDEA) electronic storage facility in Owensboro, KY. The facility provides an anchor to online public access to Federal information so that users can find electronic records that are no longer current. The development of both these services was accomplished out of savings generated by cost-reduction activities in GPO and with no additional funding from Congress.

The initiation of an online capability marked a significant transformation for GPO as the Government's sin-



gle largest provider of public access to Federal information. The public response was immediate. By the end of the fiscal year, more than 1,350 subscriptions to the various services provided by GPO Access had been established, approximately one-third in Federal depository libraries. Under P.L. 103-40, GPO is required to charge subscribers for GPO Access based on the incremental cost of dissemination. Depository libraries, however, are provided the service at no charge, consistent with their long-standing mission to provide no-cost public access to Government information.

To further expand public access, late in the year GPO began the development of a series of electronic gateways to GPO Access to enable free use of the service offsite in homes, schools, and offices around the clock, seven days per week. The gateways were developed in cooperation with participating depository libraries and local electronic networks. The goal of this effort is to establish a public access gateway in every state in the Nation, and by yearend the first such gateway was in operation in Missouri.

Initial online offerings included the Congressional Record, the Federal Register, the Congressional Record

Index, and Enrolled Bills. Late in the year, the Enrolled Bills file was expanded to include all public bills introduced in the 103d Congress, and efforts were underway with the General Accounting Office (GAO) to provide online access to all GAO reports. At yearend, GPO Access received the Federal Technology Leadership Award from the Office of Management and Budget and Government Executive magazine.

GPO Access followed on the success of GPO's Federal Bulletin Board (FBB), begun in 1992, which provides electronic bulletin board access to a wide range of Federal information products. In 1994, the FBB expanded from 4,800 to more than 6,000 files representing 25 Federal agencies. During the second half of the year, more than 9,500 new users signed up for the FBB, while the number of paid file subscribers continued to increase as well. A major software upgrade was installed to make the FBB an even more flexible, capable, and easy-to-use tool for accessing Government information. As Federal agencies become increasingly reliant on this service as a timely, low-cost channel for public dissemination of their information, growth of the FBB will continue.

GPO's CD-ROM PRODUCTS AND SERVICES

There has been a tremendous increase in CD-ROM publishing in recent years. During the late 1980s Federal agencies were publishing about 20 titles. By 1994, that number had grown to over 250, and the growth has continued. GPO has designed its operations to support the growing use of CD-ROM by Federal agency publishers and works with those publishers in partnership to provide CD-ROM services.

Because of its statutory role in information replication and dissemination, GPO offers the Federal CD-ROM publisher a number of advantages that work to the benefit of both the publishing agency and the public.

The key advantage is the distribution of CD-ROM publications that GPO makes to 1,400 depository libraries located throughout the Nation. GPO pays for the copies distributed to the libraries out of funds appropriated by Congress for that purpose—there is no cost to the agency for those copies. CD-ROM publications distributed to depository libraries must be made available to the public by the libraries free of charge, ensuring equitable public access to this valuable information resource. Depository distribution saves agencies money and reaches a broad public audience, all under the aegis of one of the Nation's oldest and most equitable information dissemination programs.

Another method to reach the public is through GPO's Sales Program. GPO acquires CD-ROM copies at its own cost and distributes them nationwide through its telephone and mail order system and bookstores. The Program is also augmented by a marketing effort that works with issuing agencies to develop and disseminate

CD-ROM product promotional materials. This service is provided at no charge to the issuing agency. Moreover, the Program is entirely self-sustaining; it receives no funding from Congress, but is paid for solely by revenues from sales of its products. Where CD-ROM is concerned, these prices can be very reasonable. In 1993, the GAO reported that GPO's CD-ROM prices are among the least expensive in the Government.

Top selling CD-ROM titles for 1994 included the Occupational Health and Safety Administration's Regulations, Documents, and Technical Information with more than 7,000 subscribers. This product replaces 20 looseleaf binders that are updated monthly, and sells for \$79 a year. Next was the U.S. Code CD-ROM with 3,500 sales, and which was issued twice to keep pace with customer demand. Other popular CD-ROM titles were Entrez, a National Library of Medicine quarterly, and the Federal Acquisition Regulation (FAR), issued by the General Services Administration.

Dissemination services are only part of the comprehensive CD-ROM services GPO can provide to the agency publisher. These include support for the installation and execution of sample searches, format choices,

and help in determining user expectations and probable usages. They include data preparation, mastering, document formatting, and preparation of data in the ISO 9660 format, as well as the manufacturing of write-once discs. Since 1989, over 171,000 individual discs have been produced from GPO-premastered data using licensed, off-the-shelf software.

GPO's services also include assuring disc quality as well as the design and production of disc labels, inlay cards, and jewel-box booklets. In addition, GPO provides contracting with commercial sources for mastering, mastering, replication, and dissemination. In 1994, GPO had 15 term contracts for CD-ROM in place to serve Federal agencies.

In addition to these services, GPO has personnel teaching CD-ROM courses for the Institute for Federal Printing and Publishing. For the past 3 years the Institute has offered the popular "CD-ROM Publication" course. Over 520 agency personnel have attended this 2-day course, which has been held both at GPO and at Federal agencies in the Washington metropolitan area. Personnel from the Special Interest Group for CD-ROM Applications and Technology (SIG-CAT) have helped conduct the course.

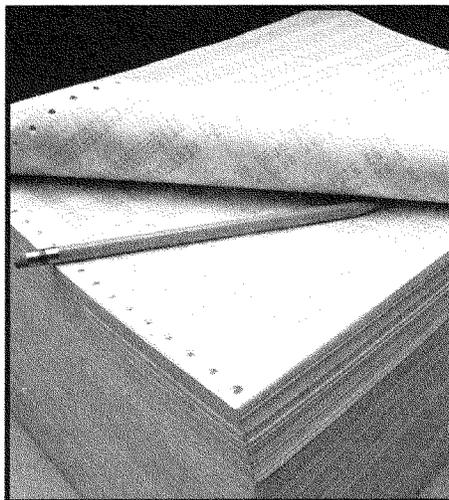
GPO is environmentally conscious in the utilization of natural resources in all its production processes, while at the same time providing its services in the most efficient and economical means possible. This applies especially to the utilization of papers and inks in Government printing.

GPO is the largest single consumer in the Government of printing and writing papers, purchasing or contracting for the purchase of approximately 45,500 tons of paper for inplant production and sales to Federal agencies in 1994, compared with 45,000 tons in 1993. For 1994, the total value of GPO's procurement activities for paper and paper products was \$38.1 million compared with \$36.2 million the previous year. In addition, GPO's printing contractors utilize an estimated 275,000 to 300,000 tons of paper each year in producing Government printing work.

GPO buys paper by the pound and by the sheet. Paper purchased by the pound totaled 29,300 tons in 1994, compared with 21,300 tons in 1993. Paper purchased by the sheet—primarily copier paper—totaled 2.7 billion sheets compared with 2.8 billion sheets the previous year. GPO also purchased 92.8 million envelopes in 1994, compared with 84.6 million in 1993, and 1.6 million cartons and other containers compared with 2.1 million the previous year.

The monthly average inventory of paper in 1994 was 8,400 tons, with a high of 9,500 tons in January 1994 and a low of 6,900 tons in May 1994. On September 30, 1994, there were 8,400 tons of paper in inventory.

GPO disposes of paper waste and spoilage by selling it to contractors for recycling. During 1994, GPO earned \$422,400 from sales of wastepaper, compared with \$394,200 from sales of wastepaper in 1993.



RECYCLED PAPER

In 1989, GPO began buying recycled printing and writing papers under the Guidelines for the Federal Procurement of Paper and Paper Products Containing Recovered Materials issued by the Environmental Protection Agency (EPA) pursuant to the Resource Conservation and Recovery Act of 1976, as amended. The Guidelines were implemented at GPO by the JCP, which has authority over Federal printing papers under Title 44.

The EPA Guidelines establish minimum content standards for recovered materials in most grades of paper used in Government printing. For example, the Guidelines require newsprint purchased by the Government to contain 40 percent postconsumer recovered materials. Most offset printing papers are required to contain a minimum of 50 percent wastepaper, which may include cuttings and other wastepaper from the paper manufacturing process, with no minimum content standard for postconsumer recovered materials. When they were issued, the Guidelines did not establish any recycled content requirements for certain other grades of

paper, including copier paper and forms bond, which were determined to be unavailable with recycled content.

Under the guidance of the JCP, however, GPO has expanded its requirements for recycled paper beyond those established by the EPA Guidelines. In 1990, the JCP implemented standards for the procurement of recycled copier paper, forms bond, and other papers not covered by the Guidelines. As a result, GPO has been purchasing more grades of paper with recycled content than are required by the Guidelines.

In addition, the requirements for recycled content established by the JCP also significantly exceed those established by the EPA Guidelines for the majority of printing papers used by GPO. For example, since 1991 GPO has been purchasing recycled newsprint with a content of 100 percent postconsumer recovered materials. This paper is used to print the Congressional Record and the Federal Register. For the six most frequently utilized offset printing papers used by GPO, in 1992 GPO began to move to a requirement for 50 percent wastepaper, of which 10 percent must be postconsumer recovered materials. In 1993, the requirement was changed to 50 percent wastepaper, of which 15 percent must be postconsumer recovered materials.

As a result of these initiatives, virtually all printing produced or procured by GPO is on recycled paper, and GPO's paper procurement program is among the most environmentally responsible procurement programs in the Federal Government today. Moreover, cost data for the printing papers most commonly used indicate that GPO's more stringent recycled content requirements are being fully met with no significant increase in cost.

In 1994, GPO awarded, for the first time, a quarterly contract for 100-percent recycled copier paper, made from old newspapers and magazines. By yearend, GPO purchased 344.6 million sheets of this paper for internal use and sales to agencies.

GPO also competitively negotiated a 3-year contract for a recycled passport paper with enhanced security features, to be used in passport production in the central office plant. The contract requires delivery of 150 tons of this paper in each year of the contract.

Executive Order on Recycling

As a result of its positive experience with recycled paper, GPO assisted the White House in the preparation of Executive Order 12873 on "Federal Acquisition, Recycling, and Waste Prevention" early in FY 1994. The executive order was signed by President Clinton on October 22, 1993. The order requires Federal agencies in the executive branch to increase the amount of recycled products they purchase, including paper.

The order specifically directs Federal agencies to increase the postconsumer recovered materials content of high-speed copier paper, offset paper, forms bond, computer printout paper, carbonless paper, file folders, and white woven envelopes used by the Government to a minimum of 20 percent beginning December 31, 1994, and a minimum of 30 percent beginning December 31, 1998. For other uncoated printing and writing paper, such as writing and office paper, book paper, cotton fiber paper, and cover stock, agencies are directed to purchase products with a minimum content standard of 50 percent recovered materials including 20 percent postconsumer materials beginning on December 31, 1994. This standard must also be increased to 30 percent

postconsumer materials beginning on December 31, 1998.

GPO pledged to cooperate with the Executive Order immediately, issuing the new specifications in the proposal for the quarterly contract for paper beginning January 1, 1994.

ALKALINE AND PERMANENT PAPERS

In 1990, Congress passed P.L. 101-423, a Joint Resolution to Establish a National Policy on Permanent Papers, stating that it is the policy of the United States that Federal records, books, and publications of enduring research and educational value be produced on acid-free permanent papers. Otherwise, these valuable documents will deteriorate due to printing on acidic papers. The law specifies that the Librarian of Congress, the Archivist of the United States, and the Public Printer shall jointly monitor the Federal Government's progress in implementing this policy and report to Congress periodically.

The group's first report to Congress recommended that records and publications that are clearly permanent at the time of creation should be printed on permanent paper, using the specifications for such paper established by the JCP. These specifications are contained in the paper standard JCP A270, which was designed to meet the requirements of American National Standards Institute (ANSI) standard Z39.48-1984. In fact, JCP A270 is more stringent than the ANSI standard in some of its durability requirements and is the recommended permanent paper standard for the Federal Government. The group further recommended that all other documents should be recorded on alkaline papers. There are currently several specific JCP paper standards for alkaline paper.

Prior to the enactment of P.L. 101-423, the House of Representatives Committee on Appropriations directed GPO to prepare a report and plan on the use of alkaline paper in Government printing. At that time, GPO disclosed that the majority of the paper it was buying on quarterly term contracts was alkaline. A high rate of alkaline paper utilization was also present in the papers used by commercial printers. The presence of alkaline paper in these proportions is due to the ongoing conversion of many segments of the paper industry to alkaline-based manufacturing methods. GPO also reported that it was possible to obtain alkaline papers meeting the requirements for recycled fiber content. The report and plan, submitted to Congress in April 1990, contained a variety of recommendations and strategies for increasing the utilization of alkaline papers in Government printing.

Since that time, the majority of papers purchased in bulk shipments by GPO have been alkaline. For the four quarterly contract periods between October 1, 1993, and September 30, 1994, 87 percent of the paper purchased by the pound was alkaline.

PRINTING INKS

For inplant production in 1994, GPO used 108 tons of printing inks. These included 34 tons of news ink to print the Congressional Record and the Federal Register, 60 tons of heat-set inks, and 14 tons of sheetfed inks. GPO's printing contractors used an estimated 1,000 tons of various inks on work procured by GPO.

GPO manufactured 52 tons of inks in 1994 for use in printing at the central office plant and for use by other printing entities, such as the Senate Service Department, compared with 52 tons during 1993. An additional 56

tons of inks were purchased for in-plant use during the year, primarily news inks for the Congressional Record and the Federal Register, compared with 50 tons in 1993.

The cost of ink is minimal compared to the major cost components of any printing job, such as labor, paper, and machine time. For example, the cost of ink to produce the Congressional Record and the Federal Register (which use a relatively inexpensive ink) is approximately one-tenth of one percent of the total cost of these two printing programs. The estimated cost of the ink consumed in Government printing performed or procured by GPO was \$3.6 million for 1994, or one half of 1 percent of GPO's total printing and binding revenues.

Vegetable Ink Legislation

Vegetable oil-based inks have attracted increased interest because they help reduce dependence on foreign oil, rely on a domestically produced renewable resource, and contain properties that improve performance, make them economical to use, and environmentally friendly.

In 1993, legislation was introduced in the Senate and the House of Representatives to increase the use of these

inks in Federal Government printing. Hearings were conducted in the Senate in 1993 and the House in 1994. In October 1994, Congress passed, and the President signed into law, the Vegetable Ink Printing Act (P.L. 103-348), which requires all Federal lithographic printing to use vegetable oil-based inks in the printing process, and specifies the minimum content percentage of vegetable oil to be included in various printing inks. GPO began implementation immediately.

In 1994, vegetable oil was present in 22 percent of the ink used for in-plant production, primarily in sheetfed inks. This included linseed oil which is in the varnishes of many inks. Soybean oil was in about 5 percent of the inks used by GPO, primarily in colored inks. There is no data available on the presence of vegetable oil-based inks in printing performed by GPO's contractors, but it is estimated that these inks are used widely due to their general presence in the commercial ink market today. With the acquisition of new web offset presses for printing the Congressional Record and the Federal Register, GPO made it possible to print these two publications with vegetable oil-based ink.

GPO had an increasing number of term contracts in place in 1994 requiring the use of vegetable oil-based inks. Several Federal agencies requested that these inks be used, including the Internal Revenue Service, which requisitioned the use of vegetable oil-based inks on all tax packages. GPO found that commercial printers are capable of using vegetable oil-based inks at no additional cost to the Government and that many printers are already using such inks. The requirement to use vegetable oil-based inks would add little, if any, additional cost to Government printing contracts.

There will be an increase in the amount of vegetable oil-based ink used by the Government as a result of the new legislation. For central office printing, the increase is projected to be approximately 6 to 8 short tons annually. This is a conservative estimate based solely on the presence of vegetable oil in heatset inks; the increase could be greater if GPO uses inks that exceed the minimum standards established by the legislation. It was not possible to develop a similar estimate for procured printing because of the absence of data on the kinds of inks used by contractors.

GPO was created not just to provide printing services, but so that those services would be employed in the broader purpose of getting Government information to the public. James Madison 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 that knowledge gives.

Informing the Nation has been a fundamental responsibility of our Government since its founding. For example, Article I of the Constitution calls on Congress to keep and publish a journal of its proceedings, a function that GPO still assists. By linking GPO's printing operations with the distribution function, Congress ensured that the comprehensive body of information printed at public expense would be made available for public use. GPO thus serves as the popular "means of acquiring" Government information that Madison spoke of.

PROGRAMS AND FUNDING

GPO's Superintendent of Documents provides public access to Government information through several different programs, including the sale of publications, the compilation of catalogs and indexes, the distribution of publications to depository and international exchange libraries, the distribution of publications as required by law, and the distribution of publications for other Federal agencies on a reimbursable basis.

In 1994, the Superintendent of Documents received \$111.5 million in funding. Of that amount, \$81.9 million, or 74 percent, was from revenue earned from the sales of publi-

cations to the public. No taxpayer-provided funds were included in this revenue.

Another \$5.6 million, or 5 percent, was earned as reimbursements from Federal agencies for distribution services performed for those agencies.

The remaining \$23.9 million, or 21 percent of all Superintendent of Documents revenues, was derived from appropriated funds. These funds were made available by the Salaries and Expenses Appropriation of the Superintendent of Documents to operate programs mandated by Title 44, including the Depository Library Program, the Cataloging and Indexing Program, the International Exchange Program, and the Statutory Distribution Program.

Employing approximately 800 personnel, the Superintendent of Documents distributed a total of 101.8 million Government publications in 1994, compared with 103.9 million publications in 1993.

SUPERINTENDENT OF DOCUMENTS RELOCATION

In 1994, the various Superintendent of Documents operations housed in leased space in Union Center Plaza, at the corner of North Capitol and K Streets, NE, Washington, DC, relocated to GPO's central office. These were primarily associated with the Sales Program. The consolidation saved \$467,800 annually in lease costs.

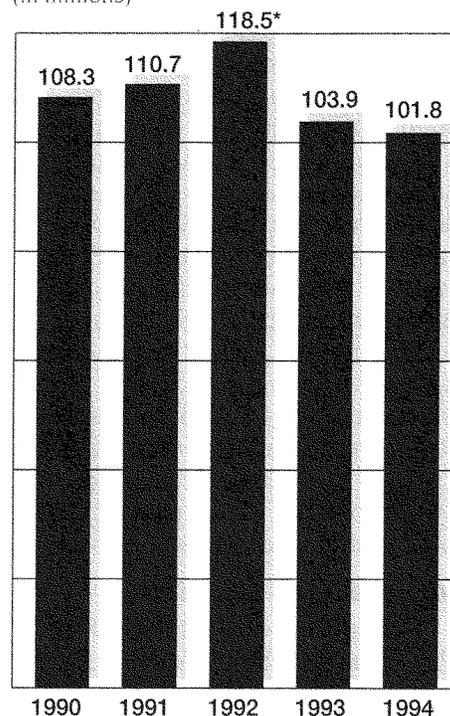
Along with the consolidation, a new AT&T Automatic Call Distribution system was installed for the Sales Program, improving sales service to the public.

DEPOSITORY LIBRARY PROGRAM

Although GPO has administered the Depository Library Program for 100 years, providing Government

Publications Distributed by the Superintendent of Documents

(in millions)



* includes distribution of decennial census publications

information to libraries can be traced nearly to the founding of our Nation.

In 1813 Congress passed a law (3 Stat. 140) to provide for the distribution of the House and Senate Journals and other congressional documents to State historical and antiquarian societies. Originally vested in the Secretary of State, and later the Secretary of the Interior, the responsibility for distributing publications was transferred to GPO by the Printing Act of 1895. This law, the direct antecedent of Title 44 of the U.S. Code, expanded the scope of publications and the types of libraries affected by the program. It was further amended in 1962 with the passage of the Depository Library Act (P.L. 87-579), which defines the operation of the Depository Library Program today.

From its beginning, the Depository Library Program has been built on several underlying principles:

- ❖ A well-informed citizenry, cognizant of the policies and activities of its representative Government, is essential for the proper functioning of democracy.
- ❖ The public has a right to Government information which has been prepared and published at public expense.
- ❖ The Government has an obligation to ensure the availability of, and access to, public information at no cost to the user.
- ❖ The publications provided through the Depository Library Program are a permanent and official source of Government information.
- ❖ The public, the participating libraries, and the Government all benefit from the efficiencies afforded by a centralized distribution system, such as the Depository Library Program, which ensures the wide availability of Government publications at no charge to the user.

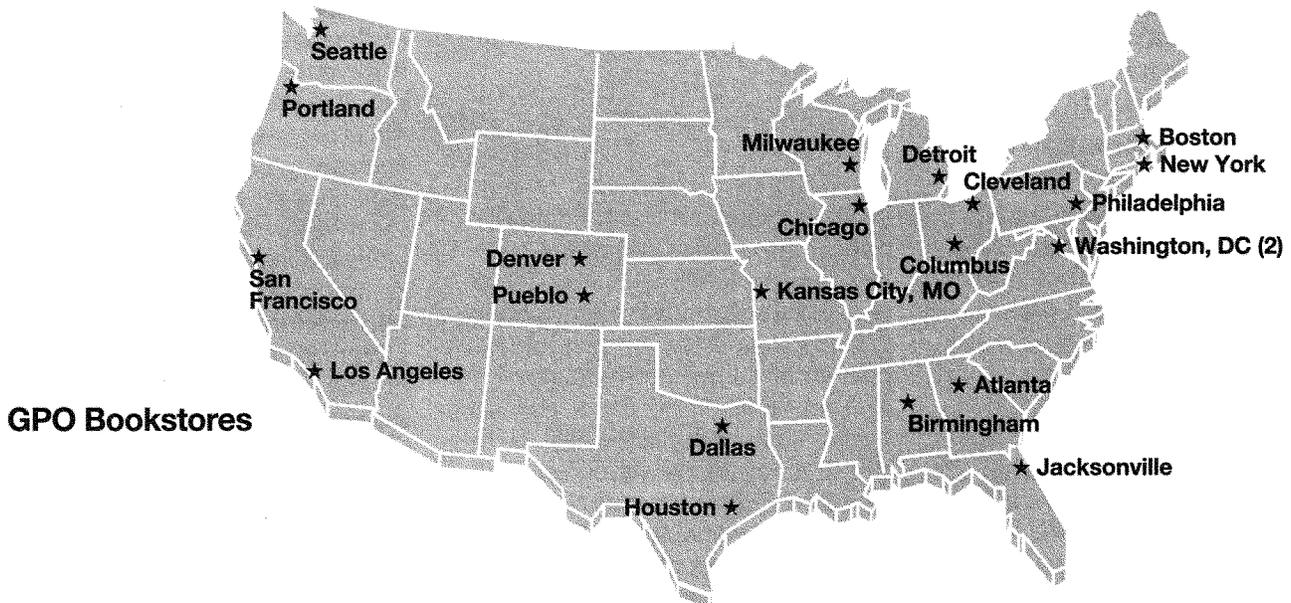
Today the Depository Library Program distributes Government publications to Federal depositories in approximately 1,400 public, academic, law, and Federal agency libraries nationwide. There is one depository library in nearly every congressional district. Three libraries were newly designated as depositories in FY 1994 while 13 relinquished their depository status. At yearend, there were 1,389 libraries in the Program.

Libraries are designated as depositories for Government publications by Senators and Representatives as well as by law. GPO sends the libraries copies of all Government publications that are not purely of an administrative nature, cooperatively sponsored, or classified for reasons of national security. The copies are paid for by an annual congressional appropriation. In return for receiving Government information at no cost, the

libraries must make it available to the public without charge, and provide appropriate assistance to users.

The majority of the depository libraries are selective depositories which tailor their Government publications acquisitions to local needs, choosing from among 7,000 organizational and series categories. Fifty-three libraries, or roughly one per State (depending on size and resources, some States have no regionals while others have more than one), are regional depositories and receive every publication distributed by the Program. They are required to retain indefinitely every Government publication they receive. These libraries also provide inter-library loan and related services to other depositories in their regions.

According to a 1989 survey, more than 167,000 persons utilize Federal depository library collections nationwide each week.



Program Funding

The publications printed for depository libraries are paid for by the Salaries and Expenses Appropriation of the Superintendent of Documents. The appropriation also covers the cost of distributing the publications, as well as all administrative costs associated with Depository Library Program operations. In 1994, funding for the Program totaled \$25 million, of which \$14.8 million, or nearly 60 percent, was for printing publications.

Document Distribution to Depository Libraries

During 1994, GPO distributed 17.8 million copies of 45,800 titles to depository libraries. Including distributions to depository libraries performed on behalf of GPO by the Department of Energy and the U.S. Geological Survey, more than 20.6 million copies of 64,900 titles were distributed in 1994, compared with overall totals of 26.7 million copies of 76,400 titles during 1993. During 1994 GPO shipped approximately 439,000 cartons of depository materials to the libraries, an average of 210 cartons every hour. About 58 percent of the copies distributed by GPO were in microfiche format while 41 percent were in paper format; another 1 percent were in electronic format.

Electronic Dissemination to Depository Libraries

During the year, approximately 201,800 copies of 300 titles in electronic formats were distributed to depository libraries, compared with the distribution of 167,000 copies of 292 titles in 1993.

As authorized by the GPO Electronic Information Access Enhancement Act of 1993 (P.L. 103-40), GPO is providing online Government information to depository libraries. GPO's Access service is provided at no charge to the libraries, with the costs

paid from the Salaries and Expenses Appropriation. At the end of FY 1994, approximately 300 libraries were linked with the Access service.

Depository libraries may provide GPO Access to the public at differing levels of service, ranging from on-site use within the library to off-site use through electronic gateways for those users who want to connect with GPO Access from their classroom, home, or office. The first such gateway was established in Missouri late in FY 1994. The gateways operate twenty-four hours a day, seven days a week, offering public access to important Government information beyond usual library hours.

Plans for FY 1995 include expanding the variety of information offerings on GPO Access, increasing the number of gateways to one in every state, and providing improved information locator services via GPO Access.

Program Efficiencies Benefit the Taxpayers

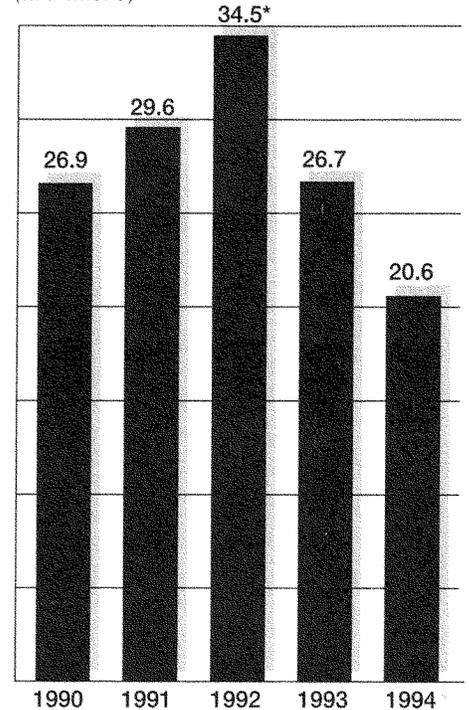
In 1994, the average cost of printing, cataloging, and distributing each publication shipped to depositories was slightly more than \$1.00. This level of efficiency was achieved through the centralization and specialization of the Depository Library Program.

If the Program were to operate on a decentralized basis, its costs could triple. The increased costs would arise from the need to fund additional personnel throughout the hundreds of publishing entities in the Government to perform depository duties. The cost of depository printing would also increase if it were to be performed on a decentralized basis rather than through GPO.

Most importantly, the cost of distribution would rise significantly through the loss of economies of scale made available to GPO. Under GPO's depository distribution system, publications from multiple agencies

Copies of Government Documents Distributed to Depository Libraries

(in millions)



* includes distribution of decennial census publications

are combined into single shipments, which receive economical shipping rates. Individual agencies would lack the capability to combine shipments and instead be forced to rely on single shipments that would be far more expensive, even if the minimum USPS 4th class rate were used. In addition, agencies would be more likely to ship hard copy formats, rather than utilizing microform formats as GPO does, since individual microform conversion contracts would be expensive. Overall, therefore, the current Depository Library Program ensures the taxpayers the lowest possible cost for making essential Government information available for their use.

Program Benefits for Federal Agencies

Federal agencies are required by Title 44 to make their eligible publica-

tions available to the Superintendent of Documents for distribution to depository libraries. This requirement is reiterated in policy guidance set forth in Office of Management and Budget Circular No. A-130, "Management of Federal Information Resources" (July 1993), which also encourages agencies to make electronic information products available to the Depository Library Program.

These requirements provide a substantial information dissemination benefit to publishing agencies. Centralizing Government printing through GPO has proven to be an effective mechanism to obtain publications and other information for the Depository Library Program. When an agency produces a publication through GPO, GPO pays for the costs of printing and distributing copies for depository libraries. This process, which is virtually transparent to publishing agencies, ensures broad distribution of their information products at no cost. However, if agencies produce publica-

tions elsewhere than GPO, by law they must pay for the cost of the copies that GPO distributes to the libraries.

Fugitive Documents

Many publications produced by the Government fail to be included in the Depository Library Program. Documents that belong in the Program, but which are excluded, are known as fugitive documents. Their absence from depository library collections impairs effective public access to Government information.

While many studies of the fugitive document problem have been conducted, data vary as to the exact number of publications that are not in the Depository Library Program. Sometimes administrative errors are made by GPO in document selection and distribution. More commonly, however, documents become fugitives from the Program due to their production outside of GPO, such as in agency printing plants. There is also a growing number of fugitive docu-

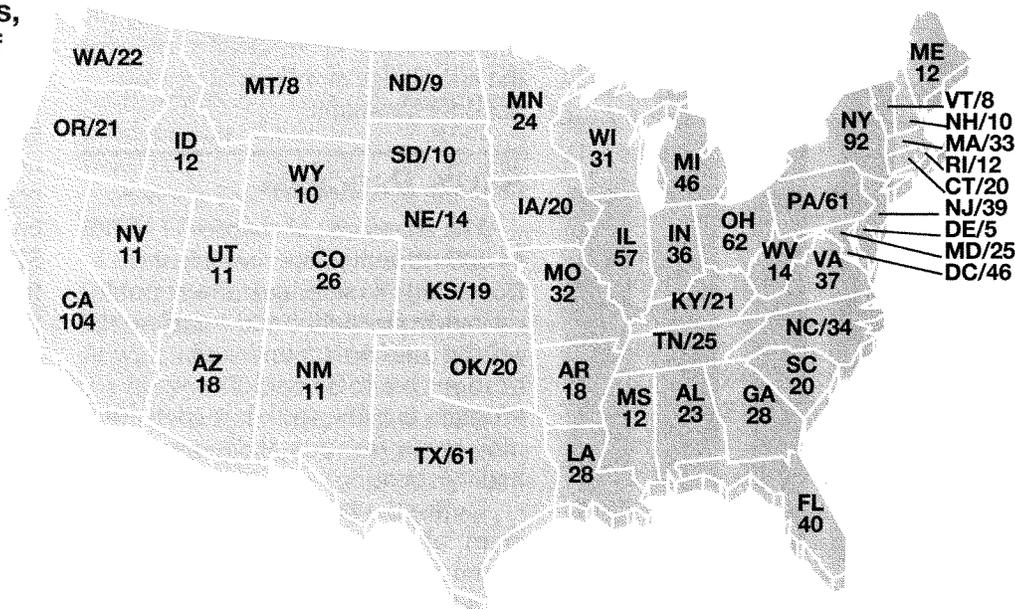
ments due to increased agency use of electronic systems to produce and disseminate their own documents.

Fugitive documents defeat the purpose of the Depository Library Program and undermine the public's ability to access information critical to their lives. Over the years, GPO has taken steps to remedy the problem. One step has been an offer to agencies to supply two copies of any publication produced outside GPO, rather than 1,400 copies, from which GPO can produce microfiche copies for shipment to depositories. GPO has also begun efforts to encourage agencies to utilize the GPO Access service to ensure dissemination of their electronic information to depositories. By yearend FY 1994, one such effort involved the dissemination of General Accounting Office reports.

The operation and ongoing expansion of agency printing plants, however, will continue to increase the number of fugitive documents.

Federal Depository Libraries, by State and Territory, as of September 30, 1994 (total=1,390)

Alaska/9
Hawaii/11
American Samoa/1
Panama Canal Zone/1
Guam/2
Micronesia/1
Puerto Rico/5
Virgin Islands/2
Northern Mariana Islands/1



Inspections

Under section 1909 of Title 44, GPO inspects the Government documents collections of depository libraries to ensure that standards of accessibility, maintenance, and publications retention are upheld. In 1994, 207 depository libraries were inspected, an 18 percent decrease from 1993. Of the libraries inspected, 12 were placed on probation as the result of deficiencies, while 11 which made significant improvements and complied with Program standards were removed from probationary status.

Depository Library Council

The Public Printer and the Superintendent of Documents are advised on the operation of the Depository Library Program by the Depository Library Council, composed of Government documents librarians and other professionals working in the Govern-

ment information field. The Council has a membership of 15, appointed by the Public Printer. Each year, one-third of the group is appointed for a 3-year term. The Council holds public meetings twice a year usually for 2 to 3 days, in the spring in Washington, DC, and in the fall at different locations around the Nation. The Council provides recommendations and other direct input on library programs operations. In 1993, the Council met in Chicago, IL, and in Washington, DC.

Federal Depository Conference

The Third Annual Federal Depository Conference, held April 20–22, 1994, was attended by more than 450 depository librarians from across the Nation.

Interagency Depository Seminar

The 7th Annual Interagency Depository Seminar was held from May 18–25, 1994. The seminar was presented by GPO, the Library of Congress, the Patent and Trademark Office, the Office of the Federal Register, the Environmental Protection Agency, the Bureau of the Census, and the Bureau of Labor Statistics. Sixty-five depository librarians attended the seminar, which is designed to enhance the knowledge and skills of new depository librarians.

earned from sales of publications. No appropriated funds are used in the operation of this program.

The Sales Program operates primarily by telephone, fax, and mail order, but publications are also sold through the Retail Sales Outlet at GPO's warehouse in Laurel, MD; the Congressional Sales Office at GPO's central office in Washington, DC; the Public Documents Distribution Center in Pueblo, CO; through a network of 23 GPO bookstores nationwide; and by 18 consigned sales agents in other Federal agencies.

Significant Sales Publications

In 1994, GPO's sales inventory contained approximately 12,500 titles. Best-selling publications included the Dictionary of Occupational Titles, The Health Security Act and Health Security: the President's Report to the American People, the U.S. Government Manual, and the Report of the National Performance Review, Reinventing Government. Best-selling subscriptions were the Federal Register, the Commerce Business Daily, the Code of Federal Regulations, and the Official Gazette of Patents and Trademarks.

Financial Performance

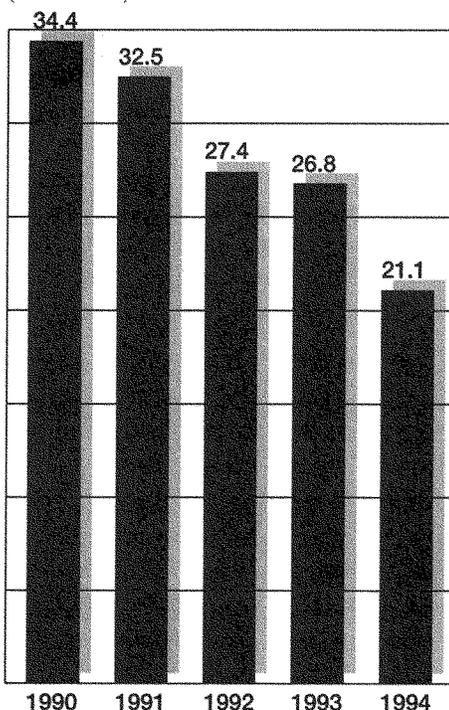
The Sales Program generated revenue of \$81.9 million at a cost of \$75.7 million in 1994, resulting in net income of \$6.2 million. Bookstore revenue increased to \$16.5 million from \$15.5 million in 1993. Sales of publications in electronic formats generated \$1.5 million in revenue, compared with \$1.1 million the previous year.

Receipts from Sales of the Congressional Record and the Congressional Directory

As required to be reported by section 910 of Title 44, revenue from sales of Congressional Record subscriptions, individual copies, and

Copies of Documents Sold

(in millions)



SALES PROGRAM

The provisions of chapter 17 of Title 44 authorize the Superintendent of Documents to sell Government publications to the public and establish the pricing mechanism under which publications are to be sold. The Sales Program is a one stop, low cost shopping center for Federal documents and information.

Unlike the Depository Library Program, which is funded by congressional appropriation, the Sales Program is financed entirely by revenues

bound sets in all formats was approximately \$740,500 in 1994, compared with \$542,000 in 1993. Revenue from sales of the Congressional Directory was approximately \$114,500, compared to \$93,000 the previous year.

Order Activity

The Sales Program processed over 1.1 million orders in 1994, compared with 1.6 million orders in 1993. Of the 1994 orders, approximately 60 percent were from the business community. The remainder were from private individuals and various government and academic institutions. During the year, 55 percent of central office mail orders were for single copy publications and 45 percent were for subscriptions. Mail, fax, and telephone orders made up approximately 69 percent of all orders. The remaining 31 percent were walk-in purchases at the bookstores, the Congressional Sales Office, and the Retail Sales Outlet.

The total number of copies sold by the Sales Program decreased from 26.8 million in 1993 to 21.1 million in 1994.

Electronic Information Products

While total sales volume decreased, sales of electronic information products increased dramatically. GPO's list of electronic product offerings on CD-ROM, magnetic tape, and personal computer diskette grew substantially in 1994, rising to over 1,000 titles from the more than 700 titles made available for sale in 1993. Titles included the Unique Physician Identification Numbers, Supreme Court Opinions, the U.S. Code, and IRS tax forms.

With the launching of the GPO Access service in June 1994, GPO offered sales subscriptions to the service as required by P.L. 103-40. Prices of the subscriptions were based on incremental cost, as stipulated by the law. At yearend, there were 1,900 subscrip-

tions to the service, generating total revenues of \$74,700.

Bookstore Activity

There was a significant increase in bookstore revenue, increasing from \$15.5 million in 1993 to \$16.5 million in 1994. The San Francisco bookstore was relocated to a more publicly accessible site, improving service to customers in that area. Work also began on the relocation of the New York bookstore to a more suitable location within the New York City Federal Building.

Marketing

Marketing produced six issues of its New Books catalog of new Sales Program products and distributed it to a mailing list of librarians and other information professionals. Two issues of the U.S. Government Information (formerly U.S. Government Books) catalog of new and popular titles and one issue of the U.S. Government Books for Business catalog were also produced. To take advantage of the publicity surrounding the 50th anniversary of D-Day, Marketing revised and distributed its Military History catalog. In addition, a new Resources for Government Contractors was produced and distributed during the year.

In addition to catalogs, Marketing produced and distributed 39 other mailers, flyers, and direct mail letters promoting Sales Program products to 687,000 targeted prospects. One of these promotional products was a brochure featuring publications about Americans with Disabilities Act compliance requirements. Marketing also produced and distributed 154 product publicity releases to targeted audiences during the year, and conducted exhibits at six conventions, including two national library association meetings.

CATALOGING AND INDEXING PROGRAM

The Superintendent of Documents is required by sections 1710 and 1711 of Title 44 to index and classify Government documents and prepare the Monthly Catalog of U.S. Government Publications, which contains authoritative descriptions of Government documents. The program is funded by the Salaries and Expenses Appropriation of the Superintendent of Documents. In 1994, Program funding was \$2.4 million, compared with \$2.8 million in 1993.

During 1994, approximately 33,600 items were cataloged, compared with 36,700 items in 1993. Receipts of new cataloging work totaled 35,900 titles, compared with 47,400 titles received in 1993.

The backlog of titles awaiting cataloging decreased from 15,500 at the end of 1993 to 5,100 at the end of 1994.

STATUTORY DISTRIBUTION PROGRAM

Under various sections of Title 44, the Superintendent of Documents is required to distribute certain publications free of charge to recipients designated by law. These publications include the Congressional Record, the Commerce Business Daily, and the Official Reports of the Supreme Court. The Statutory Distribution Program is funded by the Salaries and Expenses Appropriation of the Superintendent of Documents. Program funding was \$771,000 in 1994, compared with \$600,000 in 1993:

During 1994, the Superintendent of Documents received 3.5 million copies of publications which were distributed free in accordance with statutory requirements, the same number of copies received and distributed in 1993.

AGENCY DISTRIBUTION PROGRAM

Section 1701 of Title 44 authorizes the Superintendent of Documents to distribute publications on behalf of Federal agencies to recipients designated by those agencies. This is a reimbursable operation. In 1994, the Agency Distribution Program generated \$5.6 million in reimbursement revenues on costs of \$5.4 million, yielding a net income of \$250,000. This compared with revenues of \$5.5 million on costs of \$5.4 million in 1993, resulting in a net income of \$114,000.

In 1994, GPO received and mailed approximately 50.3 million copies of publications on behalf of other agencies, compared with 43.7 million copies in 1993.

Consumer Information Center

The largest reimbursable operation is located at GPO's Public Documents Distribution Center in Pueblo, CO. The Center is nationally known for its "Pueblo, CO 81009" mailing address. Approximately half of the Center's work is performed on behalf of the Consumer Information Center of the General Services Administration, for whom GPO distributes low-cost and free consumer-oriented publications. Other work is performed for the Department of Energy and the U.S. Postal Service. In 1994, approximately 18.2 million free and paid consumer publications were distributed by the Center, compared with 22.3 million in 1993.

INTERNATIONAL EXCHANGE PROGRAM

Pursuant to the convention concluded at Brussels on March 15, 1886, and proclaimed by the President on January 15, 1889, and subsequently codified at section 1719 of Title 44, U.S. Government publications such as the Congressional Record are distributed to foreign libraries in exchange for publications produced by their governments, which are shipped to the Library of Congress. The Library administers this Program while the Superintendent of Documents distributes the publications. The International Exchange Program is funded by the Salaries and Expenses Appropriation of the Superintendent of Documents. Program funding was \$845,600 in 1994, compared with \$592,000 in 1993.

Approximately 1.2 million copies of U.S. Government publications were distributed to libraries in 65 countries by this Program in 1994, compared with 779,000 copies distributed to 69 nations in 1993.

GPO's primary services—inplant printing, printing procurement, and publications distribution—are supported by several organizations which administer GPO's facilities, materials and supplies, employee programs, information systems, and financial resources.

FACILITIES AND EQUIPMENT IMPROVEMENTS

GPO's central office complex in Washington, DC, comprises approximately 34.4 acres of owned space in three contiguous buildings and a paper warehouse across the street. An additional 11.9 acres of parking space are owned or leased. GPO also leases four buildings in the Washington metropolitan area for office and warehouse space (in Laurel, MD, and at Springbelt, VA), totaling 15 acres. GPO vacated space in Union Center Plaza (1.4 acres) in 1994. Personnel from that area were consolidated in renovated space in the central office complex.

In 1994, the value of all land, buildings, and building improvements was \$68.3 million. These facilities and GPO's regional facilities house plant machinery and equipment with a 1994 book value of \$19 million (\$71.1 million acquisition cost less \$52.1 million in depreciation).

GPO's Engineering Service completed the consolidation of Superintendent of Document's operations in the central office under budget and on time. Although estimated at \$6 million, the project was completed for approximately \$1 million less. Over 40,000 square feet of production space were converted to office space during the year, largely as the result of this project. Additionally, Engineering



began work to install the 3 new offset web presses acquired during the year.

Cost savings for electricity were initiated by shutting down air distribution equipment, chillers, and transformers on weekends and by using more efficient light fixtures in the Superintendent of Documents consolidation.

MATERIALS AND SUPPLIES MANAGEMENT

The total value of GPO's 1994 procurement activities, other than for printing, was \$80.4 million, compared with \$94.5 million in 1993. Of this, \$38.1 million was for paper, envelopes, and cartons; \$25.8 million was for services, transportation, communications, and travel; \$11.6 million was for materials and supplies; and \$4.9 million was for machinery, equipment, and building appurtenances.

During 1994, GPO's Materials Management Service (MMS), which handles non-printing procurements, successfully negotiated several leases for GPO's operations. The San Francisco bookstore was relocated from Federal space to commercial space. Leases were renegotiated for the Superinten-

dent of Documents warehouse space in Laurel, MD. The lease for the Hampton Regional Printing Procurement Office was renewed. MMS also negotiated the relocation of the Chicago Regional Printing Procurement Office, and negotiated the termination of the lease at Union Center Plaza and the relocation of all Superintendent of Documents operations from that facility to GPO's central office.

Under its responsibilities for the procurement of printing papers, MMS conducted seven mill inspections during the year to ensure compliance with Environmental Protection Agency guidelines on recycled paper. The service also awarded contracts for the procurement of recycled copier paper, passport paper, and newsprint for the production of the Congressional Record and the Federal Register.

In addition, MMS completed the procurement of three new offset web presses to replace the aging web letterpresses used to print the Record and the Register, and contracted for necessary installation activities.

HUMAN RESOURCES

Employment and Training

GPO reduced overall employment in 1994, beginning the year with 4,477 employees on board, and ending it at a level of 4,325. Overall FTE utilization was 4,248. A hiring freeze was continued during the year for all administrative areas and all manager/supervisory positions.

A major activity in FY 1994 was the conduct of GPO's retirement incentive program between November 1 and December 31, 1993. GPO's Personnel Service presented briefings and conducted a large number of individual and group retirement counseling sessions. A total of 357 employees retired under this program.

During the year, Personnel Service delivered more than 3,200 instances of training to GPO employees through inhouse and outside sources. More than 900 employees received computer-related training. Courses were also provided in employee health, safety, benefits, and clerical skills.

Health and Safety

GPO made considerable progress in 1994 in environmental compliance activities. Improvements in waste water discharge led to removal of the requirement for GPO to obtain a permit under the Clean Water Act. Permit applications for a number of presses were submitted, ensuring GPO's continuing efforts to stay in compliance with the Clean Air Act. Work with contractors and District of Columbia environmental officials led to an agreement to monitor only underground storage tank contamination, rather than to pay for expensive remediation technology.

Hazardous waste accumulation, inspection, and removal activities all improved in 1994. The current levels of hazardous waste have decreased almost to the point at which GPO soon may no longer be considered a large quantity generator. In 1993, GPO shipped 270 drums of hazardous waste; in 1994, 62 drums were shipped.

The prevention of accidents, injuries, and illnesses and the resulting costs of workmen's compensation were a major focus in 1994. All lost time accidents were investigated by the GPO safety officials. GPO also promoted health initiatives and hosted the 8th Annual Health Fair for employees.

Labor and Employee Relations

GPO administers labor relations policies in accordance with the pertinent laws, rules, and regulations issued by OPM, the Merit Systems Protection Board (MSPB), and the

Federal Labor Relations Authority (FLRA). GPO has 17 unions which represent 22 bargaining units. Collective bargaining agreements cover all bargaining unit employees. There are approximately 1,800 employees on union dues withholding.

During the year, negotiations on a new labor-management agreement were concluded with American Federation of Government Employees (AFGE) Local 3392, representing employees in GPO's Pueblo Documents Distribution Center. In accordance with the Administration's policy of a cooperative relationship between labor and management, Pueblo employees will be the first GPO employees to undertake a formal partnership training program by the Federal Labor Relations Authority and the Federal Mediation and Conciliation Service. Wage negotiations were also completed with AFGE Local 2738, representing GPO's police officers. In addition, labor relations training was provided for new supervisors to help promote good labor-management relations.

In the area of employee relations, 36 employees were removed or discharged from service in 1994.

Equal Employment Opportunity

GPO maintains a work environment which promotes equal employment opportunity without regard to race, color, religion, sex, national origin, age, or physical or mental disability.

There were 104 EEO complaints on file at the beginning of 1994. During the year, 19 new complaints were filed, 54 cases were closed, and 69 cases remained open. GPO adopted and conducted training on the Equal Employment Opportunity Commission's revised regulation regarding new procedures for formal complaint processing. GPO also trained EEO personnel in alternative dispute resolution techniques. In addition, GPO's

EEO office continued special emphasis initiatives such as the Federal Womens' Program, the Hispanic Employment Program, and the Disability Employment Program.

SECURITY AND SUPPORT SERVICES

Several actions were taken to increase the security of GPO's personnel and facilities. The number of operating security alarm points was increased from 184 to 231. Three new CCTV cameras were installed and activated in new high security areas. A new building security and control terminal and six new smart cardkey alarm terminals were installed in the central office. Seven additional card readers were installed in selected locations to control access into protected production and other work areas.

In GPO's Support Services, a mail management training program was completed in 1994. The program provided printing procurement and customer service personnel with information on U.S. Postal Service rates, classification, and delivery standards to facilitate and expedite the cost-effective delivery of print products.

During the year, Support Services also responded to a mandate from the Advisory Committee on the Records of Congress to develop a comprehensive records schedule for GPO, including procedures for inventoring GPO records and transferring them to the National Archives.

INFORMATION SYSTEMS

The relocation of Superintendent of Documents operations from Union Center Plaza required a major expansion of GPO's local area network during 1994, which was accomplished by

GPO's Office of Information Resources Management (OIRM).

In support of P.L. 103-40, GPO gained dedicated access to the Internet during the year. Additionally, asynchronous dialup and graphical local connections to both the GPO Access and Federal Bulletin Board systems were developed and implemented.

To improve the management of GPO resources, OIRM linked the Materials Management Procurement and Control System to the Blank Paper Tracking System, permitting the complete tracking of blank paper orders. Overall requirements for a complete Financial Information System were developed. An automated labelling sequence change to the Depository Distribution and Information System eliminated returned publications. In addition, the Mail List System was modified to append the ZIP+4 and postal barcode to mail labels.

FINANCIAL MANAGEMENT

In addition to providing all accounting, billing, voucher examination, and related services in 1994, a pilot credit card program was initiated that allows agencies to use their VISA IMPAC cards to pay for printing and publishing orders. This program will reduce the cost to GPO and agencies by streamlining the accounting and expediting of collections.

Another effort by the Office of the Comptroller was to expand the use of reimbursable mailings for GPO printing and binding contracts. The expanded use of GPO's mailing services should significantly increase GPO's revenue base.

GPO's Accounts Payable System for materials and supplies was completely automated during the year. The new system will process all materials and supplies vouchers and allow the contractors to be paid electronically.

PLANNING

During the year, Planning compiled the FY 1994 Annual Proposed Capital Equipment and Facilities Requirements Plan, which accompanied GPO's overall budget plan submitted to the JCP. Materials were drafted in response to the recommendations of the GSA on improvements to GPO's information resources management activities. Planning also prepared semiannual reports of management actions taken or planned to be taken in response to recommendations of GPO's Inspector General.

MANAGEMENT COMMENTS

The consolidated financial statements are prepared in accordance with generally accepted accounting principles (GAAP) for Federal agencies. GAAP requires that financial statements be prepared on the accrual method of accounting, so the statements can provide reliable information prepared in a manner consistent with that of the previous year. Transactions of GPO are executed and recorded in conformity with established procedures. The financial statements are intended to provide information concerning events and other economic affairs of GPO. Furthermore, the statements also supply information that demonstrates management's ability to use resources effectively in achieving GPO's primary goals and objectives.

GPO's accounting system includes internal controls designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are properly recorded. To ensure that adequate internal controls are maintained, management monitors the accounting system and initiates modifications or improvements deemed necessary to promote operational efficiencies and encourages adherence to prescribed managerial policies.

Budgetary Issues

GPO's mission is to assist Congress and Federal agencies in the cost-effective creation and replication of information products and services, and to provide an effective and economical conduit to the public for government information products and services. GPO strives to operate and manage its resources as efficiently as any large corporation, although the Federal budget process presents a number of challenges not faced by the private sector.

Neither Congress nor GPO has the ability to accurately forecast the

amount of printing that may be needed for the legislative process. Likewise, estimates of the funds required to produce congressional printing cannot be precisely predicted. As a result, there is no assurance that the necessary level of funds has been appropriated by Congress to GPO. In prior years where workload has exceeded funding available, arrangements were made in ensuing years to pay GPO for the shortfall that was created. In FY 1994 congressional workload was less than anticipated which enabled the entire prior-year funding shortfall for unliquidated obligations to be paid off.

A decline in traditional printing and binding in the Federal Government has occurred and is expected to continue. GPO will respond to the decline in demand for ink-on-paper products by downsizing and reducing costs, by trying to obtain a larger share of the market, and by offering more cost-effective electronic-media products.

As a Federal agency, GPO may only produce products and perform services that are authorized by law. GPO cannot diversify and enter new lines of business, as a private concern may. Even with this restriction, GPO is actively pursuing avenues that will make the Agency, and the Federal Government as a whole, more efficient. GPO has agreed to perform services, such as billing and collecting for the Department of Commerce and offered to provide support services to other Government agencies, in order to reduce administrative costs charged to GPO's products and services.

GPO has invested in equipment modernization, new technology, and facilities improvements that will improve efficiency and allow GPO to offer more comprehensive services in the future.

Fiscal Year 1994 Results

The public printing and documents chapters of Title 44, United States Code, require GPO to fulfill the printing

needs of the Federal Government and distribute Government publications to the public. GPO activities are financed through a revolving fund which is reimbursed by payments from client agencies, sales to the public, and transfers from the Congressional Printing and Binding Appropriation and the Salaries and Expenses Appropriation of the Superintendent of Documents. These annual appropriations are used to reimburse GPO for costs incurred in performing congressional work and to fulfill statutory requirements associated with the distribution of Government publications. Reimbursements to the revolving fund from these appropriations are recorded as revenue.

GPO experienced a consolidated net under-recovery of \$21.8 million in FY 1994, compared with a \$14.1 million under-recovery for FY 1993. The increase in the under-recovery from FY 1993 to FY 1994 is attributable to increases in expenses, primarily negotiated wage increases for GPO employees, and incentive payments to employees to separate from the agency; a freeze (since January 1990) on prices GPO may charge customers; and a continuing decline in printing and binding work, as discussed above. Excluding the non-recurring separation incentive payments of \$8.7 million, the FY 1994 under-recovery was \$1 million less than the FY 1993 under-recovery.

Consolidated revenue decreased by \$13.5 million to \$803.1 million in FY 1994. The greatest decrease was in Printing and Binding Operations, where revenue decreased \$15 million. Total expenses, including the \$8.7 million of the separation incentive pay, decreased by \$5.8 million to \$824.9 million, primarily as a result of a decrease in printing and reproduction procured from commercial printers of \$3.5 million, and as a result of \$4.8 million in net savings from the separation incentive program. Approximately \$13.5 million in personnel compensa-

tion costs were avoided in the remainder of FY 1994 when 357 GPO employees were separated with \$8.7 million in payments in the first quarter.

A summary, in thousands of dollars, of revenue and net income or under-recovery in the major operations of GPO is shown below:

	1994		1993	
	Revenue	Net Income or (Loss)	Revenue	Net Income or (Loss)
Revolving Fund:				
Printing and Binding Operations—				
Purchased Printing:				
Central	\$ 322,281	\$ (641)	\$326,474	\$ 1,732
Regional	204,491	(5,516)	203,533	(5,943)
Subtotal	526,772	(6,157)	530,007	(4,211)
Inhouse Printing:				
Central	192,241	(20,762)	202,429	(13,052)
Regional	5,346	(2,254)	7,255	(1,217)
Subtotal	197,587	(23,016)	209,684	(14,269)
Other Operations	2,414	949	2,110	671
Subtotal of Printing and Binding Operations	726,773	(28,224)	741,801	(17,809)
Information Dissemination—				
Sales of Publications				
Agency Distributions	81,937	6,200	84,083	3,616
	5,606	250	5,484	114
Subtotal	87,543	6,450	89,567	3,730
Appropriations:				
Salaries and Expenses	23,934	—	26,247	—
Congressional Printing and Binding	76,363	—	80,044	—
Subtotal	100,297	—	106,291	—
Eliminations				
	(111,486)	—	(121,030)	—
Total Consolidated Revenues	\$ 803,127	\$(21,774)	\$816,629	\$(14,079)

REVOLVING FUND Printing and Binding Operations

In FY 1994, GPO's Printing and Binding Operations contributed revenue of \$726.8 million, compared with \$741.8 million in FY 1993. Printing and Binding Operations generated 76.7 percent of total GPO revenue, compared with 76.1 percent last year. Revenue from commercially procured printing was \$526.8 million, or 67.2 percent of total GPO revenue (excluding revenues from the sales of blank paper and other operations).

Purchased Printing Operations— Central and regional printing procurement operations reported revenue of \$526.8 million in FY 1994, compared with revenue of \$530.0 million in FY 1993. The procurement operations experienced a net under-recovery of \$6.2 million, compared with a net under-recovery of \$4.2 million in FY 1993.

Central—Revenue from central office printing procurement activities was \$322.3 million, compared with \$326.5 million in FY 1993. Expenses for central office printing procurement activities were \$322.9 million, com-

pared with \$324.7 million the previous fiscal year. The net under-recovery for central office printing procurement was \$641,000, compared with FY 1993 net income of \$1.7 million.

Regional—Regional printing procurement revenue was \$204.5 million, compared with \$203.5 million the previous year, while expenses increased to \$210 million from \$209.5 million in FY 1993. The net under-recovery in regional printing procurement decreased to \$5.5 million in FY 1994 from a \$5.9 million under-recovery in FY 1993.

Inhouse Printing Operations— Central and regional inhouse printing operations generated revenue of \$197.6 million in FY 1994, compared with revenue of \$209.7 million in FY 1993. This operation experienced a net under-recovery of \$23 million, compared with a net under-recovery of \$14.3 million in FY 1993.

Central—Central plant printing operations showed an under-recovery of \$20.8 million in FY 1994, compared with a net under-recovery of \$13.1 million in FY 1993. The increase was due to an overall decline in demand for printing and binding services.

Regional—GPO regional printing operations experienced a net under-recovery of \$2.3 million in FY 1994, compared with a net under-recovery of \$1.2 million in FY 1993. In May 1994, a satellite facility in Juneau, AK, was transferred to GPO from GSA.

Other Operations—Other operations consist of revenues and expenses related to the sale of retired fixed assets, the pay parking program, and other transactions. Other operations generated net income of \$949,000, compared with net income of \$671,000 in FY 1993.

Information Dissemination

Sales of Publications Program— GPO's Sales of Publications Program generated net income of \$6.2 million

in FY 1994, an increase from 1993 fiscal year net income of \$3.6 million. Total revenue decreased to \$81.9 million, compared with \$84.1 million in FY 1993, due primarily to a decline in the number of customers. Revenue from the sale of Government publications in electronic format was \$1.5 million in FY 1994, compared with \$1.1 million in FY 1993. Bookstore revenue increased to \$16.5 million, compared with \$15.5 million in FY 1993.

Agency Distribution Services—Under contract with customer agencies, GPO distributes publications to recipients designated by those agencies, and charges for the cost of services performed. This program had revenues of \$5.6 million and \$5.5 million and net income of \$250,000 and \$114,000 in FY 1994 and FY 1993, respectively.

APPROPRIATIONS

Salaries and Expenses

The Salaries and Expenses Appropriation is used to fund the Statutory Distribution Program, the Depository Library Program, the Cataloging and

Indexing Program, and the International Exchange Program. These programs are administered and performed by Superintendent of Documents employees. The amount of appropriation expended was \$23.9 million in FY 1994, compared with \$26.2 million in FY 1993.

Congressional Printing and Binding

Printing and binding expenses for work performed for Congress are reimbursed to the Printing and Binding Operations revolving fund upon billing. For FY 1994, reimbursements from the appropriation were \$76.4 million, compared with \$80.0 million in FY 1993. In FY 1994 the shortfall in appropriations resulting from prior years was fully funded.

ELIMINATIONS

Eliminations consist of revenues from publications sold, printing and binding, and other services provided to operations funded within GPO. Eliminations decreased to \$111.5 million in FY 1994 from \$121 million in

FY 1993, primarily due to decreases in the services performed by the Printing and Binding revolving fund that are reimbursed by the Salaries and Expenses and Congressional Printing and Binding Appropriations.

Fiscal Year 1995 Projections

On May 12, 1994, JCP Resolution Number 1 directed the Public Printer "to manage the Government Printing Office so as to meet financial obligations of FY 1995 from revenues collected in FY 1995 with no increase in rates." In order for GPO to break-even, it will need an increase in the amount of work it receives from customers since rates cannot be increased. GPO's primary customer, Congress, is expected to generate more printing than recent sessions. Even though GPO has been mandated to break-even, it may under-recover expenses by as much as \$11 million. This represents a significant improvement from the \$21.8 million under-recovery in FY 1994. The projected improved performance is based on savings generated from the separation incentive program, increased congressional workload, and increased productivity.

CONSOLIDATED FINANCIAL STATEMENTS

U.S. Government Printing Office Consolidated Statements of Revenues and Expenses

For the Years Ended September 30, 1994 and 1993

(Dollars in Thousands)

	1994		1993	
	Amount	Percent of Revenues	Amount	Percent of Revenues
Revenues				
Printing and binding	\$616,091	76.7 %	\$621,584	76.1 %
Sales of publications	81,937	10.2	84,083	10.3
Appropriations	99,493	12.4	105,478	12.9
Reimbursements	5,606	0.7	5,484	0.7
Total revenues	803,127	100.0	816,629	100.0
Expenses				
Printing and reproduction	469,382	58.4	469,214	57.5
Personnel compensation and benefits	227,767	28.4	235,772	28.9
Supplies and materials	48,566	6.0	50,651	6.2
Rents, communications and utilities	30,339	3.8	31,152	3.8
Publications sold	19,396	2.4	23,111	2.8
Depreciation and amortization	6,166	0.8	5,950	0.7
Other services	5,753	0.7	5,363	0.7
Surplus publications	2,788	0.3	5,253	0.6
Travel and transportation	6,060	0.8	4,242	0.5
Total expenses	816,217	101.6	830,708	101.7
Operating Loss	\$ (13,090)	(1.6)	\$ (14,079)	(1.7)
Less—Separation incentive pay	8,684	1.1	—	—
Net Loss	\$ (21,774)	(2.7)%	\$ (14,079)	(1.7)%

The accompanying notes are an integral part of these consolidated statements.

U.S. Government Printing Office
Consolidated Balance Sheets

As of September 30, 1994 and 1993

(Dollars in Thousands)

Assets

	1994	1993
Current Assets		
Funds with U.S. Treasury (Note 2D)	\$149,180	\$176,180
Accounts receivable (Note 4)	172,164	158,117
Inventories (Note 2E)	28,186	29,221
Prepaid expenses	251	234
Total current assets	349,781	363,752
Property, Plant, and Equipment (Note 2F)		
Land and buildings	18,633	18,633
Equipment and building improvements	152,617	136,468
Total acquisition value	171,250	155,101
Less: Accumulated depreciation and amortization	(102,908)	(97,900)
Total property, plant and equipment	68,342	57,201
Long-Term Accounts Receivable (Note 5)	—	—
Total assets	\$418,123	\$420,953

The accompanying notes are an integral part of these consolidated balance sheets.

U.S. Government Printing Office
Consolidated Balance Sheets

As of September 30, 1994 and 1993

(Dollars in Thousands)

Liabilities and Investment of the U.S. Government

	1994	1993
Current Liabilities		
Accounts payable and accrued expenses (Note 6)	\$ 83,724	\$ 80,556
Deferred revenue (Note 7)	35,056	34,277
Due U.S. Treasury (Note 2L)	—	544
Total current liabilities	118,780	115,377
Other Liabilities		
Accrued annual leave	10,854	12,495
Total other liabilities	10,854	12,495
Total liabilities	129,634	127,872
Commitments and Contingencies (Note 8)	—	—
Investment of the U.S. Government (Note 9)		
Revolving Fund:		
Cumulative results of operations, beginning of year	151,840	165,919
Net loss	(21,774)	(14,079)
Cumulative results of operations, end of year	130,066	151,840
Invested capital	109,944	109,950
Total revolving fund	240,010	261,790
Appropriated Funds	48,479	31,291
Total investment of the U.S. Government	288,489	293,081
Total liabilities and investment of the U.S. Government	\$418,123	\$420,953

The accompanying notes are an integral part of these consolidated balance sheets.

U.S. Government Printing Office
Consolidated Statements of Cash Flows
 For the Years Ended September 30, 1994 and 1993
 (Dollars in Thousands)

	1994	1993
Cash Flows From Operating Activities		
Net loss	\$ (21,774)	\$ (14,079)
Adjustments to net loss:		
Depreciation and amortization	6,166	5,950
Loss on retirement of assets	14	35
Provision for losses on accounts receivable	1,196	(399)
Provision for losses on obsolete inventory	44	1,339
Provision for losses on surplus publications	(640)	120
Changes in assets and liabilities:		
(Increase) decrease—		
Accounts receivable	(15,243)	49,670
Inventories	1,631	2,252
Prepaid expenses	(17)	(85)
Increase (decrease)—		
Accounts payable and accrued expenses	3,169	203
Deferred revenue	779	39
Accrued annual leave	(1,641)	340
Total adjustments	(4,542)	59,464
Net cash used in (provided by) operating activities	(26,316)	45,385
Cash Flows from Investing Activities		
Capital expenditures	(17,329)	(7,990)
Cash Flows from Financing Activities		
Increase (decrease) in unexpended appropriations	17,189	12,382
Funds returned to U.S. Treasury:		
From Salaries and Expenses Appropriation	—	(297)
From Sales of Publications Operations	(544)	—
From Congressional Printing and Binding Appropriation	—	—
Net cash provided by financing activities	16,645	12,085
Net Decrease (Increase) in Funds with U.S. Treasury	(27,000)	49,480
Funds with U.S. Treasury, beginning of year	176,180	126,700
Funds with U.S. Treasury, end of year	\$149,180	\$176,180

The accompanying notes are an integral part of these consolidated statements.

U.S. Government Printing Office
Statement of Budget and Actual Expenses

For the Year Ended September 30, 1994

(Dollars in Thousands)

	Budget			Actual Expenses
	Total Resources	Obligations		
		Direct	Reimbursed	
Revolving Fund	\$814,316	\$ —	\$842,221	\$827,608
Congressional Printing and Binding Appropriation	88,404	88,404	—	76,363
Salaries and Expenses Appropriation	29,082	29,082	—	23,934
Total	\$931,802	\$117,486	\$842,221	\$927,905

Budget Reconciliation (Note 2J)

	Actual Expenses
Total Expenses, accrual basis	\$927,905
Add	
Capital acquisitions	17,329
Other expended budget authority:	
Increase (decrease) in accounts receivable	13,452
Increase (decrease) in prepaid expense	17
(Increase) decrease in accounts payable	(499)
(Increase) decrease in deferred revenue	(779)
Less	
Depreciation and amortization	6,166
Increase (decrease) in accrued annual leave	(1,641)
Other expenses	2,245
Accrued Expenditures, budgetary basis	950,655
Less—Revolving Fund revenue	814,316
Accrued Expenditures, Direct	\$136,339

The accompanying notes are an integral part of this statement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of September 30, 1994 and 1993

1. ORGANIZATION

The U.S. Government Printing Office (GPO) was established by the public printing and documents statutes of Title 44 of the U.S. Code. Congress enacted this legislation to provide to the Federal Government an economic and efficient means for the production and procurement of congressional and agency printing and binding and for the dissemination of information to the public. The Public Printer, who is appointed by the President of the United States with the advice and consent of the U.S. Senate, oversees the operations of the GPO. GPO carries out its responsibilities through the operation of a revolving fund and congressional appropriations.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The consolidated financial statements are prepared on the accrual basis of accounting following generally accepted accounting principles (GAAP).

B. Basis of Consolidation

The accompanying consolidated financial statements of GPO include the accounts of all funds under GPO control that have been established and maintained to account for the resources of GPO. A discussion of these funds is included in the remarks immediately preceding the supplemental schedules.

General and administrative expenses have been distributed among the various expense categories. To the extent practicable, general and administrative expenses were allocated to the various programs based on the estimated level of effort associated with each program.

All significant intra-agency balances and transactions have been eliminated in consolidation. Revenue and expense eliminations for the years ended September 30, 1994 and 1993, consisted of the following:

	1994	1993
Printing and reproduction services	\$108,450,000	\$117,569,000
Data processing services	2,232,000	2,648,000
Miscellaneous services	804,000	813,000
Total	\$111,486,000	\$121,030,000

In addition to the above eliminations, there is an elimination within the Inhouse Printing Program of revenues and expenses for services and other internal transactions (e.g., internal-use forms, electronic repairs, etc.) provided to and by the Inhouse Printing Operations. The eliminations are \$4,329,000 and \$4,720,000 for the years ended September 30, 1994 and 1993, respectively.

C. Revenue Recognition and Expended Appropriations

Revolving fund revenue from printing and binding is recognized as work is performed by GPO. All printing and binding work is required, by law, to be reimbursed on the basis of services rendered. Revolving fund revenue from commercially procured printing and binding is recognized on the date the contract requirements are fulfilled (constructive-receipt concept). Revolving fund revenue from distributing and selling publications is recognized when publications have been shipped or when services have been performed. Appropriation revenue is recorded when expenses are incurred.

The amount of appropriations expended and the programs funded by appropriations are presented in Note 10A. Unexpended appropriations are recorded as Investment of the U.S. Government (see Note 10B).

D. Funds With U.S. Treasury

Funds with U.S. Treasury represent all undisbursed balances for GPO accounts with the U.S. Treasury, and cash and other negotiable instruments on hand and in transit for deposit. Funds are based on the balances recorded by the Treasury in their Government Online Accounting Link System (GOALS). A breakdown of items included in this category as of September 30, 1994 and 1993, follows:

	1994	1993
Revolving fund	\$ 97,943,000	\$141,171,000
Appropriations	50,529,000	32,461,000
On hand and in transit	708,000	2,548,000
Total	\$149,180,000	\$176,180,000

E. Inventories

Inventories of publications for sale are valued using the first-in, first-out (FIFO) cost method, and are shown net of an allowance for surplus publications. The allowance for surplus publications is established to estimate the value of potentially obsolete or excess publications held in inventory. Paper, materials, and supplies inventory includes the cost of production material (e.g., blank paper, ink, book cloth), as well as the cost of administrative-use supplies. This inventory is valued using the weighted-average cost method, net of a provision for obsolescence. The components of inventories as of September 30, 1994 and 1993, follow:

	1994	1993
Publications for sale	\$15,109,000	\$16,556,000
Allowance for surplus publications	(3,725,000)	(4,364,000)
Publications for sale, net	11,384,000	12,192,000
Paper	8,403,000	8,250,000
Materials and supplies	10,082,000	10,418,000
Allowance for obsolescence	(1,683,000)	(1,639,000)
Paper, materials and supplies, net	16,802,000	17,029,000
Inventories, net	\$28,186,000	\$29,221,000

F. Property, Plant, and Equipment

Property, plant, and equipment are valued at cost. Printing equipment transferred to GPO from other Federal agencies is valued in accordance with Regulation Number 26 published by the Joint Committee on Printing (JCP), which approximates historical cost. Expenditures that substantially increase the useful lives of the assets are capitalized.

Depreciation and amortization of property and equipment is calculated on a straight-line basis. Plant machinery and equipment are depreciated in accordance with JCP guidelines, which approximates their useful lives. Leasehold improvements are amortized over the lesser of their useful lives or the lease term. A table of the ranges of depreciable and amortizable lives of GPO assets follows:

Category	Depreciable or Amortizable Life
Buildings and improvements	42 to 50 Years
Plant machinery and equipment	5 to 20 Years
Office machinery and equipment	5 Years
Computer software	3 Years
Computer hardware	5 Years
Furniture and fixtures	5 Years
Vehicles	3 to 6 Years

Property, plant and equipment as of September 30, 1994, consisted of the following:

	Acquisition Value	Accumulated Depreciation and Amortization	Net Book Value
Land	\$ 9,977,000	\$ —	\$ 9,977,000
Buildings	8,656,000	8,656,000	—
Building improvements	49,257,000	29,085,000	20,172,000
Leasehold improvements	1,619,000	1,192,000	427,000
Plant machinery and equipment	71,168,000	52,120,000	19,048,000
Office machinery and equipment	13,614,000	9,405,000	4,209,000
Computer software	3,704,000	1,493,000	2,211,000
Furniture and fixtures	2,181,000	206,000	1,975,000
Vehicles	1,463,000	751,000	712,000
Capital improvements in process	6,792,000	—	6,792,000
Software development in process	2,819,000	—	2,819,000
Total	\$171,250,000	\$102,908,000	\$68,342,000

Property, plant and equipment as of September 30, 1993, consisted of the following:

	Acquisition Value	Accumulated Depreciation and Amortization	Net Book Value
Land	\$ 9,977,000	\$ —	\$ 9,977,000
Buildings	8,656,000	8,656,000	—
Building improvements	48,138,000	27,390,000	20,748,000
Leasehold improvements	1,619,000	1,100,000	519,000
Plant machinery and equipment	65,703,000	50,508,000	15,195,000
Office machinery and equipment	11,612,000	8,482,000	3,130,000
Computer software	1,468,000	984,000	484,000
Furniture and fixtures	644,000	119,000	525,000
Vehicles	1,143,000	661,000	482,000
Capital improvements in process	3,175,000	—	3,175,000
Software development in process	2,966,000	—	2,966,000
Total	\$155,101,000	\$97,900,000	\$57,201,000

G. Annual, Sick and Other Types of Leave

Annual leave is accrued as it is earned, and the accrual is reduced as leave taken. The balance in the accrued annual leave account is adjusted to reflect current pay rates.

Sick leave and other types of nonvested leave are expensed as taken.

H. Accounting for Interagency Activities

Other Federal agencies make financial decisions and report certain financial matters on behalf of the entire Federal Government, including matters in which individual agencies may be an indirectly interested party. This concept of having Federal agencies record or report only those financial matters for which they are directly responsible is consistent with the U.S. General Accounting Office's *Policies and Procedures Manual for Guidance of Federal Agencies*, Title 2, which seeks to identify financial matters with the agency having statutory authority.

Financial matters maintained or reported by other Federal agencies in which GPO is indirectly involved include employee pension plan benefits (see Note 3) and certain legal situations (see Note 8C).

I. Statement of Cash Flows

The statement of cash flows identifies cash receipts and payments, and classifies them into operating, financing, and investing activities. The disclosure of this information is intended to help assess the ability of GPO to generate funds from current operations, to identify financing acquired from outside sources, and to identify the major non-operating (investing) uses of funds. On this statement, cash equals Funds with U.S. Treasury as defined in Note 2D.

J. Statement of Budget and Actual Expenses

The purpose of the statement of budget and actual expenses is to provide a reconciliation between the accrual-based consolidated financial statements, and the obligation-based reports on budget execution, as reported to the Office of Management and Budget (OMB).

“Total Resources” on this statement includes new budget authority granted GPO for FY 1994 for the revolving fund and for the Congressional Printing and Binding and Salaries and Expenses Appropriations, as discussed in Note 10. Expended amounts for these two appropriations from prior years are included in the “Actual Expenses” column and are shown in the supplemental “Schedule of Appropriated Funds.”

“Obligations, Direct” represents the amount of obligations for orders placed, contracts awarded, services received, and other transactions incurred against appropriations that have resulted or will result in an outlay of funds.

“Obligations, Reimbursed” represents the amount of obligations for orders placed, contracts awarded, services received, and other transactions incurred by the revolving fund that will be reimbursed through the performance of services or the sale of goods to others.

The “Budget Reconciliation” section provides a bridge between the accrual-based financial statements and OMB’s cash-based budget execution reports. To reconcile these reports, accrued expenses are adjusted by adding cash outlays that do not affect expenses shown on the financial statements, such as capital acquisitions, and by reducing accrued expenses for items that do not require cash outlays, such as depreciation.

“Accrued Expenditures, Direct” represents the excess of cash payments over reimbursements earned during FY 1994 from GPO customers and congressional appropriations.

K. Changes in Accounting Policy

There were no significant changes to accounting policies in FY 1994.

L. Funds Due U.S. Treasury

Excess receipts of \$544,000 from the sale of publications were returned to the U.S. Treasury during FY 1994. These funds represented excess receipts from the sale of publications in FY 1991 and were returned in accordance with section 1708 of Title 44. This section was in effect until Public Law 103-69, passed in 1993, allowed excess receipts from the sale of publications to be retained by the revolving fund. As a result, there are no funds due U.S. Treasury in FY 1994.

M. Reclassification of FY 1993 Balances

Certain reclassifications have been made to FY 1993 balances to present them consistently with FY 1994 statements and schedules.

3. EMPLOYEE BENEFIT PLANS

GPO funds a portion of pension benefits for its employees under the Civil Service Retirement System and the Federal Employees Retirement System and also makes the necessary payroll deductions for employees for their pension contribution. GPO is not required to disclose the assets of the system or the actuarial data with respect to accumulated plan benefits of the unfunded pension liability relative to its employees. Reporting such amounts is the direct responsibility of the Office of Personnel Management (OPM). The cost of health care benefits for retired employees and the reporting of such amounts are also the direct responsibility of OPM.

A. Civil Service Retirement System

The majority of GPO’s employees were covered by the Civil Service Retirement System (CSRS) during FY 1994 and 1993. Total GPO matching contributions (7.5 percent for Congressional Record indexers, investigators, and law

officers, and 7 percent for all other employees covered under this plan) to CSRS for all employees covered by CSRS were approximately \$9.8 million and \$10.6 million for the years ended September 30, 1994 and 1993, respectively.

B. Federal Employees Retirement System

On January 1, 1987, the Federal Employees Retirement System (FERS), a defined contribution plan, commenced pursuant to Public Law 99-335. Employees hired after December 31, 1983, were automatically covered by FERS and Social Security, while employees hired prior to January 1, 1984, were able to choose between joining this plan or remaining in CSRS. Unlike CSRS, FERS offers the Thrift Savings Plan (TSP), which requires GPO to contribute 1 percent of a FERS enrolled employee's base pay, and, additionally, to match FERS employee contributions up to 4 percent of base pay.

For the years ended September 30, 1994 and 1993, total GPO (employer) contributions to FERS (18.8 percent for Congressional Record indexers, 27.3 percent for investigators and law officers, and 12.9 percent for all other employees covered under this plan) were \$4.9 million and \$4.6 million, respectively. Additional contributions of GPO's share to the TSP for the years ended September 30, 1994 and 1993, totaled \$1.3 million and \$1.1 million, respectively.

C. Social Security System

GPO also makes matching contributions to the Social Security Administration (SSA) under the Federal Insurance Contributions Act (FICA). For employees covered by FERS, GPO contributes matching amounts of 6.2 percent of gross pay (up to \$60,600) to SSA's Old-Age, Survivors, and Disability Insurance (OASDI) Program. Additionally, GPO makes matching contributions for all employees of 1.45 percent of gross pay to SSA's Medicare Hospital Insurance Program. Payments to these programs for the years ended September 30, 1994 and 1993, amounted to \$5.7 million and \$5.5 million, respectively.

4. ACCOUNTS RECEIVABLE

Accounts receivable as of September 30, 1994 and 1993, comprised the following:

	1994	1993
Federal Agencies:		
Unbilled completed work	\$107,969,000	\$ 98,546,000
Unbilled work in process	26,936,000	27,793,000
Billed completed work	37,716,000	31,062,000
Subtotal	172,621,000	157,401,000
Other receivables:		
The public	1,695,000	1,611,000
GPO employees	1,162,000	1,223,000
Subtotal	2,857,000	2,834,000
Total accounts receivable	175,478,000	160,235,000
Allowance for doubtful accounts	(3,314,000)	(2,118,000)
Accounts receivable—current, net	172,164,000	158,117,000
Accounts receivable—long term, net	—	—
Total accounts receivable, net	\$172,164,000	\$158,117,000

The majority of GPO accounts receivable are due from other Federal agencies for products or services provided. Unbilled completed work results from the delivery of goods or the performance of services for which bills have not been rendered. Included in this balance as of September 30, 1994, is unbilled commercial printing valued at \$57.5 million; unbilled direct mill-to-customer agency paper shipments valued at approximately \$2.2 million; finished work in the process of being billed valued at \$31.3 million; and finished work for which invoices have not been prepared as of September 30, 1994, valued at \$17.0 million.

Unbilled work in process represents the value of work performed on customer orders as of September 30 that, by law, must be reimbursed by GPO customers.

Employees accounts receivable for FY 1994 includes \$1,106,000 and \$44,000 owed by current employees and former employees, respectively, who were advanced annual and sick leave. Both types of leave for current employees will be repaid by these employees in biweekly installments or by other GPO employees on their behalf through the donated leave program.

5. LONG-TERM ACCOUNTS RECEIVABLE— CONGRESSIONAL PRINTING AND BINDING APPROPRIATION CUMULATIVE SHORTFALL

The \$8.7 million shortfall that existed in the Congressional Printing and Binding Appropriation (CP&B) at the end of FY 1993 has been eliminated due to a decrease in estimated CP&B obligations. The shortfall originally resulted from work ordered by Congress in 1992 and prior years, which were not adequately funded by congressional appropriations in those years.

	Accounts Receivable	Outstanding Obligations	Cumulative Shortfall
Balance, September 30, 1992	\$10,113,000	\$14,822,000	\$24,935,000
Installment appropriation on shortfall	(3,500,000)	—	(3,500,000)
Congressional appropriation in excess of expenses	(6,613,000)	—	(6,613,000)
Increase in outstanding obligations	—	(6,085,000)	(6,085,000)
Balance, September 30, 1993	\$ —	\$ 8,737,000	\$ 8,737,000
Decrease in outstanding obligations	—	(8,737,000)	(8,737,000)
Balance, September 30, 1994	\$ —	\$ —	\$ —

6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses are composed of the following as of September 30, 1994 and 1993:

	1994	1993
Accounts payable:		
Commercial printing	\$55,167,000	\$58,708,000
U.S. Government agencies	10,680,000	8,575,000
Other	8,284,000	4,049,000
Total accounts payable	74,131,000	71,332,000
Accrued salaries and wages	8,678,000	8,257,000
State and local payroll taxes	915,000	967,000
Total accounts payable and accrued expenses	\$83,724,000	\$80,556,000

7. DEFERRED REVENUE

As of September 30, 1994 and 1993, deferred revenue comprised the following:

	1994	1993
Deferred subscription revenue	\$23,010,000	\$21,791,000
Customer deposits—held on accounts	8,469,000	8,863,000
Customer deposits—unfilled orders	2,598,000	2,492,000
Advanced billings to customer agencies	979,000	1,131,000
Total	\$35,056,000	\$34,277,000

Deferred revenue results from the receipt of customer remittances for future products or services. Deferred subscription revenues for products such as the Congressional Record, the Federal Register, and Commerce Business Daily, are recognized as the periodicals are delivered. Customer deposits for publication orders are recognized when customer orders against this account are filled. Account balances, representing the remaining service due to customers, are refunded to customers when subscriptions are cancelled or deposit accounts are closed.

8. COMMITMENTS AND CONTINGENCIES

A. Operating Leases

As of September 30, 1994, GPO was committed to various noncancelable operating leases primarily covering administrative office space, retail space, and warehouse space. Many of these leases contain escalation clauses and renewal options. The following is a schedule of future minimum rental pay-

ments (in thousands) required under operating leases by type, which have initial or remaining noncancelable lease terms in excess of one year. Rent expenses for the years ended September 30, 1994 and 1993, were \$7,400,000 and \$7,000,000, respectively.

Fiscal Year	Warehouse	Office	Retail	Vehicles	Total
1995	\$2,138	\$351	\$493	\$37	\$3,019
1996	866	236	428	—	1,530
1997	683	140	317	—	1,140
1998	683	36	155	—	874
1999	626	25	83	—	734
2000 and thereafter	—	2	—	—	2
Total minimum lease payments	\$4,996	\$790	\$1,476	\$37	\$7,299

B. Commitments

GPO is committed, by contract, for goods and services which have been ordered but not received (undelivered orders) at fiscal year-end. Aggregate undelivered orders for all GPO activities were \$141.3 million and \$128.2 million as of September 30, 1994 and 1993, respectively. Undelivered orders at the end of FY 1993 included approximately \$10 million for the acquisition of land adjacent to the main building. This order was cancelled in FY 1994 because the District of Columbia Redevelopment Land Agency was unable to remove building restrictions from the property.

C. Contingencies

GPO is a party to various administrative proceedings, legal actions, and claims brought by or against it. In the opinion of GPO management and legal counsel, the ultimate resolution of these proceedings, actions and claims, will not materially affect the financial position or results of operations.

Occasionally, GPO may be the named party, but another agency may administer and litigate the case. Amounts to be paid under any decision, settlement, or award pertaining thereto may be funded by those agencies. In most cases, tort claims are administered and resolved by the Department of Justice, and any amounts necessary for resolution are obtained from the Claims, Judgments, and Relief Acts Appropriation maintained by the U.S. Treasury. Amounts paid from this fund on behalf of the GPO were \$79,000 and \$92,000 for the years ended September 30, 1994 and 1993, respectively, and are not reflected in GPO's consolidated financial statements.

9. INVESTMENT OF THE U.S. GOVERNMENT

Invested Capital and Fund Balances

Invested Capital represents Federal Government resources invested in certain GPO assets, principally, land, buildings and equipment, and working capital. Increases to Invested Capital are recorded only when such assets are acquired with direct appropriations or when printing equipment is donated to GPO.

Investment of the U.S. Government as of September 30, 1994, consisted of the following:

	Revolving Fund	Appropriations	Total
Invested capital:			
Beginning net worth when the Revolving Fund was established	\$ 33,807,000	\$ —	\$ 33,807,000
Book value of contributed buildings and land	415,000	—	415,000
Appropriations for improvements to air conditioning and electrical systems	12,900,000	—	12,900,000
Appropriations for working capital and site equipment	62,600,000	—	62,600,000
Donated equipment	222,000	—	222,000
Total	109,944,000	—	109,944,000
Unexpended Appropriations—Obligated	—	48,479,000	48,479,000
Cumulative Results of Operations:			
Retained earnings	130,066,000	—	130,066,000
Total Investment of the U.S. Government	\$240,010,000	\$48,479,000	\$288,489,000

Investment of the U.S. Government as of September 30, 1993, consisted of the following:

	Revolving Fund	Appropriations	Total
Invested Capital:			
Beginning net worth when the Revolving Fund was established	\$ 33,807,000	\$ —	\$ 33,807,000
Book value of contributed buildings and land	415,000	—	415,000
Appropriations for improvements to air conditioning and electrical systems	12,900,000	—	12,900,000
Appropriations for working capital and site acquisition	62,600,000	—	62,600,000
Donated equipment	228,000	—	228,000
Total	109,950,000	—	109,950,000
Unexpended Appropriations—Obligated	—	31,291,000	31,291,000
Cumulative Results of Operations:			
Retained earnings	147,328,000	—	147,328,000
Reserved for capital projects	4,512,000	—	4,512,000
Total	151,840,000	—	151,840,000
Total Investment of the U.S. Government	\$261,790,000	\$31,291,000	\$293,081,000

10. APPROPRIATIONS

A. Expended Appropriations

Total appropriations made available through congressional appropriations for FY 1994 and 1993 were \$88,404,000 and \$89,591,000 for Congressional Printing and Binding and \$29,082,000 and \$29,082,000 for Salaries and Expenses of the Superintendent of Documents, respectively.

Descriptions of program activities funded by these appropriations are in the notes preceding the supplemental schedules. Expended appropriations for program operations for the years ended September 30, 1994 and 1993, were as follows:

	1994	1993
Congressional printing and binding:		
Congressional Record products	\$ 22,064,000	\$ 17,599,000
Miscellaneous publications and printing and binding	17,126,000	20,731,000
Hearings	11,085,000	14,688,000
Bills, resolutions, and amendments	11,763,000	11,439,000
Details to Congress	3,564,000	3,928,000
Other	10,761,000	11,659,000
Total congressional printing and binding	76,363,000	80,044,000
Salaries and expenses:		
Depository library distribution	19,846,000	22,188,000
Cataloging and indexing	2,844,000	2,799,000
By-law distribution	597,000	668,000
International exchange	647,000	592,000
Total salaries and expenses	23,934,000	26,247,000
Total expended appropriations	\$100,297,000	\$106,291,000
Reconciliation of expended appropriations to the consolidated statements of revenues and expenses:		
Total expended appropriations	\$100,297,000	\$106,291,000
Eliminations (Intra-agency)	(804,000)	(813,000)
Consolidated revenues from appropriations	\$ 99,493,000	\$105,478,000

For FY 1995, P.L. 103-283 made available \$89,724,000 and \$32,207,000 for Congressional Printing and Binding and Salaries and Expenses of the Superintendent of Documents, respectively.

B. Unexpended Appropriations

As of September 30, 1994 and 1993, GPO had unexpended appropriations obligated for Salaries and Expenses and Congressional Printing and Binding services of \$48,479,000 and \$31,291,000, respectively, as shown in the supplemental "Schedule of Appropriated Funds."

11. RELATED-PARTY TRANSACTIONS— REFECTORY CAFE, LTD.

The GPO Cafeteria (Cafeteria) is operated by the Refectory Cafe, Ltd. (RCL), a non-profit corporation chartered in the District of Columbia in 1985. The Board of Directors of the RCL, appointed by the Public Printer, is composed of three senior-level GPO managers.

Since its incorporation in 1985 through September 30, 1994, the Cafeteria has sustained losses of \$584,000, primarily as a result of a decline in the number of customers. At September 30, 1994, the Cafeteria had negative working capital of \$80,000. As a result of these conditions, the Cafeteria ceased operations on November 18, 1994. The GPO paid approximately \$100,000 to creditors on the RCL's behalf, as the RCL was unable to meet these obligations. Based on the latest actuarial report prepared by Massachusetts Mutual Life Insurance Company, the pension plan trustee, the RCL pension was fully funded as of July 1, 1994.

Supplemental Schedules

The supplemental schedules present GPO's financial position, results of operations, and cash flows, by fund type and by program within the fund. A description of each fund type and the programs operated from the fund follows.

Revolving Fund accounts are established by law to finance a continuing cycle of operations with receipts derived from such operations usually available in their entirety for reuse without further action by Congress. The GPO revolving fund is used to finance operations of the following two major operations.

Printing and Binding Operations which includes the transactions related to printing and binding and distribution services to the Congress and Federal agencies. Printing and binding operations are reimbursed by payments from agencies and by the Congressional Printing and Binding and Salaries and Expenses Appropriations.

Sales of Publications Operations which includes the transactions related to sales of publications and distributing publications to the public. The sales of publications operation is reimbursed by receipts from sales of publications, and by agencies for distribution services provided.

Programs of note in this fund are Inhouse Printing Operations, which include one central, five regional printing plants and 1 satellite regional printing/duplicating facility; Printing Procurement Operations, which include 1 central, 14 regional, and 6 satellite procurement offices; and Sales of Publications Operations, which operate through the Central Office, 2 distribution centers, a congressional sales office and 23 GPO bookstores nationwide, and 18 consigned sales agents.

General Fund accounts are used to record financial transactions arising under congressional appropriations. Congress has authorized two general funds that GPO administers:

Salaries and Expenses Appropriation for necessary expenses incurred by the Superintendent of Documents for depository library distributions, international exchange, and other statutory distribution of publications, and for the cataloging and indexing of Government publications.

Congressional Printing and Binding Appropriation for printing and binding performed for Congress and for printing and binding publications authorized by law to be distributed without charge to recipients.

Schedule of Revenues and Expenses by Fund Type

For the Year Ended September 30, 1994

(Dollars in Thousands)

	Revolving Fund			General Funds			Total Before Eliminations	Eliminations	Consolidated
	Printing and Binding Operations	Sales of Publications Operations	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation					
Revenues									
Printing and Binding	\$726,773	\$ —	\$ —	\$ —	\$726,773	—	—	—	\$616,091
Sales of Publications	—	81,937	—	—	81,937	—	—	—	81,937
Appropriations	—	—	23,934	76,363	100,297	—	(804)	—	99,493
Reimbursements	—	5,606	—	—	5,606	—	—	—	5,606
Total Revenues	726,773	87,543	23,934	76,363	914,613	—	(111,486)	—	803,127
Expenses									
Printing and reproduction	488,778	964	11,727	76,363	577,832	—	(108,450)	—	469,382
Personnel compensation and benefits	188,686	32,756	8,150	—	229,592	—	(1,824)	—	227,768
Supplies and materials	46,703	1,654	304	—	48,661	—	(95)	—	48,566
Rents, communication and utilities	11,809	16,996	1,783	—	30,588	—	(250)	—	30,338
Publications sold	—	19,396	—	—	19,396	—	—	—	19,396
Depreciation and amortization	5,046	899	221	—	6,166	—	—	—	6,166
Other services	4,739	1,210	671	—	6,620	—	(867)	—	5,753
Surplus publications	—	2,788	—	—	2,788	—	—	—	2,788
Travel and transportation	2,783	2,400	877	—	6,060	—	—	—	6,060
Total Expenses	748,544	79,063	23,733	76,363	927,703	—	(111,486)	—	816,217
Operating (Loss) Income	(21,771)	8,480	201	—	(13,090)	—	—	—	(13,090)
Less—Separation incentive payments	6,453	2,030	201	—	8,684	—	—	—	8,684
Net (Loss) Income	\$ (28,224)	\$ 6,450	\$ —	\$ —	\$ (21,774)	\$ —	\$ —	\$ —	\$ (21,774)

The accompanying notes are an integral part of this schedule.

U.S. Government Printing Office
Schedule of Assets, Liabilities and Investment of the U.S. Government by Fund Type
 As of September 30, 1994
 (Dollars in Thousands)

	Revolving Fund		General Funds				Eliminations	Consolidated
	Printing and Binding Operations	Sales of Publications Operations	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation	Total Before Eliminations	Eliminations		
Assets								
Current Assets								
Funds with U.S. Treasury	\$ 54,135	\$44,516	\$19,513	\$31,016	\$149,180	\$ —	\$ —	\$149,180
Accounts receivable:								
From other Federal agencies	181,525	1,422	39	—	182,986	(12,635)	—	170,351
From the public	289	389	—	—	678	—	—	678
From employees	1,135	—	—	—	1,135	—	—	1,135
Inventories:								
Publications for sale, net	—	11,385	—	—	11,385	—	—	11,385
Paper	8,402	—	—	—	8,402	—	—	8,402
Materials and supplies, net	8,399	—	—	—	8,399	—	—	8,399
Prepaid expenses	251	—	—	—	251	—	—	251
Total current assets	254,136	57,712	19,552	31,016	362,416	(12,635)	—	349,781
Property, Plant and Equipment								
Land and buildings	18,633	—	—	—	18,633	—	—	18,633
Building improvements	49,257	—	—	—	49,257	—	—	49,257
Leasehold improvements	1,619	—	—	—	1,619	—	—	1,619
Plant machinery and equipment	71,168	—	—	—	71,168	—	—	71,168
Office machinery and equipment	13,614	—	—	—	13,614	—	—	13,614
Computer software	3,704	—	—	—	3,704	—	—	3,704
Furniture and fixtures	2,181	—	—	—	2,181	—	—	2,181
Vehicles	1,463	—	—	—	1,463	—	—	1,463
Capital improvements in process	6,792	—	—	—	6,792	—	—	6,792
Software development in process	2,819	—	—	—	2,819	—	—	2,819
Less: Accumulated depreciation and amortization	(102,908)	—	—	—	(102,908)	—	—	(102,908)
Total property, plant and equipment	68,342	—	—	—	68,342	—	—	68,342
Long-Term Accounts Receivable								
Total assets	\$322,478	\$57,712	\$19,552	\$31,016	\$430,758	\$(12,635)	—	\$418,123

The accompanying notes are an integral part of this schedule.

U.S. Government Printing Office
Schedule of Assets, Liabilities and Investment of the U.S. Government by Fund Type
 As of September 30, 1994
 (Dollars in Thousands)

	Revolving Fund		General Funds				Eliminations	Consolidated
	Printing and Binding Operations	Sales of Publications Operations	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation	Total Before Eliminations			
Liabilities and Equity of the U.S. Government								
Current Liabilities								
Accounts payable and accrued expenses	\$ 83,906	\$ 10,365	\$ 1,023	\$ 1,065	\$ 96,359	\$(12,635)	\$ 83,724	
Deferred revenue	968	34,088	—	—	35,056	—	35,056	
Due U.S. Treasury	—	—	—	—	—	—	—	
Total current liabilities	84,874	44,453	1,023	1,065	131,415	(12,635)	118,780	
Other Liabilities								
Accrued annual leave	10,854	—	—	—	10,854	—	10,854	
Total other liabilities	10,854	—	—	—	10,854	—	10,854	
Total liabilities	95,728	44,453	1,023	1,065	142,269	(12,635)	129,634	
Investment of the U.S. Government								
Revolving fund	226,751	13,259	—	—	240,010	—	240,010	
Appropriated funds	—	—	18,529	29,951	48,479	—	48,479	
Total investment of the U.S. Government	226,751	13,259	18,529	29,951	288,489	—	288,489	
Total liabilities and investment of the U.S. Government	\$322,478	\$57,712	\$19,552	\$31,016	\$430,758	\$(12,635)	\$418,123	

The accompanying notes are an integral part of this schedule.

U.S. Government Printing Office
Schedule of Cash Flows by Fund Type
 For the Year Ended September 30, 1994
 (Dollars in Thousands)

	Revolving Fund			General Funds			Eliminations	Eliminations	Consolidated
	Printing and Binding Operations	Sales of Publications Operations	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation	Total Before Eliminations				
Cash Flows from Operating Activities									
Net (loss) income	\$ (28,223)	\$ 6,449	\$ —	\$ —	\$ (21,774)	\$ —	\$ —	\$ (21,774)	
Adjustments to net (loss) income:									
Depreciation and amortization	6,166	—	—	—	6,166	—	—	6,166	
Loss on retirement of assets	14	—	—	—	14	—	—	14	
Provision for losses on accounts receivable	1,155	41	—	—	1,196	—	—	1,196	
Provision for losses on obsolete inventory	44	—	—	—	44	—	—	44	
Provision for losses on surplus publications	—	(640)	—	—	(640)	—	—	(640)	
Changes in assets and liabilities:									
(Increase) decrease in accounts receivable	(13,143)	(309)	(37)	—	(13,489)	(1,754)	(1,754)	(15,243)	
(Increase) decrease in inventories	184	1,447	—	—	1,631	—	—	1,631	
(Increase) decrease in prepaid expenses	(17)	—	—	—	(17)	—	—	(17)	
Increase (decrease) in accounts payable and accrued expenses	3,077	(2,578)	(149)	1,065	1,415	1,754	1,754	3,169	
Increase (decrease) in deferred revenue	(151)	930	—	—	779	—	—	779	
Increase (decrease) in accrued annual leave	(1,641)	—	—	—	(1,641)	—	—	(1,641)	
Total adjustments	(4,312)	(1,109)	(186)	1,065	(4,542)	—	—	(4,542)	
Net cash (used in) provided by operating activities	(32,535)	5,340	(186)	1,065	(26,316)	—	—	(26,316)	
Cash Flows from Investing Activities									
Capital expenditures	(17,329)	—	—	—	(17,329)	—	—	(17,329)	
Cash Flows from Financing Activities									
Increase (decrease) in unexpended appropriations	—	—	5,148	12,041	17,189	—	—	17,189	
Funds returned to U.S. Treasury	—	(544)	—	—	(544)	—	—	(544)	
Net cash (used in) provided by financing activities	—	(544)	5,148	12,041	16,645	—	—	16,645	
Net (Decrease) Increase in Funds with U.S. Treasury	(49,864)	4,796	4,962	13,106	(27,000)	—	—	(27,000)	
Funds with U.S. Treasury, beginning of year	104,000	39,719	14,552	17,909	176,180	—	—	176,180	
Funds with U.S. Treasury, end of year	\$ 54,136	\$ 44,515	\$ 19,514	\$ 31,015	\$ 149,180	\$ —	\$ —	\$ 149,180	

The accompanying notes are an integral part of this schedule.

U.S. Government Printing Office
Schedule of Budget and Actual Expenses by Fund Type
 For the Year Ended September 30, 1994
 (Dollars in Thousands)

Budget

	Total Resources	Obligations		Actual Expenses
		Direct	Reimbursed	
Printing and Binding	\$726,773	\$ —	\$762,835	\$748,545
Sales of Publications	87,543	—	79,386	79,063
Total Revolving Fund	814,316	—	842,221	827,608
Congressional Printing and Binding	88,404	88,404	—	76,363
Salaries and Expenses	29,082	29,082	—	23,934
Total	\$931,802	\$117,486	\$842,221	\$927,905

Budget Reconciliation

	General Funds				Total
	Revolving Fund	Sales of Publications Operations	Salaries and Expenses Appropriation	Congressional Printing and Binding Appropriation	
Expenses					
Printing and binding	\$748,545	—	—	—	\$748,545
Sales of publications	—	73,861	—	—	73,861
Agency distributions	—	5,202	—	—	5,202
Salaries and expenses:					
Fiscal year 1994	—	—	18,662	—	18,662
Prior fiscal years	—	—	5,272	—	5,272
Congressional printing and binding:					
Fiscal year 1994	—	—	—	62,064	62,064
Prior fiscal years	—	—	—	14,299	14,299
Total expenses	748,545	79,063	23,934	76,363	927,905
Add					
Capital acquisitions	17,329	—	—	—	17,329
Other expended budget authority:					
Increase (decrease) in accounts receivable	13,143	309	—	—	13,452
Increase (decrease) in prepaid expense	17	—	—	—	17
(Increase) decrease in accounts payable	(3,077)	2,578	—	—	(499)
(Increase) decrease in deferred revenue	151	(930)	—	—	(779)
Less					
Depreciation and amortization	6,166	—	—	—	6,166
Increase (decrease) in accrued annual leave	(1,641)	—	—	—	(1,641)
Other expenses	1,397	848	—	—	2,245
Accrued Expenditures	770,186	80,172	23,934	76,363	950,655
Less—Revenue	726,773	87,543	—	—	814,316
Accrued Expenditures, Direct	\$ 43,413	\$ (7,371)	\$23,934	\$76,363	\$136,339

The accompanying notes are an integral part of this schedule.

U.S. Government Printing Office
Schedule of Appropriated Funds
 For the Year Ended September 30, 1994
 With Comparative Totals for the Year Ended September 30, 1993
 (Dollars in Thousands)

	Congressional Printing and Binding Fund	Salaries and Expenses Fund	Total Appropriated Funds	
			1994	1993
Appropriations, beginning of year (on cash basis)	\$ 17,910	\$14,551	\$ 32,461	\$ 20,568
Funds Provided—Appropriations	88,404	29,082	117,486	118,673
Total funds available	106,314	43,633	149,947	139,241
Funds Applied				
Obligated appropriations:				
Current year	60,998	17,678	78,676	90,608
Prior years	14,299	6,443	20,742	15,875
Funds returned to U.S. Treasury	—	—	—	297
Total funds applied	75,297	24,121	99,418	106,780
Appropriations, end of year (on cash basis)	31,017	19,512	50,529	32,461
Adjustments				
Intra-agency accounts receivable	—	39	39	2
Intra-agency accounts payable	(1,065)	(1,024)	(2,089)	(1,172)
Appropriations, end of year (on accrual basis)	\$ 29,952	\$18,527	\$ 48,479	\$ 31,291

The accompanying notes are an integral part of this schedule.

U.S. Government Printing Office
Condensed Balance Sheets for Revolving Fund
 As of September 30, 1994 and 1993
 (Dollars in Thousands)

	Printing and Binding Operations		Sales of Publications Operations		Total Revolving Fund 1994		Total Revolving Fund 1993	
	1994	1993	1994	1993	Before Eliminations	Eliminations	Before Eliminations	Eliminations
Current Assets								
Funds with U.S. Treasury					\$ 98,651	\$ —	\$ 143,719	\$ —
Accounts receivable	182,949	170,961	1,811	1,543	184,760	(12,635)	172,504	(14,389)
Inventories	16,801	17,028	11,385	12,193	28,186	—	29,221	—
Prepaid expenses	251	234	—	—	251	—	234	—
Total current assets	254,136	292,223	57,712	53,455	311,848	(12,635)	299,213	(14,389)
Property, Plant, and Equipment								
Land and buildings	18,633	18,633	—	—	18,633	—	18,633	—
Building improvements	49,257	48,138	—	—	49,257	—	48,138	—
Leasehold improvements	1,619	1,619	—	—	1,619	—	1,619	—
Plant machinery and equipment	71,168	65,703	—	—	71,168	—	65,703	—
Office machinery and equipment	13,614	11,612	—	—	13,614	—	11,612	—
Computer software	3,704	1,468	—	—	3,704	—	1,468	—
Furniture and fixtures	2,181	644	—	—	2,181	—	644	—
Vehicles	1,463	1,143	—	—	1,463	—	1,143	—
Capital improvements in process	6,792	3,175	—	—	6,792	—	3,175	—
Software development in process	2,819	2,966	—	—	2,819	—	2,966	—
Less: Accumulated depreciation and amortization	(102,908)	(97,900)	—	—	(102,908)	—	(97,900)	—
Total property, plant, and equipment	68,342	57,201	—	—	68,342	—	57,201	—
Long-Term Accounts Receivable								
Total assets	\$322,478	\$349,424	\$57,712	\$53,455	\$380,190	\$(12,635)	\$367,555	\$(14,389)

The accompanying notes are an integral part of these condensed balance sheets.

U.S. Government Printing Office
Condensed Balance Sheets for Revolving Fund
 As of September 30, 1994 and 1993
 (Dollars in Thousands)

	Printing and Binding Operations		Sales of Publications Operations		Total Revolving Fund 1994		Total Revolving Fund 1993	
	1994	1993	1994	1993	Before Eliminations	Eliminations	Before Eliminations	Eliminations
Liabilities and Investment of the U.S. Government								
Current Liabilities								
Accounts payable and accrued expenses	\$ 83,906	\$ 80,829	\$10,365	\$12,944	\$ 94,271	\$(12,635)	\$ 81,636	\$ (14,389)
Deferred revenue	968	1,119	34,088	33,158	35,056	—	35,056	—
Due U.S. Treasury	—	—	—	544	—	—	—	544
Total current liabilities	84,874	81,948	44,453	46,646	129,327	(12,635)	116,692	(14,389)
Other Liabilities								
Accrued annual leave	10,854	12,495	—	—	10,854	—	10,854	—
Total other liabilities	10,854	12,495	—	—	10,854	—	10,854	—
Total liabilities	95,728	94,443	44,453	46,646	140,181	(12,635)	127,546	(14,389)
Investment of the U.S. Government								
Revolving fund	226,751	254,981	13,259	6,809	240,010	—	240,010	—
Appropriated funds	—	—	—	—	—	—	—	—
Total investment of the U.S. Government	226,751	254,981	13,259	6,809	240,010	—	240,010	—
Total liabilities and investment of the U.S. Government	\$322,478	\$349,424	\$57,712	\$53,455	\$380,190	\$(12,635)	\$367,555	\$(14,389)
					\$402,879		\$388,490	

The accompanying notes are an integral part of these condensed balance sheets.

U.S. Government Printing Office
Condensed Schedules of Revenues and Expenses by Major Program
 For the Years Ended September 30, 1994 and 1993
 (Dollars in Thousands)

	Printing and Binding Operations		Information Dissemination Operations		Congressional Printing and Binding		Other Operations		Total GPO Before Eliminations		Eliminations		Total GPO	
	FY 1994	FY 1993	FY 1994	FY 1993	FY 1994	FY 1993	FY 1994	FY 1993	FY 1994	FY 1993	FY 1994	FY 1993	FY 1994	FY 1993
Revenues														
Printing and binding	\$706,459	\$721,926	—	—	—	—	\$2,414	\$2,110	\$708,873	\$724,036	\$(110,682)	\$(120,217)	\$598,191	\$603,819
Sales of blank paper	17,388	17,288	—	—	—	—	—	—	17,388	17,288	—	—	17,388	17,288
Sales of waste and scrap	512	477	—	—	—	—	—	—	512	477	—	—	512	477
Sales of publications	—	—	\$ 81,937	\$ 84,083	—	—	—	—	81,937	84,083	—	—	81,937	84,083
Appropriations	—	—	23,934	26,247	\$76,363	\$80,044	—	—	100,297	106,291	(804)	(813)	99,493	105,478
Reimbursements	—	—	5,606	5,484	—	—	—	—	5,606	5,484	—	—	5,606	5,484
Total revenues	724,359	739,691	111,477	115,814	76,363	80,044	2,414	2,110	914,613	937,659	(111,486)	(121,030)	803,127	816,629
Expenses														
Personnel compensation and benefits	188,127	195,024	40,905	42,404	—	—	559	526	229,591	237,954	(1,824)	(2,182)	227,767	235,772
Travel and transportation	2,783	2,278	3,277	1,964	—	—	—	—	6,060	4,242	—	—	6,060	4,242
Rents, communications and utilities	10,960	10,310	18,780	20,272	—	—	849	851	30,589	31,433	(250)	(281)	30,339	31,152
Printing and reproduction	488,778	492,328	12,691	14,411	76,363	80,044	—	—	577,832	586,783	(108,450)	(117,569)	469,382	469,214
Other services	4,721	4,461	1,881	1,765	—	—	18	17	6,620	6,243	(867)	(880)	5,753	5,363
Supplies and materials	46,667	48,316	1,958	2,411	—	—	36	42	48,661	50,769	(95)	(118)	48,566	50,651
Depreciation and amortization	5,043	5,454	1,120	493	—	—	3	3	6,166	5,950	—	—	6,166	5,950
Publications sold	—	—	19,396	23,111	—	—	—	—	19,396	23,111	—	—	19,396	23,111
Surplus publications	—	—	2,788	5,253	—	—	—	—	2,788	5,253	—	—	2,788	5,253
Total expenses	747,079	758,171	102,796	112,084	76,363	80,044	1,465	1,439	927,703	951,738	(111,486)	(121,030)	816,217	830,708
Operating (Loss) Income	(22,720)	(18,480)	8,681	3,730	—	—	949	671	(13,090)	(14,079)	—	—	(13,090)	(14,079)
Less—Separation incentive pay	6,453	—	2,231	—	—	—	—	—	8,684	—	—	—	8,684	—
Net (Loss) Income	\$(29,173)	\$(18,480)	\$ 6,450	\$ 3,730	\$ —	\$ —	\$ 949	\$ 671	\$(21,774)	\$(14,079)	\$ —	\$ —	\$(21,774)	\$(14,079)

The accompanying notes are an integral part of these schedules.

U.S. Government Printing Office
Condensed Schedules of Revenues and Expenses for Printing and Binding Operations
 For the Years Ended September 30, 1994 and 1993
 (Dollars in Thousands)

	Plant Printing Operations			Regional Printing			Total In-House Printing			Purchased Printing			Total Printing and Binding Operations		
	FY 1994	FY 1993	FY 1994	FY 1994	FY 1993	FY 1994	FY 1994	FY 1993	FY 1994	FY 1994	FY 1993	FY 1994	FY 1993	FY 1994	FY 1993
					Percent of Revenues			Percent of Revenues		Percent of Revenues		Percent of Revenues		Percent of Revenues	
Revenues															
Printing and binding	\$174,341	\$184,664	\$ 5,346	\$ 7,255	\$179,687	91	\$191,919	92	\$526,772	100	\$530,007	100	\$706,459	98	\$721,926
Sales of blank paper	17,388	17,288	—	—	17,388	9	17,288	8	—	—	—	—	17,388	2	17,288
Sales of waste and scrap	512	477	—	—	512	—	477	—	—	—	—	—	512	—	477
Total revenues	192,241	202,429	5,346	7,255	197,587	100	209,684	100	526,772	100	530,007	100	724,359	100	739,691
Expenses															
Personnel compensation and benefits	147,758	154,347	3,921	4,896	151,679	78	159,243	76	36,448	7	35,781	7	188,127	26	195,024
Travel and transportation	585	550	51	59	636	—	609	—	2,147	—	1,669	—	2,783	—	2,278
Rents, communications and utilities	6,837	6,538	1,319	1,263	8,156	4	7,801	4	2,804	1	2,509	—	10,960	2	10,310
Printing and reproduction	—	—	—	—	—	—	—	—	488,778	93	492,328	94	488,778	67	492,328
Other services	3,921	3,592	215	263	4,136	2	3,855	2	585	—	606	—	4,721	1	4,461
Supplies and materials	44,511	45,593	1,168	1,621	45,679	23	47,214	23	988	—	1,102	—	46,667	6	48,316
Depreciation and amortization	4,371	4,861	392	370	4,763	2	5,231	2	280	—	223	—	5,043	1	5,454
Total expenses	207,983	215,481	7,066	8,472	215,049	109	223,953	107	532,030	101	534,218	101	747,079	103	758,171
Operating (Loss) Income	(15,742)	(13,052)	(1,720)	(1,217)	(17,462)	(9)	(14,269)	(7)	(5,258)	(1)	(4,211)	(1)	(22,720)	(3)	(18,480)
Less—Separation incentive pay	5,021	—	534	—	5,555	3	—	—	898	—	—	—	6,453	1	—
Net (Loss) Income	\$(20,763)	\$(13,052)	\$(2,254)	\$(1,217)	\$(23,017)	(12)	\$(14,269)	(7)	\$(6,156)	(1)	\$(4,211)	(1)	\$(29,173)	(4)	\$(18,480)

The accompanying notes are an integral part of these schedules

Condensed Schedules of Revenues and Expenses for Information Dissemination
 For the Years Ended September 30, 1994 and 1993
 (Dollars in Thousands)

	Sales of Publications Program			Agency Distribution Services			Salaries and Expenses Programs			Total Information Dissemination		
	Percent of Revenues	FY 1993 Revenues	Percent of Revenues	FY 1994 Revenues	Percent of Revenues	FY 1993 Revenues	FY 1994 Revenues	Percent of Revenues	FY 1993 Revenues	FY 1994 Revenues	Percent of Revenues	FY 1993 Revenues
Revenues												
Sales of publications	100	\$84,083	100	\$	—	—	\$	—	—	\$	81,937	\$84,083
Appropriations	—	—	—	—	—	—	23,934	100	26,247	100	23,934	26,247
Reimbursements	—	—	—	5,606	100	5,484	100	—	—	—	5,606	5,484
Total revenues	100	84,083	100	5,606	100	5,484	23,934	100	26,247	100	111,477	115,814
Expenses												
Personnel compensation and benefits	37	31,474	38	2,549	46	2,785	8,150	34	8,154	31	40,906	42,413
Travel and transportation	3	1,065	1	47	1	65	877	4	834	3	3,277	1,964
Rents, communications and utilities	18	15,793	19	2,014	37	2,153	1,783	7	2,321	9	18,779	20,267
Printing and reproduction	1	802	1	245	4	93	11,727	49	13,516	52	12,691	14,411
Other services	1	889	1	129	2	79	671	3	796	3	1,881	1,764
Supplies and materials	2	1,737	2	138	2	160	304	1	511	2	1,958	2,408
Depreciation and amortization	1	343	—	80	1	35	221	1	115	—	1,120	493
Publications sold	24	23,111	28	—	—	—	—	—	—	—	19,396	23,111
Surplus publications	3	5,253	6	—	—	—	—	—	—	—	2,788	5,253
Total expenses	90	80,467	96	5,202	93	5,370	23,733	98	26,247	100	102,796	112,084
Operating (Loss) income	10	3,616	4	404	7	114	201	1	—	—	8,681	3,730
Less—Separation incentive pay	2	—	—	154	3	—	201	1	—	—	2,231	—
Net (Loss) income	8	\$ 3,616	4	\$ 250	4	\$ 114	\$ —	—	\$ —	—	\$ 6,450	\$ 3,730

The accompanying notes are an integral part of these schedules.