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**PUBLIC PRINTER
PREPARED STATEMENT BEFORE THE**

**SUBCOMMITTEE ON LEGISLATIVE BRANCH APPROPRIATIONS
COMMITTEE ON APPROPRIATIONS
U.S. SENATE
ON
APPROPRIATIONS ESTIMATES FOR FISCAL YEAR 1997**

THE CAPITOL, ROOM S-128
WEDNESDAY, JULY 10, 1996

2:00 P.M.

Mr. Chairman and Members of the Subcommittee, I am pleased to present the funding requirements of the Government Printing Office (GPO) for FY 1997.

HIGHLIGHTS OF OPERATIONS FOR FY 1995

Financial Condition, FY 1995: The financial picture at GPO improved significantly in FY 1995 over the previous year. The year-end loss, which was \$21.8 million in FY 1994, was approximately \$3 million in FY 1995. The losses have been due to reductions in revenue resulting from a declining workload and to an under-recovery of costs by GPO's printing rates, which remained unchanged from January 1990 through April 1996. To offset these factors, GPO has been undergoing a program of downsizing to reduce costs. During the year, GPO's financial systems and statements were audited by Arthur Andersen, under contract with the General Accounting Office. The audit resulted in a clean opinion for GPO.

Because GPO's regional printing plants continued to lose money in FY 1995, it is no longer feasible to continue most of these operations. Last year we closed the Seattle regional printing plant. This year we will close the Chicago, New York, and San Francisco plants. These downsizing and consolidation measures follow the recent consolidation of Superintendent of Documents operations from leased to owned space at GPO's central office, the downsizing of warehouse space in Virginia, and the relocation of Rapid Response Center operations from the Washington, DC, Navy Yard to the central office plant.

Since February 1993, GPO has reduced its workforce by approximately 900 positions, realizing a savings of about \$45 million annually. The number of supervisors has also been reduced. Of the 4,000 positions reduced from the workforce through improved technological productivity in the past 20 years, nearly a quarter has been reduced in the past three years. By September 1996, GPO will meet the mandated FTE level of 3,800. We recently concluded two early-out retirement programs which resulted in reducing staffing by 108 employees. Another early-out program is planned for July-August 1996.

Performance: Congress was in session longer in 1995 compared to the previous year, generating more pages of the *Congressional Record*. For the first session of the 104th Congress, there were a total of 35,003 pages of House and Senate proceedings, compared with a total of 27,044 pages for the second session of the 103d Congress, an increase of 29 percent. Throughout FY 1995, the *Record* was delivered on time 97 percent of the time; instances of lateness were usually due to late sessions. Overall, however, other congressional workload levels were moderate, especially in the latter part of the year.

Overtime utilization during FY 1995 decreased 21 percent, yielding a reduction in costs of \$2.6 million, or 19 percent, compared with the previous year. The reduction in overtime was due to a combination of factors, including less overtime worked by GPO details to Congress due to improved overtime management by the committees and GPO staff, increased efforts by GPO to improve the scheduling of work and control overtime use, and a relatively moderate congressional workload.

During the Government-wide shutdown in November 1995, GPO's production and congressional printing management operations remained at work at the request of the House and Senate leadership to provide legislative products essential to the orderly conduct of congressional business.

Total revenues from printing procurement were \$574.7 million in FY 1995, compared with \$526.8 million the previous year, an increase of 9 percent. The rise in dollar value was attributable in part to increased paper prices in the private sector. GPO attained a 94 percent on time delivery rate and a 99 percent quality acceptance rate for procured printing during FY 1995.

Technology Improvements: Three state-of-the-art offset presses are now operational for producing the *Congressional Record* and the *Federal Register*. We operate print-on-demand capabilities, which are networked with our automated composition system, at our plant and on-site for the Senate. We provided assistance in establishing a similar print-on-demand capability for the House. The on-site print-on-demand systems on Capitol Hill are designed to reduce the volume of documents stored in the House and Senate document rooms. In addition, we are starting a pilot program to test the use of a print-on-demand capability in GPO's main bookstore for the remote printing of Government publications downloaded from [GPO Access](#), GPO's online information dissemination service.

GPO Access Service: GPO's online *Access* service now has 58 databases, including the daily *Congressional Record*, the *Congressional Record Index* from 1983 forward, the daily *Federal Register*, the *Unified Agenda of Federal Regulations*, congressional bills, *Economic Indicators*, General Accounting Office reports, the *U.S. Government Manual*, the *Congressional Directory*, Senate and House calendars for the 104th Congress, the *U.S. Code*, the *U.S. Budget for FY 1997*, and Government Information Locator (GILS) records from a variety of different agencies, including the Office of Management and Budget (OMB), and the Departments of Commerce, State, and Treasury. Additional databases, including the *Code of Federal Regulations*, are under development. GPO-produced databases for the *Record* and other legislative information are used by the Library of Congress's THOMAS legislative information service and the information services provided by House Information Resources (HIR).

Public acceptance and utilization of **GPO Access** expanded dramatically in the past year. In December 1995 we announced that the service would be provided at no charge. Utilization increased dramatically to approximately 2 million document downloads per month (these are measured as actual document downloads by GPO's Wide Area Information Server--WAIS--rather than simply as file or system transactions). During the Government-wide shutdown in November, **GPO Access** was the only Government information system providing continuous daily online access to the *Congressional Record*, *Federal Register*, and other databases.

GPO is acquiring a Standard Generalized Markup Language (SGML) software package that will provide the most flexibility and capability for meeting the requirements of congressional, Federal agency, and public information needs, in accordance with the GPO Electronic Information Access Enhancement Act of 1993 (P.L. 103-40). In September 1995, a multi-agency pilot program was initiated for the purpose of standardizing electronic submissions in SGML for documents published in the *Federal Register* and the *Code of Federal Regulations*.

Other Online Improvements: In 1995 we inaugurated a GPO home page linking users electronically with a wide variety of GPO information services. These services include the electronic posting of bid solicitations to enhance competitive opportunities for Government printing contracts among private sector printers. GPO's home page also links users with **GPO Access** via the World Wide Web, although unlike virtually any other Government information service **GPO Access** remains available to users who do not have access to the Web via dialup and telnet capabilities, and through a network of electronic gateways established in cooperation with participating depository libraries nationwide.

These and other operational improvements, combined with GPO's ongoing downsizing, are transforming GPO into a smaller but more technologically proficient information service to meet the demands of Congress, Federal agencies, and the public.

FY 1997 APPROPRIATIONS REQUEST

For FY 1997, we are requesting \$114.6 million for those programs that require annual appropriations directly to GPO. This is an increase of less than one-half of one percent over the funding approved for FY 1996. The request includes \$83.8 million for the Congressional Printing and Binding Appropriation and \$30.8 million for the Salaries and Expenses Appropriation of the Superintendent of Documents. The request for the Salaries and Expenses Appropriation includes a plan for the transition of the Federal Depository Library Program from ink-on-paper dissemination to predominately electronic information dissemination, in accordance with the directive of this Subcommittee and the requirement contained in section 210 of the Legislative Branch Appropriations Act for FY 1996 (P.L. 104-53).

CONGRESSIONAL PRINTING AND BINDING APPROPRIATION

Estimated Requirements and Workload: Our request of \$83.8 million is the same as the level appropriated in the current fiscal year. Workforce downsizing, improved production efficiencies, and reductions in the number of copies distributed have reduced the cost of congressional

printing. The Congressional Printing and Binding Appropriation has declined in each year since FY 1992, a reduction of 6.3 percent over the period. This reduction has been achieved despite the need to fund pay raises, increases in the cost of paper, and other mandatory increases.

The major categories of work produced for Congress include the *Congressional Record*, committee hearings, bills, committee reports, committee prints, documents, stationery, franks, and business and committee calendars. The volume of work required by Congress varies based on the legislative agenda and schedule of each session of Congress, as well as other factors which sometimes are unpredictable.

Based on historical analysis of workload data by session, we anticipate there will be a reduction in work for the *Congressional Record*, committee and business calendars, committee reports, documents, miscellaneous printing and binding, and details to Congress. Cost reductions in these categories of printing will offset projected cost increases for workload increases in other categories. We project an increase of about 23,000 pages of committee prints, 13,000 pages of bills, and 11,000 pages of hearings. We also project an increase of 6,000 pages for miscellaneous publications, which will include a revised printing of the *U.S. Constitution Annotated* and various Presidential inaugural products.

Cost Savings Initiatives: We have reduced the page rate for the *Congressional Record* to reflect productivity gains in production as well as the requirement for a reduced number of copies. The new rate is \$435 per page, as opposed to the old rate of \$466, a reduction of 6.7 percent. In addition, we are offering a discount of \$39 per page to encourage the submission of *Record* copy in electronic format and to reflect reduced costs from electronic submission. As a result, for those pages submitted electronically, there is now an overall page rate reduction of 15 percent from the old rate.

The Senate continues to make significant progress in submitting *Record* copy electronically. In May 1996, electronic submissions constituted 55.7 percent of Senate *Record* copy. Very little *Record* copy for House proceedings is submitted electronically to GPO, although we are fully prepared to accept it. The House began submitting proceedings in electronic format via fiber optic links with GPO in late November 1995.

In the Legislative Branch Appropriations Act for FY 1996, Congress directed a number of cost saving measures aimed primarily at reducing the number of paper copies of various congressional publications distributed without charge. The total distribution of copies of the *Congressional Record* in paper has been cut from 16,935 to 10,615, a reduction of 6,320 copies per issue, based primarily on the direction to eliminate the distribution of copies to public agencies and institutions designated by House Members. This will save about \$1.5 million annually.

The number of copies of hearings provided to originating House committees has been reduced from 300 to 150. Special binding for House committees has been limited to two copies per publication. Funding for free copies of congressional publications distributed by Congress without charge to recipients designated by law, with the exception of depository libraries, has been eliminated. Recipients affected include former Members, judges, the Library of Congress,

and various Government agencies. The free distribution of soil surveys by Members of Congress has been eliminated.

GPO is working with the staff of the Joint Committee on Printing to carry out these reductions in a reasonable manner, providing certain exemptions in order to meet legislative needs. We have ended the issuance of bulk shipments of *Record* copies to Congress. Instead, each copy is being labeled to facilitate accountability for all copies printed.

SUPERINTENDENT OF DOCUMENTS SALARIES AND EXPENSES APPROPRIATION

Estimated Requirements: Our request of \$30.8 million is an increase of \$520,000, or 1.7 percent, over the funding approved for FY 1996, but a reduction of \$780,000, or 2.5 percent, from the funding approved for FY 1995. The Salaries and Expenses Appropriation funds the FDLP (\$27.2 million, or 88 percent of the total Salaries and Expenses Appropriation request, is for this program), the Cataloging and Indexing Program (\$2.6 million, or 8 percent), the International Exchange Program (\$509,000, or 2 percent), and the By-Law Distribution Program (\$482,000, or 2 percent).

Our request includes \$500,000 for technology grants to depository libraries and an additional \$20,000 in travel for promoting training and continuing education opportunities for the librarians. Both of these initiatives are part of the transition plan to convert the Federal Depository Library Program (FDLP) to predominately electronic information dissemination.

The technology grants would ensure reasonable public access and proximity to at least one electronically-capable library in every congressional district. The grants, at up to \$25,000 each, would be used for public access work stations and Internet connections in depository libraries. This one-time financial assistance would enable the libraries to achieve a minimum level of capability to serve the public with on-line electronic Government information. In order to be eligible for the technology grant, the libraries would have to demonstrate a need and stipulate that no other funding source is available for that purpose.

The \$20,000 requested for travel would provide hands-on training for librarians in the use of the *GPO Access* on-line services and facilitate training in other agency systems.

FDLP STUDY

Section 210 of the Legislative Branch Appropriations Act for FY 1996 required GPO to conduct a study to identify measures necessary for a successful transition to a more electronic FDLP. In response to the direction from this Subcommittee for broad consultation on the study, GPO formed a group comprising representatives from GPO, the Joint Committee on Printing, the Senate and House Appropriations Committees, the Senate Rules and Administration Committee, the House Oversight Committee, the House Government Reform and Oversight Committee, OMB, the Congressional Research Service of the Library of Congress, the National Archives and Records Administration (NARA), federal publishing agencies, the Administrative Office of the U.S. Courts, the depository library community, and others. The study was completed in March

1996 and issued as a draft document for a public comment period of 60 days. The final report, titled "Study to Identify Measures Necessary for a Successful Transition to a More Electronic Federal Depository Library Program," has just been completed.

Preliminary Transition Plan: Separately, a document titled "The Electronic Federal Depository Library Program: Transition Plan, FY 1996 - FY 1998" was developed by GPO and included with our FY 1997 appropriations request. The budget-driven Transition Plan had to be completed prior to much of the work on the Study due to the timetable for annual budget submissions. This early version envisioned an aggressive approach to changing the FDLP to a predominantly electronic program in 2.5 years. The Transition Plan was useful in eliciting public comment on these issues, and several major themes surfaced.

The first of these was that a 2.5-year transition period was too rapid and exceeded the ability of the depository libraries, the publishing agencies, and the public to properly use or support this volume of electronic information. Input from publishing agencies and depository libraries indicated that a 5 to 7 year transition would be more realistic and cost-effective since it would allow GPO to change to electronic information as rapidly as the publishing agencies could produce it and the libraries could absorb it. It would be substantially more costly for GPO to convert agency print publications to electronic formats than it would be to work in partnership with the agencies, assisting them in accelerating their own electronic publishing initiatives. Second, the needs of users for appropriate information product formats, suited to the intended audience and usage of the products, may have been undervalued. And third, the 2.5-year Transition Plan did not incorporate adequate measures to ensure permanent preservation of and public access to electronic information products. The public comments in response to the Transition Plan led directly to the development of the Strategic Plan that is included in the June 1996 Study Report.

Study Report Strategic Plan: The Strategic Plan included in the final Study Report proposes a more gradual transition during the period FY 1996-FY 2001. The Strategic Plan builds on the strengths of the existing program and will affirmatively move the FDLP toward a significantly greater electronic information dissemination and access program. The Plan reflects the views and advice of the library community, Federal publishing agencies, and users of Government information.

Under the Strategic Plan, the FDLP will provide official Government information products in a variety of formats to the Nation's nearly 1,400 depository libraries. Incorporating electronic Government information into the FDLP will augment the traditional distribution of tangible products with connections to Government electronic information services such as Internet sites. Electronic information will be accessible to the public directly or through depository libraries from a system of Government electronic information services administered by GPO, other Government agencies, or institutions acting as agents for the Government. The FDLP will identify and connect users to electronic information services of other agencies or, when appropriate, obtain electronic source files from agencies for mounting on *GPO Access*. Tangible Government information products will be distributed to libraries, including CD-ROMs, diskettes, paper, or microfiche, as appropriate to the needs of users and intended usage.

The FDLP will ensure that electronic Government information products are maintained for permanent public access, in the same spirit in which regional depositories provide permanent access to print products. This requires the development of a system which includes all of the institutional program stakeholders: information producing agencies, GPO, depository libraries and NARA.

Effective public use of Government information, especially in the less-structured environment of the Internet, depends on the ability of users to identify and locate the desired information. Through continuation of its cataloging services, and the development of Pathway information locator services, the FDLP will meet this need.

Funding Requirements: Significant progress toward a more electronic FDLP can be made by the end of FY 1998 with essentially flat funding. For the out years, FY 1999 and beyond, there are too many variables involved to accurately project program funding requirements at this time. Our FY 1997 funding request assumes that some FDLP expenses, especially those associated with acquiring and shipping printed products, will decline as the use of electronic information dissemination technologies increases. Cost savings in the FDLP under the transition plan will support no-charge use of the *GPO Access* services for depository libraries and the general public. However, there will be offsetting increases in other areas, such as expanding the capacity of the *GPO Access* service, acquiring and converting electronic source data files, and CD-ROM licensing fees.

Study Conclusions: Two major conclusions emerged from the study. The first was strong support for retaining the authority for a broad-based public information program in the legislative branch. Nearly all of the participants felt that this model has served the public well. High value was placed on the presence of the FDLP in every congressional district to directly serve the public in local library settings.

There was also strong support for having a single entity in the Superintendent of Documents to coordinate library-related information dissemination activities. The depository library community has consistently affirmed the utility and cost-effectiveness of a "one stop shopping" approach to acquiring Government information. The study participants agreed that it is not only possible but desirable to increase the dissemination of electronic information to depository libraries within the overall structure of current law and program operations, and that having a central entity to assist libraries and the public in accessing electronic Government information in a distributed environment is more vital now than ever. Other key findings included the following:

Scope of the FDLP: There is widespread interest in expanding the content of the program to make it more comprehensive, and a great deal of optimism that the rapid expansion of agency electronic publishing offers cost-effective options to do so. Nevertheless, the highest priority remains the retention of information content that historically has been in the program and is rapidly leaving it as agencies move from print to electronic publishing or eliminate information products to reduce costs.

Notification and Compliance: Historically, the FDLP has relied heavily on the ability of the program to automatically obtain material as it was printed or procured through GPO. With the growing emphasis on electronic dissemination, and decreasing compliance with statutory requirements for agencies to print through GPO, identifying and obtaining information for the FDLP is becoming increasingly difficult. The study examined new means to inform agencies of their responsibilities and to ensure compliance with agency FDLP obligations. It also focused on effective means for all three branches of Government to notify GPO of the intent to initiate or publish a new information product, substantially modify an existing product, or eliminate products and services.

Permanent Access to Official and Authentic Information: The FDLP is responsible for providing permanent access to official Government information disseminated through the program. Historically this has been the role of the regional depository libraries, and this has been a cost-effective means of ensuring that Government information remained available to the public indefinitely. Permanent access also is an essential element of the electronic depository library program, but it will be more difficult to attain. To ensure permanent public access to official electronic Government information, all of the institutional program stakeholders (information producing agencies, GPO, depository libraries, and NARA) must cooperate to establish the authenticity of official information, provide persistent identification and description of Government information products, and establish appropriate arrangements for their continued accessibility. This includes establishing standard formats for dissemination and preservation and maintaining the technological currency of the data.

Locator Services: The Cataloging and Indexing Program required by 44 U.S.C. §1710 and §1711 and the Locator Services required by 44 U.S.C. §4101 provide the statutory basis for GPO to assist depository libraries and the public in identifying and obtaining access to the full range of Government information. In an environment where libraries and users often access remote electronic information rather than local collections, the tools for identifying and locating the information will become increasingly critical components of an effective program.

Cost of Electronic Information Dissemination: While there are many benefits in the use of electronic information, including more timely and broader public access, there is no conclusive data at this time to support the assertion that it will result in significant savings to the FDLP in the next few years. Based on information developed to date, electronic dissemination and access will shift the costs among the participants and will increase costs to the depository libraries and the public, at least in the short run. In addition, the migration to an increased use of electronic information technologies requires significant resources which are costs that the Government will incur when it assumes some of the responsibility currently held by regional libraries for ensuring permanent public access to Government information. Costs for migration can be minimized by the adoption and use of open systems standards through the entire life cycle of information products, from the time the original source files are created by the publishing agencies to final preservation by NARA. At the same time, depository libraries and their users will have to pay to print, or purchase printed copies, of information that is needed, but no longer disseminated, in print through the FDLP. Libraries also will have to provide specialized staff training, public access work stations, and the related services necessary to connect the public to remote Government information.

Assessment of Standards: The study concluded that the use of electronic Government information products can be enhanced by the greater utilization of standards in the creation and dissemination of information. Therefore, GPO is proposing an Assessment of Standards for Creation and Dissemination of Electronic Government Information through a joint effort with the National Commission on Libraries and Information Science (NCLIS).

For the successful implementation of a more electronic FDLP, additional information about future agency publishing plans is needed, as well as an expert evaluation of the cost-effectiveness and usefulness of various electronic formats that may be utilized for depository library dissemination or access. The Government produces an enormous quantity and variety of information. The standards best suited for one type of data may be substantially less suited, or even entirely inappropriate, for another. Consequently, there is no single standard in which all Government information products can, or should, be created or disseminated. Nevertheless, it is in the best interests of the Government, and those who use Government information, to achieve a greater degree of standardization than now exists, and to develop recommended standards for each major type of Government information product in order to facilitate the exchange and use of that information.

To accomplish this, we need to know the range of formats Federal agencies currently use in the creation and dissemination of information and to assess the de facto or actual standards that are in use for each major type of data. We also need to identify areas where there is no standardization, or such limited standardization that the effect is virtually the same. Finally, we need to evaluate standards utilized by private sector and other non-governmental publishers. This information will provide the basis for an assessment, in consultation with the depository library community, of the usefulness and cost-effectiveness of various electronic formats for depository library dissemination or access. It will also be the basis for a dialog with NARA, NCLIS, the National Institute of Standards and Technology (NIST), and others with an interest in establishing and promulgating Government-wide standards for information creation and dissemination.

The assessment would be conducted under an interagency agreement with NCLIS and financed from available FY 1996 FDLP funds.

Legislative Changes To Support the Transition: GPO has the necessary statutory authority to incorporate electronic Government information products into the FDLP, and substantial changes in the FDLP already are underway within the structure of the existing statute. However, certain amendments to chapter 19 of Title 44, U.S.C., which authorizes the FDLP, would clarify this authority and facilitate the transition. Suggested legislative changes to chapter 19 were included with our budget submission as part of the preliminary transition plan. The FDLP study participants further considered these and other potential changes and included suggestions for legislative change in the final report. These were discussed by Superintendent of Documents Wayne Kelley in hearings on the FDLP before the Senate Committee on Rules and Administration on June 18.

OMB DRAFT LEGISLATION

Recently, the Director of OMB transmitted to several Members of Congress proposed legislation titled "The Electronic Depository Library Act of 1996." We were provided with a copy of the proposal and have analyzed its provisions. Copies of our analysis were transmitted to the Chairman and ranking Member of this Subcommittee as well as other Members of Congress.

Several key provisions of OMB's proposal contrast sharply with the legislative direction contained in the Study Report. Although the current FDLP includes information from all three branches of Government, the OMB proposal would apply to the executive branch only. It would potentially circumscribe the type of information that would be made available to depository libraries. It would transfer policy oversight for electronic dissemination to depositories from the Superintendent of Documents to agency Chief Information Officers (CIO's), who are accountable by law to OMB. It would allow agencies to make individual arrangements with depository libraries to pay for fee-based information services operated by agencies, and would set no limit on the fees, signaling a dramatic departure from the traditional principle of making Government information available to depositories without charge. It would effectively transform the National Technical Information Service (NTIS) of the Department of Commerce--which has no depository distribution authority and which could provide no guarantee of assuring equitable public access to any information it disseminates to depositories--into the executive branch's depository of final resort. It would also establish NTIS as the centralized point of access for executive branch information, in contrast to OMB's objection to the "centralized management model" currently operational in the FDLP. While the OMB proposal is purportedly designed to improve depository access to electronic information, the enforcement mechanism it provides would be weak and ineffectual.

The most prominent shortcoming of OMB's proposal lies in the provisions regarding the dissemination of online services. Agency CIO's would make direct, individual arrangements with depository libraries for access to online services "in some suitable electronic format." Online services would be required to be listed in each agency's information locator service so that libraries could find them.

This part of the bill seriously miscalculates the value and utility to the library community of having a single entity in the Superintendent of Documents to coordinate library-related information dissemination activities. Currently, GPO deals with hundreds of departments, agencies, bureaus, and offices, represented by approximately 4,500 billing address codes. To deal with a potentially vast number of online publishing entities in an increasingly distributed electronic environment, each of approximately 1,400 depository libraries would assume an enormous administrative burden without the presence of a central entity to coordinate services, provide notice of information availability, promote standards, develop guidelines on timeliness, and suggest user-friendly interfaces. Providing equitable dissemination to all libraries, regardless of differing equipment capabilities in the library community, would be equally burdensome to agencies. The GPO Electronic Information Access Enhancement Act of 1993 was enacted in part to relieve agencies of this burden by establishing a single online service that would standardize service provision to all depository libraries. Since it is unlikely that many agencies would want or be able to provide differing levels of services, the result would be that only those libraries with

the most comprehensive electronic capabilities would be able to access most Federal online systems.

To support its legislative proposal OMB stated their opinion that "the centralized management model of chapter 19 [of Title 44, U.S.C.] is not appropriate for distributed electronic information products and services." However, this is not the conclusion that was reached by the broad spectrum of participants in the FDLP study. The study confirmed the value of a central entity to assist libraries and the public in accessing electronic Government information in a distributed environment. Statutory improvements identified by the study could be attained through legislative revisions that would be less sweeping than those proposed by OMB, less burdensome on agencies, depository libraries, information users, and the taxpayers, and less damaging to the comprehensive and equitable system of access to Government information provided through the depository library program today.

WITHDRAWAL OF FEDERAL PUBLICATIONS FROM THE FDLP

Under the guise of reinventing Government, several prominent publications of the Commerce Department are being withdrawn from the FDLP as the consequence of public/private sector joint ventures in publishing.

Big Emerging Markets: One of these is *The Big Emerging Markets, 1996 Outlook*, produced by the International Trade Administration. The book lists U.S. and foreign trade contacts for American businessmen. Printed in September 1995, it is a 480-page, three-color volume. It might have appealed to users of depository libraries or business people throughout the United States who rely upon depository libraries for access, but it was not disseminated through the FDLP. Although all the editorial work was done at Government expense, *Big Emerging Markets* was published by a private publisher under a partnership agreement with NTIS. NTIS is currently selling it for \$45/copy, and the private publisher is selling it for \$43.95/copy. These compare with GPO's estimated sales price of \$40/copy.

The Commerce Department asserted that because of this publishing arrangement *Big Emerging Markets* is not a Government publication, and thus not subject to depository distribution requirements under Title 44. However, if the Commerce Department had allowed GPO to handle the competitive bid for printing this book, any Federal agency wanting copies could have placed an order at the cost of only printing, paper, and binding. Any private sector publisher could have obtained the reproducible materials to print and sell the book themselves under current provisions of law. Most important of all, if GPO had printed or procured the book, it would have been distributed to depository libraries for no-fee public use.

U.S. Export Administration Regulations: Another recent example is the *U.S. Export Administration Regulations*, published by the Bureau of Export Administration. GPO has handled this publication for 48 years, and the Superintendent of Documents has promoted it to an expanding audience largely made up of small businesses. In addition, the FDLP has ordered copies for distribution to selecting libraries throughout the country where it is in demand by many citizens, some of whom cannot afford their own subscriptions. Several months ago, however, the Under Secretary for Export Administration announced that it is placing all

publication and distribution functions related to the *Export Administration Regulations* exclusively with NTIS. This arrangement will remove the publication from GPO's FDLP and sales program.

To prevent this, we expressed our desire to purchase a copy of the *Export Administration Regulations* electronic source files in whatever formats are available. Since the electronic disk is being produced by Government employees, at Government expense, and procured with appropriated funds, copies should be available to anyone at cost. That would be the case if the disk were being procured through GPO. The Bureau of Export Administration initiated a procurement with a private contractor through GPO on March 21, 1996, for a WordPerfect *Export Administration Regulations* disk. On April 18, 1996, after the Superintendent of Documents ordered a duplicate copy of the disk, the procurement was canceled by the Bureau.

We are concerned that this publishing arrangement may violate Section 207 of the Fiscal Year 1995 Legislative Branch Appropriations Act (P.L. 103-283), which, apart from certain limited exceptions, requires executive branch agencies to obtain printing and reproduction services from GPO. It also appears to contravene the policy direction provided in a Memorandum For Heads Of Executive Departments and Agencies from White House Chief of Staff Leon Panetta, dated April 11, 1996, which requires them "to make maximum use of the capabilities and expertise of the Government Printing Office in handling your agency's printing and duplicating procurements during the next 12 months." In addition, the arrangement is contrary to the policy set forth in OMB Circular A-130, which directs agencies to "avoid establishing, or permitting others to establish on their behalf, exclusive, restricted or other distribution arrangements that interfere with the availability of information dissemination products on a timely and equitable basis." We have asked for an OMB review of this matter.

The end result of this joint venture will be a decrease in the number of print subscribers and needless inconvenience to the many clients served continuously by GPO for nearly a half-century. If we were able to obtain the electronic source data it could be made available to depository libraries and the general public via the Internet on the **GPO Access** service. This would permit us to encourage use of the electronic *Export Administration Regulations* by depository libraries and reduce the need for print copies. It would not prevent NTIS, or any commercial vendor for that matter, from adding value and selling the *Export Administration Regulations* database at any price they wish.

U.S. Industrial Outlook: In another example, on May 14, 1996, a major private sector publisher and NTIS announced that "the two organizations have signed an agreement to collaborate on the development of a multitude of information products and services, such as the *U.S. Industrial Outlook* and other market-specific projects." Last produced in 1994, the *U.S. Industrial Outlook*, a product of the International Trade Administration, was distributed to 1,210 depository libraries. Although we have a preliminary commitment from the International Trade Administration to keep the *U.S. Industrial Outlook* in the FDLP, we will have to wait until late this year to be certain this commitment is met. Once again, however, an exclusive arrangement is being made between a Government agency and a private sector concern, which is likely to raise barriers to widespread public access to the information.

Hispanics-Latinos: A final example is the publication of *Hispanics-Latinos: Diverse People in a Multicultural Society*, by a Washington-based trade association. The data for this publication was prepared by the U.S. Census Bureau as part of its Current Population Reports (P-20) series, which are basic components of the 1990 Census of Population Data Products. But although the data for *Hispanics-Latinos* was gathered and prepared at public expense, it was provided to a private group which then copyrighted the publication and now sells copies for \$10.00 each. The funding for printing the publication was provided by Philip Morris Companies, Inc., whose contribution is noted in the printed acknowledgments in the publication. The publication prominently displays Philip Morris's corporate logo along with a list of its various subsidiaries, including Miller Brewing Company. The publication is not available for distribution to depository libraries through GPO's FDLP.

REVOLVING FUND

GPO's revolving fund, established by section 309 of Title 44, is authorized on an annual basis. Appropriations are not requested for the fund, because the fund is designed to recover costs through offsetting collections for services provided. Revenue is received from Government agencies for printing procurement, printing production, publications distribution services performed for agencies, and from the public for the sale of Government publications.

Current Financial Condition: Despite improved financial performance in FY 1995, during the first 8 months of FY 1996 GPO's revolving fund sustained operating losses totaling \$17.4 million. While our costs declined substantially, revenues dropped faster. Compared to the same period last year, expenses were reduced by \$16.4 million. Revenues, however, fell by \$25.4 million, due primarily to reductions in the workload performed by GPO's central office plant. Total revenues from plant printing operations fell \$11.4 million compared to this time last year, due in part to a lighter-than-anticipated congressional workload in addition to printing rates maintained at 1990 levels through April 1996.

In the Superintendent of Documents sales program, revenues declined \$6.8 million due to a variety of factors. Four snow days in January, during which all Washington, DC, area Government operations were shut down (including the mail order operation in Laurel, MD), contributed to revenue losses. Apparently, GPO's sales suffered as part of a public perception that we were closed during the second, longer Government wide budget shutdown earlier this year. The growing availability of free electronic formats on the Internet, such as the *Federal Register*, may also be contributing to reduced sales.

Although printing procurement operations were relatively stable through April 1996, the delayed resolution of budget talks between Congress and the Administration (which kept many of GPO's customer agencies on short-term continuing resolutions providing funding at 75 percent of FY 1995 allocations for the first half of this fiscal year) may affect procurement revenues in the coming months as reductions in the procurement cycle begin to be felt. As noted above, we are also contending with growing noncompliance by several executive branch agencies, particularly the Department of Commerce, with Title 44 requirements to print and distribute publications through GPO.

In view of these developments, we have worked with the Joint Committee on Printing to resolve GPO's need to fully comply with 44 U.S.C. § 309 in the setting of printing rates that fully recover our costs. As a result, we have made the first adjustment to GPO's scale of prices for printing products since 1990. In addition, at the request of the Chairman of the Joint Committee on Printing, we proposed a number of actions aimed at downsizing the workforce, consolidating space and functions, and improving efficiency and service to customers.

Request for Retirement Incentive Authority: The most recent financial results indicate the need for a targeted retirement incentive program similar to the one GPO ran in early FY 1994. At that time, GPO succeeded in reducing the overall workforce by 357 employees, resulting in annual savings of \$17.5 million. A targeted retirement incentive program would enable GPO to reduce costs promptly, adjust to the trend of decreasing workload without interrupting services, and restructure operations to facilitate the introduction of improved technology services.

GPO would require statutory authorization for such a program but it would be financed from available funding. However, to minimize the impact on the revolving fund, a portion of GPO's Congressional Printing and Binding Appropriation could be authorized for this purpose. We are prepared to work with this Subcommittee, as well as the House Legislative Appropriations Subcommittee, to develop details for a GPO retirement incentive program.

Reducing Facility Energy Costs: As required by the conference report on the Legislative Branch Appropriations Act for FY 1996, GPO is initiating an energy conservation program to reduce facility energy costs. The greatest energy costs for GPO are electricity and steam heat. We have already achieved substantial energy cost savings through recent consolidations of space. Recent and planned closings of regional printing plants will also achieve energy cost savings. Our energy saving initiative includes turning off transformers and air conditioning units on weekends and utilizing high efficiency light fixtures. Additionally, we will reevaluate the ambient temperatures of our facility and make appropriate adjustments. Since compliance with the Clean Air Act and the use of dryers on presses will tend to increase our consumption of natural gas, we are looking at measures to achieve savings on natural gas purchases. These and related measures will enable GPO to maintain energy costs at a relatively stable level to offset the cost impact of escalating utility rate increases (for example, PEPCO increased Government rates 3.8 percent in July 1995).

For more efficient energy consumption and to upgrade necessary utilities, GPO should be included in the National Energy Conservation Policy Act (42 U.S.C. 8287). This would allow us to contract for energy conservation services with performance guarantees and pay for them in the future from resulting cost savings. Specifically, it would provide a way to fund the acquisition of new air conditioning equipment for GPO's buildings from the revolving fund without the assumption of a significant financial burden. The air conditioning equipment is leaking freon and is badly in need of replacement. The following is draft legislative language that would accomplish this purpose (the language is similar to section 402 of P.L. 103-211, which included the Architect of the Capitol):

The Government Printing Office shall be considered an agency for the purposes of the election in section 801(b)(2)(B) of the National Energy Conservation Policy Act and the Public Printer shall be considered the head of the agency for the purposes of subsection (b)(2)(C) of such section.

RECENT JUSTICE DEPARTMENT MEMORANDUM

On May 31, 1996, the Office of Legal Counsel of the Department of Justice issued a memorandum to the General Services Administration (GSA) regarding "Government Printing Office Involvement in Executive Branch Printing." The memorandum concludes that "the GPO's extensive control over executive branch printing is unconstitutional under the doctrine of separation of powers."

GPO does not concur with this view. We handle executive work in a purely ministerial capacity. We cannot refuse to fulfill an executive branch requisition for printing. We have no control over editorial or informational content of executive branch publications. Our job is only to ensure that printing requisitions are fulfilled in the most cost-effective and timely manner possible, and to provide for the comprehensive and equitable dissemination of Government information to the public through copies of publications purchased with GPO funds. These functions are performed under the authority of the Public Printer who, like members of the Cabinet, heads of executive branch agencies, and other high level Federal officials, is appointed by the President and confirmed by the Senate and serves solely at the pleasure of the President. Under the law, the Public Printer maintains no veto authority over executive branch work.

The view that GPO performs an essentially ministerial function with respect to executive branch printing was itself expressed in a September 13, 1993, memorandum of the Office of Legal Counsel, also to the GSA. At that time, the Office of Legal Counsel said that the requirement contained in section 207 of the Legislative Branch Appropriations Act [which was re-enacted and is currently at P.L. 103-283] for agencies to procure printing by or through GPO:

does not violate the separation of powers by delegating executive authority to the GPO...It does not give the GPO authority to refuse to print any materials, but merely requires that printing be procured "by and through" the GPO. Moreover, because 44 U.S.C. §1101 provides that "[the] Public Printer shall execute such printing and binding for the President as he may order and make requisition for," the executive branch retains its ability to ensure that materials are printed.

A March 11, 1994, memorandum of the Office of Legal Counsel reaffirmed this position. Since there have been no procedural changes or statutory modifications of any substance in this area of the law since that time, GPO's general counsel has requested the Office of Legal Counsel to reconsider this matter. We have also referred the Justice Department's memorandum to the general counsel of the General Accounting Office, which in a September 30, 1994, letter to the Honorable Wendell H. Ford held that contractors performing printing work directly for Federal agencies outside the authority of Title 44 and section 207 may not be paid. Additionally, the White House Chief of Staff's April 11, 1996, memorandum to heads of departments and agencies directs them to utilize the capabilities and expertise of GPO to the maximum extent possible for the next 12 months.

The implementation of the Justice Department's memorandum would have strongly negative consequences for Government printing. Assuming that executive branch printing policy would be characterized by decentralization as detailed in various reinventing Government reports, the removal of executive branch printing from GPO would increase the cost of Government printing significantly. It would increase the cost and reduce both the comprehensiveness and equity of current publications distribution policies, such as the FDLP, undercutting the congressional appropriations made for that purpose. It would forestall efforts to standardize and expand access to electronic information products through a single source such as *GPO Access*. In addition, there would be negative impacts on the printing industry and on the Government's ability to enforce comprehensive recycled paper, permanent paper, and vegetable ink utilization policies, all of which are established pursuant to statute.

Notwithstanding these reasons, we have learned that several Federal agencies may use the Justice Department's recent memorandum to remove work from GPO. We are extremely concerned about the possible impacts of this action and its implications for current Federal printing and publications distribution policies.

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