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SUBCOMMITTEE ON LEGISLATIVE BRANCH
APPROPRIATIONS
COMMITTEE ON APPROPRIATIONS
U.S. SENATE
ON
APPROPRIATIONS ESTIMATES FOR FISCAL
YEAR 1999**

DIRKSEN SENATE OFFICE BUILDING, ROOM 116
THURSDAY, MARCH 19, 1998
9 A.M.

Mr. Chairman and Members of the Subcommittee, I am pleased to be here today to present the funding requirements of the Government Printing Office (GPO) for FY 1999.

GPO KEEPS AMERICA INFORMED

An abiding commitment to public access to Government information is deeply rooted in our system of Government. GPO is one of the most visible demonstrations of that commitment. For more than a century, our mission under the public printing and documents statutes of Title 44, U.S. Code, has been to fulfill the needs of the Federal Government for information products and to distribute those products to the public.

Formerly, GPO's mission was accomplished through the production and procurement of traditional printing technologies. However, a generation ago we began migrating our processes to electronic technologies, and in 1993 Congress amended Title 44 with the GPO Electronic Information Access Enhancement Act (P.L. 103-40), which requires us to disseminate Government information products online. This Act is the basis of [GPO Access](#), our Internet information service.

Today, GPO is dedicated to producing, procuring, and disseminating Government information products in a wide range of formats—print, CD-ROM, and online. *In GPO the Government has a unique asset that combines a comprehensive range of conventional production and electronic processing, procurement facilitation, and multi-format dissemination capabilities to support the information life cycle needs of Congress, Federal agencies, and the public:*

- We provide print and electronic information products and services to Congress and Federal agencies through inplant processes and the purchase of information products from the private sector. For Congress, we maintain a capability to fully support the information product needs of the legislative process, working in close cooperation with leadership offices, committees, Members, and staffs in each Chamber.

- We disseminate Government information to the public in print and electronic formats through a low-priced sales program and a reimbursable program, and to Federal depository libraries nationwide where the information may be used by the public free of charge. We catalog and index Government information products so they can be identified and retrieved by users.
- We also disseminate a massive volume of information online via the Internet with GPO Access. Recent data show that more than 10.5 million documents are retrieved by the public every month using this system. We strongly support the increased dissemination of Government information in electronic formats, and GPO Access today is one of the leading Federal sites on the Internet. Our home page, at www.access.gpo.gov, provides free public access to more than 70 Federal databases from all three branches of the Government, a growing number of agency Government Information Locator Service (GILS) sites, and associated locator and Pathway

We provide all of our services in a non-partisan, service-oriented environment that emphasizes the primacy of the customer's requirements for timeliness, quality, security, and economy. We are committed to achieving the greatest access and equity in information dissemination through printed publications, CD-ROM, and online information technologies. Our electronic and traditional technologies simultaneously enable us to facilitate the re-engineering of information products to satisfy the Government's changing information requirements, and to preserve and protect public access to Government information for all of our citizens.

At the bottom line, our programs reduce the need for duplicative production facilities throughout the Government, achieve significant taxpayer savings through a centralized production and procurement system, and enhance public access to Government information, which is increasingly valuable to all Americans in the Information Age.

More than a century ago, Congress in its wisdom designed a system in GPO for keeping America informed. That system continues to serve a vital purpose today.

FY 1999 APPROPRIATIONS REQUEST

For FY 1999, we are requesting \$114.2 million for those programs that require annual appropriations directly to GPO. The request includes \$84 million for the Congressional Printing and Binding Appropriation and \$30.2 million for the Salaries and Expenses Appropriation of the Superintendent of Documents.

Our total request is an increase of \$3.5 million, or 3.1 percent, over the level of funding approved for FY 1998. Our FY 1998 funding includes a one-time transfer of approximately \$11 million from our revolving fund to the Congressional Printing and Binding Appropriation. As our budget submission shows on pages I-2 and I-3, GPO's appropriations have remained relatively stable for several years (in fact, declining by 7 percent from FY 1993 through FY 1998), and have declined substantially in real purchasing power.

The Congressional Printing and Binding Appropriation is critical to the maintenance and operation of our inplant capacity, which is structured to serve Congress's information product

needs. The appropriation covers the costs of congressional printing such as the Congressional Record, bills, reports, hearings, documents, and other products. Each year, a substantial volume of this work is requisitioned. In FY 1997, more than 1.3 billion copy pages of congressional products were produced at an average cost of less than 4 cents per page, inclusive of all prepress work, printing, binding, and delivery. This appropriation also covers database preparation work on congressional publications disseminated online via *GPO Access*.

The majority of the Superintendent of Documents Salaries and Expenses Appropriation is for the Federal Depository Library Program (FDLP). While some of the funding for this program is for salaries and benefits, most is for printing and distributing publications (including publications in CD-ROM and online formats) to depository libraries. This appropriation also provides the majority of funding for the operation of *GPO Access*

CONGRESSIONAL PRINTING AND BINDING APPROPRIATION

Our request of \$84 million for the Congressional Printing and Binding Appropriation is an increase of \$2.3 million, or 2.9 percent, over the total amount approved for FY 1998, which includes the transfer from the revolving fund. The items covered by the request are as follows:

Product prices are anticipated to increase by approximately 4.7 percent overall due to the increased costs of employee compensation and benefits, utilities, maintenance, materials, and supplies. We are continuing to work to reduce these costs with savings from technological improvements and adjustments to staffing requirements.

The impact of price increases will be offset by a 1.8 percent reduction overall resulting from decreased workload volume in several product categories. Based on historical data, in the first session of the 106th Congress we expect to see decreases in workload for the Congressional Record, business and committee calendars, details to Congress, document envelopes and franks, committee prints, hearings, and documents. Historical data suggest there will be increases in miscellaneous publications (because of the production of the Congressional Directory and other publications for the new Congress), miscellaneous printing and binding, bills, resolutions, and amendments, and committee reports. While these estimates are based only on historical factors and represent our best estimates as to the projected workload for the first session of the 106th Congress, actual workload may vary.

We have been participating with both the House and the Senate in the development of new legislative information systems that will expand the capability to create and utilize electronic information products in Congress and potentially reduce GPO's printing costs. One objective of these systems is the adoption of Standard Generalized Markup Language (SGML) to permit the submission of machine-readable keystrokes requiring less processing by GPO prior to final production. We support initiatives in both Chambers to facilitate the sharing of information. In addition, we are now placing all Senate Appropriations Committee hearings online.

SALARIES AND EXPENSES APPROPRIATION

Our request of \$30.2 million for the Salaries and Expenses Appropriation of the Superintendent of Documents is an increase of \$1.1 million, or 3.9 percent, over the amount approved for FY 1998. The increase is due to increases in mandatory pay and related costs, price level changes, and workload changes. The component programs covered by the request are as follows:

Price level changes and cost increases due to pay raises and related expenses represent \$818,000, or about 73 percent of the requested increase of \$1.1 million. The majority of this amount, \$570,000, is for price level changes calculated at the assumed rate of inflation for the year, or 2.6 percent. Approximately \$225,000 is for enhancements to *GPO Access* to facilitate the continuing transition of the FDLP to a predominantly electronic basis. The balance is for capital expenditures for GPO's Library Programs Service.

We are requesting the Appropriations Committees to increase the statutory limitation on travel expenses under the Salaries and Expenses Appropriation from \$150,000 to \$180,000, in order to fund increased travel for depository library outreach, including instruction and training on the use of *GPO Access*.

BOUND CONGRESSIONAL RECORD

House Report 104-657, accompanying H.R. 3754, the Legislative Branch Appropriations Act for 1997, directed GPO to reduce the distribution of paper copies of the bound Congressional Record beginning with the 105th Congress, and to produce a new CD-ROM format for this publication. A total of \$100,000 was earmarked for the FY 1997 Congressional Printing and Binding Appropriation for a more limited number of printed copies of the bound Record to be distributed at the direction of the Joint Committee on Printing (JCP).

The JCP has directed the distribution of about 205 sets of the bound Record to be funded from GPO appropriations, estimated to cost about \$313,000. This includes \$179,000 from the Congressional Printing and Binding Appropriation and \$134,000 from the Salaries and Expenses Appropriation. In addition, we estimate that about 190 sets will be ordered and paid for by other Federal agencies and the public. Consistent with the direction of House Report 104-657, we plan to produce the sets on demand from an electronic database utilizing high-speed reproduction technology. This strategy will produce the relatively small number of copies required at a much greater savings. We have received the approval of the House Subcommittee on Legislative Appropriations to spend an additional \$79,000 from our FY 1997 Congressional Printing and Binding Appropriation and \$134,000 from the Salaries and Expenses Appropriation for this purpose. Sufficient funds are available for this purpose.

CONGRESSIONAL SERIAL SETS

House Report 104-657 also directed us to reduce the production and distribution of bound Congressional Serial Sets beginning with the 105th Congress. The direction was to convert most sets to CD-ROM format and to limit the distribution of bound sets to regional depository libraries, plus one depository in each state without a designated regional depository (including the District of Columbia), and to international exchange libraries.

We formulated a plan for the implementation of this directive that subsequently was approved by the JCP. The bound Serial Set will be distributed to all designated regional depository libraries and one library in each of seven states that do not have a designated regional depository. In addition, the international exchange libraries, the Library of Congress, the National Archives Library, the Senate Library, the House Library, and the Public Documents Library Collection (now housed within the National Archive and Records Administration) will continue to receive bound versions of the Serial Set. An estimated 105 copies of each volume of the set will be produced and distributed to these recipients. This quantity is 344 copies less per volume than was distributed prior to the 105th Congress (a total of 128 volumes are estimated for a Serial Set for an entire Congress).

The Superintendent of Documents has surveyed depository libraries to allow them the opportunity to add the initial slip distribution of the documents and reports of the 105th Congress in paper format, since the bound Serial Set will not be an option for most of them. In addition, we have accepted the suggestion of the Government Documents Roundtable of the American Library Association to make available copies of the Serial Set title pages (including the contents listing for each volume) to depository libraries that request them. We are also offering the bound Serial Set for the 105th Congress for sale through the Superintendent of Documents sales program.

At this time, it is not possible to create a complete electronic Serial Set with all the requisite capabilities, since many documents and reports are not currently available electronically and are too graphically intense to convert to an electronic format. We will work with the Clerk of the House of Representatives and the Secretary of the Senate, as well as ongoing efforts associated with information systems planning in both Chambers, toward the eventual production of a complete electronic Serial Set.

TRANSITIONING THE DEPOSITORY LIBRARY PROGRAM

We are continuing to transition the FDLP to a predominately electronic basis, as directed by the Legislative Branch Appropriations Act for 1996, and as set forth in the plans contained in the Study to Identify Measures Necessary for a Successful Transition to a More Electronic Federal Depository Library Program (June 1996). The transition process was estimated to require from five to seven years beginning in FY 1996. The transition includes the dissemination of both tangible electronic Government information products, such as CD-ROM's, as well as online databases and locator services provided via GPO Access, our online Internet service. GPO Access is the principal delivery vehicle for online Government information to depository

libraries and the public. Current trends indicate that online formats will eventually be the dominant means of electronic dissemination.

A key highlight of the transition process this past year was the development of the "collection management" concept for GPO Access, which establishes that we will manage the various electronic Government information products made permanently accessible via GPO Access as a library-like collection. This concept will consist of four elements: (1) core legislative and regulatory GPO Access products that will reside permanently on GPO servers; (2) other remotely accessible products either maintained by GPO or other institutions with which GPO has established formal agreements; (3) the tangible electronic Government information products distributed to Federal depository libraries; and (4) remotely accessible electronic Government information products which GPO identifies, describes and links to but which remain under the control of the originating agencies. Portions of the collection, other than the core legislative and regulatory GPO Access products, may be maintained at partner institutions, including other Federal agencies, depository libraries, consortia, or other institutions.

In 1997, we established the first partnerships under the collection concept with the University of Illinois-Chicago, the University of North Texas, and the Online Computer Library Center (OCLC) Inc., to handle permanent public access to databases originating with the State Department, the now-defunct Office of Technology Assessment, and the Education Department, respectively. We have also developed a partnership with the Department of Energy for the electronic dissemination of its reports in image format. In a related effort, we are piloting a project with the National Technical Information Service (NTIS) of the Commerce Department to make available certain NTIS image files to depository libraries.

REVOLVING FUND

Operation of the Revolving Fund. Instead of receiving direct appropriations to cover the cost of the products and services GPO provides, our revolving fund accepts reimbursements from other appropriations and the public that place orders for GPO products and services. The fund pays for work performed prior to receiving reimbursement from the customer. The fund must have sufficient cash to pay private sector printers and GPO operating expenses prior to receiving reimbursement from the ordering agencies or the public. In the case of the sales program, the fund purchases copies of publications for the sales inventory and receives payment when the publications are sold. The fund also makes expenditures for equipment and other capital improvements. The cost of capital improvements is reimbursed gradually to the fund over their useful lives from the benefiting customers. The four programs financed through the revolving fund are plant printing, printing procurement, sales of publications, and agency distribution services. The Congressional Printing and Binding Appropriation is used to reimburse the fund for the cost of services provided to Congress. The Salaries and Expenses Appropriation of the Superintendent of Documents is used to reimburse the fund for the cost of services provided in the distribution of publications as required by law.

FY 1997 Financial Performance. We are pleased to report that GPO's revolving fund generated consolidated net income from continuing operations of \$11.6 million for FY 1997, compared with a loss of \$16.9 million for FY 1996. However, the Department of Labor (DOL) has revised

its estimate of GPO's long-term liability for workers' compensation, which could cause an increase of \$23.9 million in accrued expenses for FY 1997. We have requested a clarification of this estimate from DOL. In addition, the General Accounting Office has stated, in decision B-259508 (April 4, 1996), that GPO, pursuant to section 8147c of Title 5, U.S.C., is not required to pay an additional fee to the DOL's Office of Workers' Compensation Programs (OWCP) to cover its administrative costs. We have been seeking to obtain a refund of the amounts erroneously collected by the OWCP.

DOD Payment Issues. We have been experiencing payment problems with one of our largest customer agencies, the Defense Department. In our view, these problems stem largely from the creation of the Defense Printing Service, now known as the Defense Automated Printing Service (DAPS). At the end of FY 1992, GPO's accounts receivable from DOD were about \$32 million. Unpaid DOD invoices over 60 days old amounted to about \$9 million, or 28 percent of the total. Since 1993, total receivables and delinquencies from DOD have been increasing. As of December 31, 1997, total DOD receivables reached \$52.7 million with unpaid invoices over 60 days amounting to \$24.3 million, or 46 percent. Since then we have received several payments from DOD, reducing their receivables to approximately \$37 million. Although we have made several changes to our accounting system to assist DOD in improving their payment record, none of these initiatives has been fully implemented by DOD. DOD's payment record is directly impacting our cash flow and creating the prospect of a cash shortage in our revolving fund. In an effort to streamline the accounting practices at DOD and end the late payment problems, GPO has developed an automated deposit account system that virtually eliminates GPO invoices. If DOD would use deposit accounts, it would save the taxpayers millions of dollars annually.

GAO Management Audit. We are currently cooperating within the GPO management audit ordered by Congress in House Report 105-254, accompanying H.R. 2209, the Legislative Branch Appropriations Act for 1998. The audit is being conducted by Booz-Allen & Hamilton, Inc., under contract with the General Accounting Office. We have also implemented reforms to our sales program to assure that all disposals of excess stock comply with established guidelines.

Year 2000 Compliance. We are cooperating with the General Accounting Office in its efforts to assess the status of year 2000 readiness in all legislative branch agencies, following the direction of the Chairman of this Subcommittee in a letter dated October 30, 1997. Our proposal to the JCP to bring our mainframe operating system into year 2000 compliance has been approved. We have formed an internal year 2000 program management office to work with the GAO, and have appointed year 2000 coordinators throughout GPO. We are continuing to conduct a review of all GPO computer systems to determine which systems will be converted, replaced, or retired. We estimate that the total cost of assuring year 2000 compliance at GPO, including the cost of all associated computer improvements that are either ongoing or planned-and which also must be year 2000 compliant-will be \$8 million this fiscal year and \$4 million in FY 1999. These costs will be financed through our revolving fund. We are confident that the steps we are taking now will ensure the continuity of product and service provision to Congress, Federal agencies, and the public.

Future Capital Expenditure Requirements. Capital expenditures for major building repairs and maintenance, information systems, and production equipment will be a considerable drain on

the revolving fund. GPO's buildings are old and require substantial maintenance. These services are not provided by the Architect of the Capitol but are financed by GPO. Over the next two years, necessary capital investments include about \$6 million for replacement of air conditioning equipment. Elevator, roof, and electrical systems need repair, which will cost additional millions of dollars over the next few years. Information systems also account for major capital investment requirements. This year we will be implementing an information processing system for the Superintendent of Documents, at a cost of about \$10 million. We will replace our mainframe computer with an enterprise server that will be year 2000 compliant, at a cost of about \$1.8 million. As noted above, other significant expenditures will be required to bring all GPO computers and software into compliance with year 2000 requirements. Production equipment requirements include \$1.6 million for computer-to-plate systems and \$3.6 million for a passport printing and binding line. These expenditures will have to be funded either through GPO's revolving fund or through an alternative mechanism such as a line item appropriation, which was how GPO's air conditioning improvements during the 1970's were funded.

Statutory FTE Limitation. For FY 1999, we are requesting the deletion of the statutory limitation on our full-time equivalent employment (FTE's). GPO has reduced employment by more than 25 percent since early 1993. This reduction was accomplished through attrition and successfully lowered our costs while preventing interruptions in service to Congress, Federal agencies, and the public. However, some critical GPO areas, including those that serve Congress, are now fully reduced and cannot withstand further reductions without impairing performance and service provision. GPO is now at its lowest employment level in this century. Allowing us to manage our FTE resources within the constraints of our available funding, rather than under a statutory limit, will give us the flexibility necessary to continue providing essential services.

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