S. HRG. 107–703

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2003

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

ON

H.R. 5121/S. 2720

AN ACT MAKING APPROPRIATIONS FOR THE LEGISLATIVE BRANCH FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2003, AND FOR OTHER PURPOSES

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LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2003

WEDNESDAY, MARCH 13, 2002

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:32 a.m., in room SD–124, Dirksen Senate Office Building, Hon. Richard J. Durbin (chairman) presiding.

Present: Senators Durbin, Bennett, and Stevens.

LIBRARY OF CONGRESS

STATEMENT OF DR. JAMES BILLINGTON, THE LIBRARIAN OF CONGRESS

ACCOMPANIED BY:

GENERAL DONALD L. SCOTT, DEPUTY LIBRARIAN OF CONGRESS

DANIEL P. MULHOLLAN, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE

WINSTON TABB, ASSOCIATE LIBRARIAN FOR LIBRARY SERVICES

OPENING STATEMENT OF SENATOR RICHARD J. DURBIN

Senator DURBIN. Good morning. The subcommittee will come to order.

We meet this morning to hold our first hearing on the fiscal year 2003 budget cycle. Excluding the President's proposal to fund retirement and health benefits in individual agencies, the total request for the legislative branch is $3.4 billion, roughly 5 percent above the fiscal year 2002 enacted level. Much of that increase is associated with critical security initiatives, and mandatory pay and price level increases.

PREPARED STATEMENTS

Today we will hear first from Dr. James Billington, the Librarian of Congress, who is accompanied by the Deputy Librarian, General Donald Scott. Then we will hear from Mr. Dan Mulhollan, Director of the Congressional Research Service.

We will also recognize and welcome this morning Ms. Marybeth Peters, Register of Copyrights. We will insert all the statements into the record.

[The statements follow:]

PREPARED STATEMENT OF JAMES H. BILLINGTON

I appreciate the opportunity to discuss the Library of Congress budget request for fiscal 2003. The tragic events of September 11, 2001, and subsequent anthrax incidents have underscored the importance of the Library's historic mission of making its resources available and useful to the Congress and the American people and sustaining and preserving a universal collection of knowledge and creativity for future generations. Since September 11th, the Library has provided legislative support to the Congress on issues of terrorism, emergency preparedness, anthrax in the mail, civil defense, and many other subjects. In collaboration with other archival institutions and private organizations, the Library has helped to capture important digital information and has documented for listeners the thoughts and feelings expressed by citizens, matching our efforts following the bombing of Pearl Harbor on December 7, 1941. The Library has also provided administrative assistance to the House of Representatives, the Senate, the Congressional Budget Office, and the Supreme Court following the discovery in mid-October of anthrax in the mail system. The Library provided emergency work space for staff, communications and computer access, and technical assistance with mail handling.

At the start of the new millennium and the Library's third century, the Library faces a host of new challenges: bringing in materials when delivery by mail poses potential new threats to safety; registering digital copyright claims; and acquiring, preserving, and ensuring rights-protected access to the proliferating materials that are produced only in digital format and are playing an increasingly important role in the commercial and creative life of the United States. We must continue to add to the Library's collections some three million artifactual items annually and at the same time harvest the exponential growth of electronic materials. The Library's fiscal 2003 budget accordingly requests additional funds both to support our growing traditional collections and to accelerate our plans and programs for obtaining materials electronically.

The Library of Congress is fundamentally different from any other institution in the legislative branch of government. The Library serves not only the Congress but the nation with the most important commodity of our time: information. The Library's first priority is to make the world's knowledge available and useful to the United States Congress. This primary purpose can continue to be realized only if the Library can acquire, secure, preserve, and make accessible its uniquely universal collection. In the digital era, this requires creation of a national digital library collection while sustaining the traditional library of books and other artifacts.

The Library seeks support in its fiscal 2003 budget request not for any new function, but simply for the resources needed to perform our historic mission in a radically changing environment.

For fiscal 2003, the Library of Congress requests a total budget of $572.7 million ($536.1 million in net appropriations and $36.6 million in authority to use receipts), a net increase of $56.3 million above the fiscal 2002 level. The requested increase includes $46.2 million for mandatory pay and price-level increases, and $34 million for program increases, offset by $23.9 million for nonrecurring costs. Of the $46.2 million requested for mandatory pay and price-level increases, $24.6 million, or 53 percent, is related to the Administration's new legislative proposal to fund health and retirement benefits entirely in agency budgets. Excluding this mandated legislative proposal, the Library's fiscal 2003 budget request is a net increase of 6.1 percent above fiscal 2002.

Requested funding will support 4,358 full-time-equivalent (FTE) positions, an increase of 169 FTEs over the fiscal 2002 target of 4,189. To ensure that the Library's workforce can meet the needs of the agency and its customers, the Library is assuming staffing at the fiscal 2002 target level and requesting the additional FTEs largely to support the maintenance and security of the Library's artifactual collections, which continue to grow at the rate of approximately three million items per year.

We deeply appreciate the Congress's approval of fiscal 2002 supplemental funds to address recovery from the anthrax closure and unplanned costs to ensure continuity of operations in the event of any future incidents. Further fiscal 2002 supplemental funds are required for the Copyright Office because of continuing delays in receiving U.S. Postal Service mail.

New protocols for mail delivery have had a profound impact on many business processes in the Library. Anthrax concerns severely delayed processing copyright registrations, acquiring materials for the collections, and communicating with many domestic and foreign partners. These delays have challenged the Library to conduct much more of its business electronically and to put in place safe mail handling procedures for artifactual materials. The Library will continue to receive approximately one million mail items each month for the foreseeable future. Because of delays in mail delivery, the Library is requesting additional supplemental funding of $7.5 million, which is required to make up for a projected fiscal 2002 shortfall in copyright registration receipts. The Register of Copyrights has provided further information in her statement regarding this supplemental appropriations request.

The Library's fiscal 2003 budget reflects the higher costs of this new world environment, where major additional steps must be taken to ensure the safety of staff, facilities, and the mail. The Library proposes to retain $8.6 million in its fiscal 2003 budget base from the fiscal 2002 emergency supplemental appropriation to fund prospective new mail handling costs.

The fiscal 2003 budget request supports the Library's ongoing priorities of (1) service to the Congress; (2) acquisition, security, and preservation of materials; and (3) comprehensive access to our collections. The budget request is needed to fund the following major initiatives (which I address in more detail later in this statement):

—*Digital Futures Increases ($16.5 million and 35 FTEs)*.—The Library's digital futures budget request for fiscal 2003 covers the third year of building support for the National Digital Library (NDL) and provides for the Law Library's electronic initiatives.

—*Collections Access, Preservation, and Security Increases ($8.7 million and 118 FTEs)*.—The Library's massive collections of more than 124 million items require additional resources to provide for their security, to store and preserve them for future generations, and to facilitate access to them.

—*Infrastructure Support Increases ($5.3 million and 4 FTEs)*.—The Library's programs require additional infrastructure support, including a new central financial management system, an educational outreach initiative, safety services modernization, and additional capacity for the Office of Inspector General.

—*Copyright Office's Reengineering Plans ($1.4 million)*.—The Library is requesting the use of available receipts from the no-year account to fund the Copyright Office's ongoing reengineering program.

—*Congressional Research Service Capacity Increases ($1.4 million and 12 FTEs)*.—The Congress must have available the policy expertise and information resources needed to address key public policy issues. CRS is requesting new analytical and informational capacity in two critical areas affecting the lives of almost every American: (1) terrorism and homeland security, and (2) issues resulting from the aging of the U.S. population.

THE LIBRARY OF CONGRESS TODAY

The core of the Library is its incomparable collections and the specialists who interpret and share them. The Library's 124 million items include almost all languages and media through which knowledge and creativity are preserved and communicated.

The Library has more than 28 million items in its print collections, including 5,706 volumes printed before the year 1500; 12 million photographs; 4.9 million maps; 2.5 million audio recordings; 877,000 motion pictures, including the earliest movies ever made; 5 million pieces of music; and 55.2 million pages of personal papers and manuscripts, including those of 23 U.S. presidents as well as hundreds of thousands of scientific and government documents.

New treasures are added each year. Notable acquisitions during fiscal year 2001 include: copies of 15,000 Arabic manuscripts held by the British Library; the collections of Patrick Hayes and Evelyn Swarthout and Frederick Loewe; and the archives of Theodore Presser. They also include the letters of Leon Bakst and a host of great musicians: Irving Berlin, Johannes Brahms, Aaron Copland, Marilyn Horne, Otto Klemperer, Erich Wolfgang Korngold, Franz Liszt, Felix Mendelssohn, Ned Rorem, and Arnold Schoenberg.

During fiscal year 2001, the Library also reached an agreement to purchase the only known copy of the map that has been called "America's birth certificate." Compiled by Martin Waldseemüller in 1507, this is the first document of any kind to refer to the New World as "America" and to depict a separate Western Hemisphere with the Pacific as a separate ocean. The map will be on permanent display in the Thomas Jefferson Building.

Every workday, the Library's staff adds more than 10,000 new items to the collections after organizing and cataloging them. The staff then shares them with the Congress and the nation by assisting users in the Library's reading rooms, by providing on-line access across the nation to many items, and by featuring the Library's collections in cultural programs.

Every year the Library delivers more than 710,000 research responses and services to the Congress, registers more than 600,000 copyright claims, and circulates more than 23 million audio and braille books and magazines free of charge to blind and physically handicapped individuals all across America. The Library annually catalogs more than 270,000 books and serials and provides its bibliographic record inexpensively to the nation's libraries, saving them millions of dollars annually.

The Library also provides free on-line access, via the Internet, to its automated information files, which contain more than 75 million records to Congressional offices, Federal agencies, libraries, and the public. The Library's Internet-based systems include major World Wide Web (www) services (e.g., Legislative Information System, THOMAS, <www.loc.gov> <www.AmericasLibrary.gov>, Global Legal Information Network, the Library of Congress On-line Public Access Catalog <www.catalog.loc.gov>, and various file transfer options.

Library of Congress programs and activities are funded by four salaries and expenses (S&E) appropriations supporting congressional services, national library services, law library services, copyright administration, services to blind and physically handicapped people, and management support. A separate appropriation funds furniture and furnishings.

NATIONAL DIGITAL LIBRARY

The Library is requesting a $12.9 million and 25 FTE increase to support the NDL, which consists of two major components:

—1. *Technology Backbone*.—The Library is requesting $7,392,000 and 17 FTEs to: (a) identify Library of Congress preservation standards and protocols that can support a national digital information infrastructure and preservation strategy ($815,000); (b) develop digital repository architecture and research and test alternative strategies for long-term preservation of Library of Congress digital content ($1,500,000); and (c) implement a flexible, yet sufficiently sound technical infrastructure to protect the Library's multimillion dollar investment in digital content and access services ($5,077,000). A robust technology backbone at the Library is required to support the acquisition of born-digital items, provide efficient access to digital materials, and maintain and preserve the digital items for the future.

—2. *Digital Access, Services, and Tools*.—The Library is requesting $5,544,000 and 8 FTEs to: (a) improve access services to both on-site and remote library users ($544,000); and (b) continue to support the development of a high-speed data transmission capability between the Library's digital content and western North Carolina ($5,000,000).

The fiscal 2003 NDL budget request of $12,936,000 is for the third year of the Library's plan for building resources required to support the Library's digital services. (This request is separate from, but complementary to, the special appropriation of $99.8 million to develop and lead a national strategic plan for the distributed, long-term preservation of digital materials. In accordance with the provisions of that December 2000 special appropriation, the Library is now formulating an implementable national strategy for the life-cycle management of digital materials as part of the national collection.)

The fiscal 2003 NDL budget request is designed to make sure that the Library's present operating environment and associated digital infrastructure can be scaled in the future to support and sustain the national digital information strategy that is being concurrently designed. It is already evident that major enhancements will be needed, for the Library, and that delay will lead to the loss of important but often ephemeral materials. (The average life of a Web site today is 44 days, and a growing amount of important material is being lost forever.)

The objective of the National Digital Information Infrastructure Preservation Program plan is to encourage shared responsibility and to seek solutions for:

—the continued selection, collection, and organization of the most historically significant materials, regardless of evolving digital formats;

—securing the long-term storage, preservation, and survivability of those needed digital materials; and

—ensuring rights-protected access to the growing electronic historical record of the American people.

The Library is encouraged by the level of support it has received for this critical national program. We will continue to collaborate with a wide variety of institutions in the information community as mandated by the Congress in the special appropriation. We will forward our plan to the Congress later this year.

COLLECTIONS SECURITY, ACCESS, AND PRESERVATION

A primary mission of the Library is to secure, preserve, and provide access to its vast and largely unique and irreplaceable artifactual collections. The Library is requesting $8.7 million and a 118-FTE increase for collections access, preservation, and security. Components of the increase are:

—*$2,615,000 and 60 FTEs to secure the collections by improved inventory management*.—The Library's collections security plan requires tracking incoming materials using the Library of Congress Integrated Library System (LC ILS). The LC ILS replaces multiple stand-alone legacy systems and permits a greater level of control over the collections. However, additional staff are required to achieve this strengthened level of control through the application of bar codes matched to LC ILS records. The fiscal 2003 budget requests support four security initiatives that will capture data for 1,562,000 new items at the point of entry; ensure that LC ILS records are updated as the status of approximately 75,000 serial items changes annually; provide for on-line serials check-in for foreign collections (by converting 10,000 manual records in Japanese, Chinese, and Korean to electronic files); and enable the Library to secure 65,000 new sound recordings received annually.

—*$1,475,000 and 14 FTEs to eliminate the backlog of serials materials*.—Security concerns have created new mail processing protocols. These have added not only a backlog, but another expensive step to the acquisitions process. The Library must now assess the condition of collection materials following their irradiation requiring additional staff resources. The backlog (arrearage) has a direct impact on research services to the Congress in science, technology, and business, because these disciplines rely heavily on journal literature, where the newest research is published. Therefore, it is critical that the Library's arrearages in periodicals be addressed and eliminated as soon as possible.

—*$2,288,000 and 35 FTEs to prepare collections for secure off-Capitol Hill storage*.—Funding is requested to support a three-year plan for the preparation, packaging, and stabilization of select rare and special collections in advance of their relocation to the National Audio-Visual Conservation Center (NAVCC) and to Ft. Meade, Module 2. Module 2 is designed to store books and rare and fragile items from the Library's special collections. Because of the diversity of formats and types of material that will be moved to off-site storage, careful planning and preparation of collections before the move is essential. Sound recordings, moving image materials, paper records, and bound items must be carefully reviewed as to their condition and readiness for transport. Special collections materials (e.g., fragile manuscripts, oversized maps, rare books, and collections of ephemera in many formats) must be carefully packaged to prevent damage. This preventive work not only reduces the risk of items being damaged in transit, but also ensures that the collections will be reviewed, inventoried, packaged, and labeled correctly, and will arrive at the new facilities ready for use. Our forthcoming preventive conservation effort will focus on treating first those collections most in need of cleaning, basic packaging, minor mending, and labeling. This action will ensure that the approximately 3–4 million audiovisual items destined for NAVCC, and the millions of rare and fragile items bound for Ft. Meade, Module 2, arrive at those facilities clean, intact, preserved, and ready for use. Funding for this initiative is crucial to providing sustained congressional and public access to America's most comprehensive collection of audiovisual resources and rare and special collections. Without funding, the movement of these at-risk, unpackaged collections into the new facilities will risk degrading many materials and will create an instant preservation arrearage, that in the initial years of residency in the new facilities, seriously delaying access by the Congress and the public.

—*$895,000 to support the third of five increments required in our 30-year (one generation) mass deacidification program*.—A priority of the Library's preservation efforts is the deacidification of a significant portion of materials printed on high-acid paper, which has dominated printing since the middle of the 19th century. The Congress approved the first two increments of this critical preservation program as part of the fiscal 2001 and 2002 budgets, and the Library requests a planned increase of $895,000 to continue to scale up to $5.7 million by fiscal year 2005. By 2005, the Library plans to have reached the capacity to deacidify annually 300,000 books and 1,000,000 manuscript sheets.

—*$789,000 to support the Lewis and Clark exhibition*.—In fiscal 1999, the Congress appropriated $250,000 to begin work on planning the Library's portion of the national celebration of the bicentennial of the Lewis and Clark expedition. In fiscal 2003, the Library is requesting $789,000 in no-year funds to complete the bulk of locating exhibition material, conducting research, convening advisory panels, for designing and preparing a presentation and accompanying materials for the nationwide commemoration, and for sending a smaller version of the exhibition to at least three sites in the Midwestern and Western United

States. The exhibition, set to open in the summer of 2003, will bring the Library's collections on Western exploration to the public's attention, highlighting the impact of early exploration on the United States.

—*$476,000 and 6 FTEs to support the Veterans History Project (VHP).*—In fiscal 2002, the Congress approved $250,000 to begin this massive project. The Library had already raised private money and solicited volunteer help to launch the project, but now needs additional support to implement fully the Congressionally mandated program. The funds are needed for expanding public and partner engagement through instructional materials and training workshops, digitizing the best portions of interviews and materials received, reformatting and preserving materials received, and supporting local efforts in Congressional districts.

LAW LIBRARY

The Law Library of Congress has the largest collection of legal materials in the world and a unique body of lawyers trained in foreign legal systems. They supply legal research and analysis, primarily for the Congress, on the laws of other nations and on international and comparative law. Law Library specialists cover more than 200 jurisdictions representing the vast majority of the sovereign entities of the world that issue laws and regulations. In addition to the Congress, the U.S. Courts, and the executive branch, the legal community depends heavily on the Law Library. The Law Library's staff of American-trained attorney-librarians provides reference services to the U.S. Congress whenever either chamber is in session (as mandated by 2 U.S.C. § 138).

The Library is requesting a program increase of $3,063,000 and 6 FTEs to create a fully functional Global Legal Information Network (GLIN) system with better security, multilingual search capabilities, and the ability to incorporate additional categories of legal information, such as court decisions. For 15 countries, GLIN already provides timely access to primary sources of law, including born-digital primary sources. These nations send the Law Library digital versions of their official legal texts together with summary analysis and finding aids that help the Law Library provide the Congress with quality service. The Law Library will be seeking $12.7 million over a five-year period to expand GLIN to a core of the 50 countries of most interest to the Congress, including retrospective materials dating back to 1950 for all the 29 Spanish and Portugese-speaking jurisdictions of Latin America.

The Library is also requesting: $248,000 and 2 FTEs to increase the Law Library's capacity to meet the legal research needs of the Congress for Spanish/Portuguese and English-speaking jurisdictions; $213,000 and 2 FTEs to establish an Electronic Reference Unit to respond to the growing demand for digital services; $124,000 and 3 FTEs to implement inventory management elements of the Law Library's collections security plan; and $36,000 to establish a training center with specialized translation and vernacular language capabilities. Funding the full request of $3,684,000 and 13 FTEs will secure the Law Library's electronic future, and its ability to supply quality and timely service to the Congress.

INFRASTRUCTURE SUPPORT

The Library is requesting $5.3 million and a 4-FTE increase to improve infrastructure support, which consists of four components:

—*$4,250,000 to replace the Library's central financial management system.*—The Library proposes to replace its aging mainframe-based financial management system with more modern server-based technology to maintain and improve financial management support, including program-based budgeting, access to financial information, and handling additional electronic transaction processes (e.g., the capability to receive and route documents electronically and expand electronic commerce). The Library proposes to proceed with a joint procurement effort with other legislative branch agencies during fiscal 2002 and to implement a cost-effective system over several years.

—*$504,000 for Educational Outreach.*—The Library has become a world leader in providing high quality educational material free of charge on-line. These content-rich materials range from the papers of the Founding Fathers and other important historical figures, such as Frederick Douglass and Alexander Graham Bell, to the basic drafts of the Declaration of Independence and the Gettysburg Address. But there is a need to educate the public about the ready availability of these resources with broadcast-quality communications equipment and to support the expenses associated with projected special events in Congressional districts that will involve Members of Congress and representatives of the Library in highlighting constituent services that the Library is engaged in, such as the educational resources for all ages on our Web site. The astonishingly successful National Book Festival, led by Laura Bush, has created new possibilities for reading promotion. The First Lady has expressed a willingness to extend the message to local libraries and schools. Possible events with the Librarian of Congress and Members of Congress in local settings could include the First Lady and/or local governmental and civic figures.

—*$190,000 for Inspector General Computer Security Audits*.—The Office of the Inspector General (OIG) is requesting an increase of 2 additional FTEs to provide oversight of the Library's information technology (IT) security program. With the additional resources, the OIG would perform a top-down audit of agency-wide policies and the security management structure for information technology. The OIG would conduct reviews of system-specific policies, procedures, and management, including operational (people) and technical (computer) controls. Four IT security reviews would be conducted annually.

—*$308,000 and 2 FTEs for Safety Services Modernization and Training*.—The Library needs to upgrade its Safety Services Division to meet new legal and mission-critical requirements. The division is responsible for assessing the workplace for environmental health factors such as air and water quality, for ergonomic issues, and for chemical/biological exposure to anthrax and other potential pathogens. The division is also responsible for defining and coordinating required safety training for more than 4,300 employees. In its January 2001 report, the Office of Compliance reported weaknesses in the fire safety programs of both the Library and the Architect of the Capitol. The Library has made progress, but needs additional resources to address both the many safety requirements of the Congressional Accountability Act and the new needs resulting from the September 11 terrorist attacks.

COPYRIGHT OFFICE

The Library's Copyright Office promotes creativity and effective copyright protection annually processing more than 600,000 claims. The office annually transfers more than 700,000 works, with an estimated value of $32 million, to the Library. The Office also annually records approximately 15,000 documents with more than 150,000 titles and responds annually to more than 340,000 requests for information.

The Library requests an increase in the Copyright Office's Offsetting Collections Authority from $21,880,000 to $23,321,000. The $1,441,000 increase in Offsetting Collections Authority is based on projected annual registration receipts of $21,500,000 supplemented by $1,821,000 from the Copyright Office no-year account.

The Copyright Office proposes that the increase in receipts be used to support information technology and business process reengineering initiatives. While the fee receipt forecast for fiscal 2003 is the same as fiscal 2002, the recent anthrax incidents impacting legislative branch mail operations have dramatically reduced Copyright Office deposits and service fees. Mail delivery has been disrupted for more than four months. Until mail delivery has been restored fully and delayed mail processed by the office, the Copyright Office's fee projection will be subject to wider fluctuations than in the past. Given the uncertainty of the situation, the Copyright Office is requesting a fiscal 2002 supplemental appropriation of $7.5 million to make up for lost receipts. Depending on the ultimate outcome of the collection of fees, the Copyright Office may need to use more funds from the no-year account than previously planned, and the fiscal 2003 budget may also require amendment.

The Register of Copyrights delivered a revised schedule of fees and accompanying analysis to the Congress on February 28, 2002, to be effective July 1, 2002 (unless the Congress enacts a law objecting to the new fee schedule). The new fee schedule does not change the $30 fee for a basic claim in an original work of authorship, but a number of other fees are increased. While the new fee schedule may ultimately generate a 7 percent increase in receipts, the Copyright Office is not recommending any change in the fiscal 2003 budgeted receipt level of $21.5 million, because information is not available at this time to warrant a change.

CONGRESSIONAL RESEARCH SERVICE

As a pooled resource of nonpartisan analysis and information, CRS is a valuable and cost-effective asset to the Congress. To carry out its mission, CRS staff provide a great diversity of analytic and research services, including close support to the legislative process through interdisciplinary reports and consultations, analyses of alternative legislative proposals and their impacts, assistance with hearings and other phases of the legislative and oversight processes, and analysis of emerging issues and trend data.

In order to continue serving the Congress at the highest level, CRS is requesting additional capacity in two critical areas that will affect the lives of almost every American: (1) terrorism and homeland security, and (2) issues resulting from the aging of the U.S. population.

CRS is requesting $572,000 and 5 FTEs to acquire new analytical and informational capacity to assist the Congress in grappling with terrorism and broader homeland security issues that are likely to be at the center of congressional attention for years to come, and for which CRS does not presently have adequate resources and expertise. This funding will support four senior analysts and one senior librarian to provide intellectual resources for the Congress in the areas of Islamic and Arabic Affairs, Public Health (Epidemiology), Infrastructure and Systems Analysis, Science and Technology (Biochemistry), and Comparative Religion. Given the profound effects the September 11 attacks have had on virtually all aspects of American government and society, this additional expertise is needed to support the Congress.

CRS is also requesting $849,000 and 7 FTEs for the salaries and benefits of seven senior analysts to build the service's capability to assist the Congress in issue areas affected by the aging of the United States population. These issues will have major impact on the economy, the health-care system and on a wide range of social policies and services. This request would enable CRS to acquire new competencies in genetics, gerontology, the economics of aging, and the economics of health care, as well as actuarial and demographic expertise and would allow CRS to build its overall capacity to support the Congress in science and technology. The added expertise we are requesting in epidemiology, biochemistry, genetics, bioethics, and pharmacology will better equip CRS to address a wide range of legislative issues, from global warming to stem cell research. The Library is the nation's leading scholarly repository, which this new expertise will be able to mine for the Congress.

NATIONAL LIBRARY SERVICE FOR THE BLIND AND PHYSICALLY HANDICAPPED

The Library administers a free national library program of braille and recorded materials for blind and physically handicapped persons through its National Library Service for the Blind and Physically Handicapped (NLS). Under a special provision of the U.S. copyright law and with the permission of authors and publishers of works not covered by the provision, NLS selects and produces full-length books and magazines in braille and on recorded disc and cassette. Reading materials are distributed to a cooperating network of regional and subregional (local, nonfederal) libraries, where they are circulated to eligible borrowers. Reading materials and playback machines are sent to borrowers and returned to libraries by postage-free mail. Established by an act of Congress in 1931 to serve blind adults, the program was expanded in 1952 to include children, in 1962 to provide music materials, and again in 1966 to include individuals with other physical impairments that prevent the reading of standard print.

The fiscal year 2003 budget maintains program services by funding mandatory pay and price-level increases totaling $1,954,000. Funding the fiscal year 2003 increase is necessary to ensure that all eligible individuals are provided appropriate reading materials and to maintain a level of sound reproduction machines able to satisfy basic users' requirements without developing waiting lines. The budget also supports the exploration of alternative digital technologies, which will ultimately lead to a new delivery system to replace the current analog cassette tape technology.

LIBRARY BUILDINGS AND GROUNDS

The Architect of the Capitol (AOC) is responsible for the structural and mechanical care and maintenance of the Library's buildings and grounds. In coordination with the Library, the AOC has requested a capital budget of $15,163,000, an increase of $4,263,000. The AOC capital budget includes funding totaling $6,600,000 in appropriations for five projects that were requested by the Library.

The largest Library-requested project, amounting to $5.5 million, is for the National Audio-Visual Conservation Center in Culpeper, Virginia. During fiscal years 2000–2002, the Congress approved the first three increments ($11.6 million) of its matching appropriated share. The fiscal 2003 budget request continues to build toward the Federal share of $17.1 million (including an increase of $600,000 needed for higher oversight and monitoring costs). Assurance of the government support is critical in leveraging the far larger amount (which has now increased to well over 75 percent of the total) that we are raising privately for this project.

The four other Library-requested projects support the preservation of the Library's collections and space modifications in the James Madison Building. Library-requested projects are prioritized based on critical need and in accordance with both the security needs and strategic plan of the Library.

The Library also requested, but the Architect did not approve, funding requests for the construction of book-storage module two at Fort Meade, Maryland, and for the design of modules three and four. The Library has been seeking off-Capitol-Hill storage for its growing collections for more than a decade. The availability of the first book storage module is now far behind schedule; and the Library cannot accept the Architect's proposal to delay work further on the second, third, and forth collections-storage modules. The Library's existing storage facilities are extremely overcrowded. Many books cannot be shelved, posing security, life safety, and preservation problems. The Library cannot postpone, again, the availability of additional storage facilities. I respectfully ask that the Congress reconsider the Architect's proposal to delay the construction of module two and the design of modules three and four.

AUTOMATED HIRING SYSTEM

To resolve outstanding motions pending in the District Court related to the Library's hiring and selection procedures for professional, administrative, and supervisory technical positions, the Library implemented a new hiring process, including an automated hiring system. The motions were resolved when the court adopted the Joint Report of the parties, which included the new automated competitive hiring process. The Joint Report stipulated that the new hiring process would be in place no later than March 1, 2001.

Implementation problems associated with the Library's automated hiring system, AVUE, prompted me to ask the Library's Inspector General (IG), on July 30, 2001, to undertake a programmatic audit of the system. Prior to receiving the final IG report, the Library took steps to implement improvements, including appointing a new project manager. The IG report, dated February 12, 2002, covered only the initial period of implementation (March 2001 through October 2001), and made recommendations to improve the automated hiring process and to evaluate other alternative systems.

The Deputy Librarian, the Library's Chief Operating Officer, has organized a project management team to address the IG's recommendations and has asked for an extensive review of the Library's requirements for a content-valid, automated hiring system. In the short term, the project management team is working with the vendor to resolve processing issues and to improve the timeliness of recruitment actions. In the long term, the project management team's evaluation of alternatives will help guide further action. The Library will take the necessary steps to ensure that our hiring system meets both competitive selection requirements and timeliness goals.

SUMMARY

"Every day in America is a new beginning," President Reagan used to say. "We are a nation that never becomes, but that is always becoming." With Congress's support, the Library of Congress has become the most universal collection of information and knowledge in the history of the world, far more comprehensive even than that of the ancient library of Alexandria. Its superbly qualified staff now serves the Congress with public policy research service and a Law Library that are the world's largest; the nation's libraries with cataloging data and material for the blind; the general public with 21 public reading rooms here and with on-line digital materials everywhere; and the nation's authors and creative artists with the administration of the copyright laws.

Now the Library faces a new challenge to extend its traditional function beyond artifactual to electronic collection and preservation. We will deliver a National Digital Information Infrastructure Preservation Program plan later this year that builds a wide variety of new national and international networked relationships. These relationships will broaden the Library's reach and support in new ways America's role as a leader in the community of nations.

Maintaining our artifactual collections and at the same time building for a networked digital future requires additional resources. If America is to remain strong, free, and capable of growth and innovation, we must preserve the knowledge of the past, gather in the information of the present, and help develop wisdom for the future. The Library has an important catalytic role to play in the new, networked environment. We can and must fortify and stimulate the research and dissemination of knowledge as America becomes engaged in complex international issues and conflicts.

The Congress deserves great credit for supporting all the work that the Library of Congress is doing to preserve and make accessible the nation's creative heritage and the world's knowledge. Consistently for 202 years, on a bipartisan basis, our national legislature has been the greatest patron of a single library in the history of the world.

With congressional support of our fiscal 2003 budget, the Library of Congress will continue its dedicated service to the work of the Congress and to the creative life of the American people.

On behalf of the Library and all its staff, I thank this Committee for its support, and look forward to working for and with the Congress in the Library's work of acquiring and transmitting knowledge for America.

PREPARED STATEMENT OF JAMES H. BILLINGTON, CHAIRMAN, BOARD OF TRUSTEES, CENTER FOR RUSSIAN LEADERSHIP DEVELOPMENT

I am appearing before this Subcommittee for the first time as Chairman of the Center for Russian Leadership Development, the new Legislative Branch institution that has succeeded the Russian Leadership Program at the Library of Congress.

The Board of Trustees of the Center for Russian Leadership Development met for the first time on March 7, 2002, at the Library of Congress. The Board's Honorary Chairman, Senator Ted Stevens (R-AK) , and all four of the leadership appointed Congressional trustees were present: Senators Carl Levin (D-MI) and Bill Frist (R-TN); Representatives Amo Houghton (R-NY) and Bud Cramer (D-AL).

Board appointees from the private sector, appointed by me as Librarian of Congress, joined us by telephone: former Member of Congress James W. Symington, former U.S. Ambassador to Russia, James F. Collins, and Anthony Richter of the Open Society Institute, representing George Soros. One board vacancy remains to be filled.

The members elected me to serve as Chairman for one year. Senator Levin and Representative Houghton will serve as vice chairs for the same term. The Board approved an operating budget of $15.0 million for 2002 including grants and contracts totaling $13.3 million. The board also approved the Center's fiscal year 2003 appropriations request about which I am testifying today. The members of the board intend to remain actively engaged with the Center providing valuable, continuing oversight.

Finally, the board approved the formation of a corporate advisory council and initial appointments to that council. The board acknowledged receipt of current gifts and pledges totaling $2.0 million and engaged in an active discussion of the center's opportunity for private fund raising, to supplement the funds appropriated by Congress, in accordance with the Center's authorizing legislation.

The Russian Leadership Program (as it was designated in its first Congressional authorization) began in 1999 as a one-year pilot at the Library of Congress. The law creating the pilot program (Public Law 106–31) presented the Library with the challenge of identifying and bringing up to 3,000 young and emerging political leaders from Russia to the United States for short-term stays to observe our democracy and market economy in action.

This initial authorizing and funding legislation gave the Library a mere six months to launch and carry out the program. The leadership and vision of Senator Ted Stevens (R-AK), at that time the Chairman of the Joint Committee on the Library, recognized and seized a historic opportunity to improve U.S.-Russian relations at one of their lowest points since the collapse of Communism in the former Soviet Union. Now nearly three years later, U.S.-Russian relations are in a dramatically different and more positive condition in the wake of the terrorist attacks of September 11.

The United States and Russia are now addressing, in a more cooperative way than in recent times, a wide range of critical issues such as rule of law, security, trade, and the global fight against terrorism. A second summit is scheduled for May in Moscow between President George W. Bush and Russian President Vladimir Putin, and dialogue is reviving between the American business community and the Russian economic sector (led by the U.S.-Russia Business Council and the American Chamber of Commerce in Moscow).

The role that can be played in the Legislative Branch by the Center for Russian Leadership Development is suggested by its origin in April 1999. Throughout its brief history, the Russian Federation has called this program "Open World," a term that we have now adopted for official use in both the United States and Russia.

History

At a breakfast meeting of 25 Members of Congress from both Houses and both parties during the NATO engagement in Kosovo, I reported that U.S. actions in the Balkans had produced severe strains in U.S.-Russian relations and, when asked, "What can be done?", I repeated a suggestion made to past CODELs that I had accompanied to the former Soviet Union: the need to replicate for Russia that small part of the Marshall Plan that had brought the new post-war generation of political leaders from a former adversary to the United States to experience the workings of an open democratic society.

Many Members of Congress were eager to discuss this idea. Senator Stevens moved quickly to draft legislation and to provide funding for a pilot in the supplemental appropriations bill on Kosovo, which was signed in six weeks (Public Law 106–31). The Library rapidly organized a program that brought 2,150 young Russians to America in just over five months.

In late 1999, Congress extended the pilot for a second year (Public Law 106–113) and in 2001 for a third. It has become more focused on key issues for Russian reform, and has been extraordinarily well received by American hosts.

The "Open World" Russian Leadership Program has been a success and deserves the Subcommittee's continued support:

It links and engages legislature to legislature and community-to-community. Russian leaders have come to date from 88 of Russia's 89 regions and have been hosted in over 700 communities in 48 states and the District of Columbia.

Open World engages a "people-to-people" diplomacy unequaled in scope and impact since the Fulbright-Hays exchange program and the Peace Corps.

The Center for Russian Leadership Development (Public Law 106–54)

Three years after its founding, the Open World Program is still housed at the Library of Congress, but it is independently managed by the new Center for Russian Leadership Development, created by the Congress (Public Law 106–554). The Center is overseen by a distinguished Board of Trustees, many of whom were among the earliest supporters of Senator Stevens' initiative in drafting the enacting legislation. Senator Stevens himself serves as active and committed Honorary Chairman.

Why Should Congress Continue Its Support?

Having a constructive, more open relationship with Russia—which is what prompted the Senate to authorize and fund the program in 1999—is even more crucial now for the United States, in light of our need for Russia's continued partnership in the global fight against terrorism.

The United States needs to engage the leadership and people of Russia—at all levels—at this critical juncture in the relations between our two nations. The Open World Program is a necessary, viable, and key partner in the U.S. government's engagement with Russia at many complementary levels:

Open World is an important means for the U.S. Congress to engage both the Russian Parliament and Russia's regional and local leaders on the issues that are paramount to our evolving relations, particularly the issues of security and trade—the focal points of Open World's 2002 parliamentary program.

In 2002, we propose to bring Russian parliamentary delegations to work with their American counterparts on such key issues as Jackson-Vanik, WTO accession, money laundering, banking and land reform, and combating global terrorism, and, most importantly, rule of law, which is key to all other reforms and overall political and economic stability in Russia.

The Open World Program has led the way, for the past three years, in reviving public diplomacy with Russia at the community-to-community and people-to-people levels. The key element of the program remains constant: short-term stays by current and future political leaders who have not before visited the United States and who do not speak English (thus making them unlikely to be chosen by other U.S. exchange programs).

The heroes of Open World are the American organizations and host families that make it possible for the program to operate on such a large scale with such modest funding and with such spectacular results. Ten days in America can make a great difference to a Russian who has never before visited this country. We continually evaluate our criteria for selection and the programs offered to our participants.

The first question we are often asked is about the short length of stay. We are bringing active political leaders with day-to-day responsibilities and ongoing involvement in building democracy and a market economy in Russia. The time we ask them to spend is all they can spare. Despite its brevity, the United States stay can still bring about a dramatic change in understanding and attitude. Follow-up communications between hosts and guests and between host communities and Open World participants express the nature of the experience most eloquently:

> "I equate the eleven days I spent in the United States with eleven years of my life (in terms of the exchange of information, the wide spectrum of professional discourse, and the opportunity to get acquainted with another

culture and people).''——Judge Mikhail Tarasov, Deputy Chair, Novgorod City Court, Head of the Novgorod Oblast Council of Judges. Host: Chief Judge D. Brooks Smith, U.S. District Court, Western District of Pennsylvania

''I truly believe these visits will have, over time, an historic impact on the development of Russian democracy.''——Judge Michael M. Mihm, U.S. District Court, Central District of Illinois, Member, Judicial Conference Committee on International Judicial Relations

''I give the highest possible rating to the preparation and organization of the program for Russian judges . . . We had the opportunity to spend time with judges, court employees, lawyers, prosecutors, journalists, and state congressmen . . . During the visit to America I was convinced that there is a great deal in common between American and Russian jurists and between the American and Russian people. And we must take steps to bring our countries closer together.''——Judge Alimzhan Shaimerdyanov, Chair, Aleksandrov City Court, Head of the Vladimir Oblast Council of Judges. Host: Judge Michael M. Mihm, U.S. District Court, Central District of Illinois

The thanks for these results rest with our American volunteer hosts who are also affected and rewarded for their participation in the Open World program:

> ''We host many visitors and this group was definitely among the best—they were well selected, highly qualified and very engaged. We thoroughly enjoyed hosting this delegation and were highly impressed with their professionalism and level of interest. Through such an exchange, both sides—the Russian and the American—can only benefit as longstanding, productive relationships are initiated and a great amount of information is exchanged.''——Sylvia L. Nimmo, Friendship Force Local Host Coordinator

Results-What Can Open World Achieve:

The Open World brief stays are catalysts in three areas:

They are catalysts for dramatic changes in attitude. Experiencing the reality of the United States rather than absorbing the distortion of American popular culture portrayed in television, film, and music helps dispel stereotypes embedded in Soviet-era anti-American propaganda;

The visits are—in a large number of cases—''life-changing'' experiences that leave participants with the ability to imagine solutions to the many obstacles in the Russia's path to democracy and a market economy;

Most significantly—for the future—Open World fosters ties between people and communities that help promote systemic change long after the visits have ended.

Let me cite just a few examples:

Open World's Rule of Law program brings Russian judges to the United States to be hosted by senior U.S. federal and state judges. A total of 163 Russian judges participated in 2000–2001. Our plans to bring 300 judges in 2002 coincide with Russia's preparations to implement recently enacted judicial reforms. Our partner in this effort is the Judicial Conference of the United States. Many of the American judges who have participated—led by Judge Paul Magnuson of Minnesota and Judge Michael Mihm of Illinois—are actively seeking to establish U.S.-Russian ''sister court'' relationships to further promote key concepts of court administration and judicial ethics in Russia.

A grant to the American International Health Alliance (AIHA) approved at our Board meeting last week will bring key political leaders from five Russian regions on a pilot basis to advance a model of healthy communities to combat Russia's overwhelming health crises. Pilot sites in both the United States and Russia are being carefully chosen to create the optimal linkage between U.S. host communities and participating Russian communities.

Conclusion

President Putin's call to President Bush immediately after the attacks on the World Trade Center and Pentagon on September 11 set in motion a dramatic realignment in U.S.-Russian relations. President Putin is advancing bold and ambitious reforms on many topics; the upcoming U.S.-Russia Summit has many unresolved issues as the two nations seek to address security, trade, and anti-terrorism agendas.

Understanding of these common goals remains, however, less well understood within the 50 states that make up the United States and the 89 regions that constitute the Russian Federation. The Open World Program is unique among American exchange efforts. The Center's mission, scope, and results enable it to advance the overall U.S. agenda with Russia. It has been praised by business leaders, NGO leaders, political leaders, and citizens in both nations.

This Subcommittee's support is essential. The Center's fiscal year 2003 budget request seeks to restore our initial funding level of $10.0 million and absorb inflation in the United States and Russia over three years and the costs to be reimbursed to the Library for housing the Center, and the costs of applying the lessons learned over three years to provide the highest-quality program possible to 2,500 Russian political leaders in 2002.

The United States has painfully discovered the consequences of abandoning public diplomacy and engagement in Afghanistan and other nations of the Muslim world. Russia is a key ally in the global war against terrorism. It is home to vast natural resources, huge and often ill-secured reserves of weapons-grade plutonium, and the world's largest land-mass with a largely unsecured border with China. The reasons to support our budget request for fiscal year 2003 are straightforward:

—The Open World Program is identifying and bringing to the United States the leaders throughout Russia who will be the United States' partners at negotiations on security, trade, and other issues in 2002 and beyond.

—An investment of $10.0 million from the Congress in that next generation of leaders is a smart and economic step toward ensuring the future.

PREPARED STATEMENT OF DANIEL P. MULHOLLAN

Mr. Chairman and Members of the Subcommittee: I appreciate the opportunity to appear before you today to present the fiscal 2003 budget request for the Congressional Research Service (CRS). Our request this year focuses on two areas of critical importance to the nation's security and future stability: terrorism and homeland security, and the aging of the U.S. population. Before discussing the details of our request, however, I would like to thank the Subcommittee for its generous support of our fiscal 2002 budget.

STATUS OF FISCAL 2002 CRS TECHNOLOGY INITIATIVE

Last year, with your support, Congress provided CRS with $3.5 million to build analytical capacity in the areas of information and technology policy, and to acquire the technical staff and tools needed to build and maintain a secure 21st century technology-based research environment. Included in this initiative was funding to hire five senior policy analysts in information and technology policy and 12 technology staff. We hope to have the full complement of these staff on-board in CRS by the end of this year. Also included in our 2002 technology initiative was funding to support our efforts in the areas of disaster recovery and information security, and to begin developing a collaborative computing infrastructure in CRS. Earlier this year, I approved a series of contracts to support these aspects of our technology initiative, and we are in the process now of implementing those contracts.

While CRS has focused for many years on issues related to information security and disaster recovery, these efforts took on added significance in the aftermath of the September 11th attacks and the anthrax assaults on Capitol Hill. In response to these events, CRS escalated its emergency preparedness and business continuity planning efforts so as to ensure that in the event of any future emergency, Congress would have near-immediate access to needed CRS staff and information systems such as the CRS Website and the Legislative Information System (LIS). I am particularly pleased that CRS has been asked by the Senate to integrate our emergency preparedness and business continuity planning efforts with your own "Continuity of Operations Plan". Thank you again for your generous investment in our technology capacity. We will continue to use the resources you have given us to further protect and enhance our information systems in support of our ultimate goal to build a robust technological infrastructure from which to deliver leading edge research services to the Congress when, where, and in the form that you need them.

ASSISTING THE CONGRESS ON ISSUES RELATED TO TERRORISM AND HOMELAND SECURITY

Beyond these endeavors to ensure the safety and security of our staff and systems here on Capitol Hill, CRS continues to work closely with Members and Committees in both Houses on a multitude of issues related to combating terrorism and ensuring homeland security. As we are all too aware, the September 11, 2001 terrorist attacks on the United States have fundamentally altered America's way of life. From the steps of the Capitol to the Olympic stadiums of Salt Lake City, we see daily reminders of this new and different world: heightened security at public buildings and sporting events; new screening procedures at the nation's airports; town hall meetings to discuss emergency preparedness and evacuation plans; news reports concerning potential risks to our nation's food, water and energy supplies; and continuing uncertainty about the state of the U.S. economy—to name but a few.

In all the years that the U.S. government has had to confront organized terrorism, the challenges of deterrence, detection, interdiction, immediate response, and incident remediation have never been as great, and the consequences of failure more potentially catastrophic. The September 11th attacks, subsequent anthrax incidents, and the unfolding responses have few precedents in terms of their impact on virtually all U.S. programs and policies. The budgetary implications of these events and the ongoing war against terrorism will be equally profound. Current estimates for homeland security appropriations are $29 billion in fiscal 2002, and nearly $38 billion requested for fiscal 2003. Future costs will likely continue to rise, accompanied by numerous questions about how much is adequate, how priorities should be set, and how resources should be allocated. New policies and programs may need to be developed to defend against conventional, biological, chemical, and nuclear attack by improving our threat assessment and response capabilities, federal coordination, law enforcement capabilities, and public health services. Indeed, most of the issues on the Administration and congressional agendas are being reexamined and reshaped in the context of September 11th.

Congress must be prepared to address these challenges in both the short and long term. And CRS must be prepared to help you. Building on our already close working relationship, my goal is for CRS to be there with you at every step of the way as you examine the universe of issues related to combating terrorism and ensuring homeland security. Congress and CRS already have a strong history of working together on terrorism-related issues. For example, following the October 2000 assault on the U.S.S. *Cole* in Yemen and the release of the recommendations of four national study commissions, CRS supported Congress in its efforts to address federal anti-terrorism policy, organization, and funding, and to develop reform legislation. We provided extensive analysis to a number of Members and Committees examining terrorism-related issues, and developed a range of analytic products and services, including a terrorism website. CRS specialists testified before two House Committees on proposals for reforming U.S. anti-terrorism efforts. We organized a congressional seminar to compare and analyze commission findings with senior representatives from each of the study panels. Several reports and issue briefs were prepared for Congress on terrorism-related topics, including a comprehensive assessment of Near Eastern terrorism groups and state sponsors that was released on September 10, 2001.

To assist Congress in the aftermath of the September 11 attacks, CRS instituted a Service-wide, coordinated response that drew upon senior policy experts in all relevant fields. Within days after the attacks, we had prepared dozens of situation reports and assessments on a range of issues. Within two weeks, we prepared policy analyses on over 80 pertinent topics and offered these to Congress through our website. We provided intensive counsel to a number of Members and Committees during their deliberations of the Fiscal 2002 Emergency Supplemental, the Aviation and Transportation Security Act, the USA Patriot Act, and the Border Security and Visa Entry Reform bill. In addition, we continue to conduct in-person briefings and seminars for Members and congressional staff, testify before congressional Committees, and prepare new reports each week on topics ranging from the federal role in emergency management to the future government of Afghanistan.

Mr. Chairman, I am grateful for the opportunity CRS has had to serve you during this difficult time in our nation's history, and I am proud that so many Members and staff have called upon us to deliver the type of objective, nonpartisan assistance that only CRS can provide. Each Member who has called to request a briefing, and each staffer who has called to discuss the implications of a particular policy issue or problem, has given us an opportunity to contribute directly to the nation's recovery from the September 11th attacks.

Despite this record of support, however, there are several important areas of expertise that CRS has been unable to offer you up to this point. These areas of expertise include Islamic and Arabic affairs, epidemiology, biochemistry, infrastructure engineering, and comparative religions. For example, a specialist in Islamic and Arabic affairs or comparative religions would have enabled CRS to analyze in-depth the various Islamic sects and factions to help Congress address questions about what religious beliefs the terrorists held and how those beliefs may have dictated their actions, what backing those beliefs have in the Islamic world, and why the terrorists exhibit such hatred toward America. Without a specialist in public health/epidemiology, CRS was similarly not well positioned to provide timely analyses on the nation's readiness to respond to acts of bio-terrorism through early detection and prevention methodologies such as vaccines and prescription drugs, or to discuss the relationship between the U.S. public health system and various state and local health entities and how that relationship supports or hinders accurate threat assessment and early detection and treatment of public health hazards. CRS also lacked the capacity to provide sophisticated analysis on legislative issues associated with domestic risks and threats from biological and chemical agents expertise that could have been provided by a specialist in biochemistry. Finally, CRS could have done more to assist Congress in assessing risks to the nation's critical infrastructure had we had a specialist who could lead analysis on issues related to structural or civil infrastructure engineering, risks associated with critical infrastructure elements such as dams and nuclear power supplies, and related governmental planning and operational procedures.

To address these critical gaps in CRS capacity, I am requesting 5 FTEs and $572,000 to hire senior expertise in each of these five areas. These are not capacities to be acquired temporarily on contract. Nor are they capacities that are resident in CRS's current mix of staff. They are fundamental new competencies that Congress must have available to it in order to legislate effectively on issues related to terrorism and homeland security—issues that are likely to be at the center of the congressional agenda for many years to come. Without this infusion of new expertise, CRS support to Congress on these critical national issues will be incomplete.

ASSISTING THE CONGRESS ON ISSUES RELATED TO THE AGING OF THE U.S. POPULATION

Although much of Congress's attention is rightly focused on issues related to combating terrorism and ensuring homeland security, there is another "national security" issue confronting the Congress that I would like to raise with you today, namely the aging of the U.S. population. Issues related to the aging of the U.S. population will affect the lives of millions of Americans and have a profound impact on our economy, our health care system, and on a whole range of social policies and services, from now until well into the foreseeable future. Already, this session, you are grappling with several major age-related initiatives: improved coverage of prescription drugs under Medicare as proposed in the Medicare Prescription Drug and Modernization Act (S. 358) and the Medicare Reform Act (S. 1135); new tax incentives to encourage the purchase of long-term care insurance, such as the Health Care Assurance Act (S. 24); and increased staffing and improved employment conditions in nursing homes and home health care agencies, as proposed in the Nurse Reinvestment Act (S. 4). In addition, you are facing the prospect of major Social Security reform legislation in the 108th Congress. Given their enormous scope and the implications they will have for so many aspects of American society, I believe it is critical that CRS begin positioning itself now to assist you with these important issues.

From a budgetary standpoint alone, these issues are enormous. Annual federal spending associated with retirement and disability programs will reach $1 trillion for the first time in fiscal 2002. This spending amounts to half of all federal spending and 9 percent of gross domestic product (GDP). These programs, the largest of which are Social Security, Medicare, Medicaid, and federal employee retirement, already dominate the fiscal policy debate. Projections indicate that, under current policies, these programs will continue to grow as a proportion of total federal spending and GDP as the U.S. population grows older. Congressional concern with these spending trends will likely intensify because of reduced revenue projections and the spending impacts of recession and the war against terrorism. Already, Congress is considering a number of Social Security reform proposals. Projections that Medicare's Hospital Insurance Trust Fund will become insolvent as early as 2029 are also occupying congressional attention. In addition, many Members have expressed concern about the status of the federal-state Medicaid program, which is experiencing a higher growth rate in costs than is Social Security. Many states are in a fiscal struggle to keep their programs adequately funded. Federal Medicaid spending, $143 billion in fiscal 2002, is expected to grow at an annual rate of 6.3 percent over the next decade, the highest growth rate of any entitlement program. Nearly half of Medicaid spending goes for long-term care services for the elderly.

Against this backdrop of fiscal concern, Congress is under pressure to address perceived weaknesses in current benefits for the aged, and these pressures are likely to grow as the number of elderly Americans begins to accelerate. In particular, the aging and retirement of the "Baby Boomers" (the oldest of whom will reach age 60 in 2006) will cause considerable changes and challenges in our political, social, and budgetary institutions. However, the immediate concern regarding the retirement of the large Baby Boom generation is only a stage in an expected transformation of our society, a transformation that will produce an older population than has ever existed before. Indeed, over the next thirty years, the population over age 65 is projected to double, and will constitute 20 percent of the population in 2030.

Recognition of the future rapid aging of the population is already driving current legislative activity on private pensions, retirement savings, proposals for prescription drug coverage, long-term care, military health care for retirees and dependents, social services for the aging, special housing and assisted living, health personnel and facilities, and other programs focused on the elderly. To address such a broad set of initiatives within the context of growing budget pressures, the Congress will need access to high levels of expertise across a number of fields. CRS is uniquely positioned to provide this type of expertise, but building such a staff capability will require us to hire new competencies in genetics, gerontology, the economics of aging, and the economics of health care, as well as actuarial and demographic expertise. Accordingly, I am requesting 7 FTEs and $849,000 to hire seven senior analysts to build these capacities in CRS. Given the extraordinary transformation our society will undertake in the coming years, I believe that now is the time to start acquiring and developing this expertise for the Congress.

GROWING CAPACITY FOR CONGRESS IN THE AREAS OF SCIENCE AND TECHNOLOGY

Finally, I would like to note what I perceive to be a significant added benefit of funding CRS's fiscal 2003 budget request. If approved, this request would enable CRS to continue building its overall capacity to support the Congress in the areas of science and technology. Indeed, the expertise we are requesting in epidemiology, biochemistry, genetics, gerontology, and pharmacology could be applied broadly across a wide range of emerging legislative policy issues. For example, Congress will be facing increasing legislative needs in the biomedical area with accelerating developments in genetics and biotechnology affecting the areas of human health and governmental oversight; in the domestic and international environmental area as growing population and economic activity place increasing burdens on the sustainability of natural systems; and in the general area of emerging information technologies as they affect security and infrastructure systems. Together with the positions you provided to us last year to increase CRS's technology and information policy capacity, these additional positions would significantly enhance CRS's ability to enrich the policy analysis it provides to the Congress with high-quality scientific and technical expertise.

The addition of these positions would also serve to augment the efforts CRS has undertaken within existing resources to identify much-needed science and technology capacities through our ongoing succession planning. Over a year ago, we identified and filled a number of positions in the areas of science and technology, including four Ph.D.'s in physics, biomedical science, environmental science, and information policy. In addition, CRS currently is contracting for Ph.D.-level expertise in the areas of biology, chemistry, and petroleum geology.

As this budget request demonstrates, science and technology are playing an increasingly important role in virtually all areas of public policy. In order for Congress to legislate effectively in this increasingly complex world environment, you must have access to the best scientific minds and technological expertise the country has to offer. I believe that CRS can and should play a role in providing you with this expertise. If approved, this budget request will assist us in doing so.

CONCLUSION

Mr. Chairman, I appreciate the opportunity to appear before you and your colleagues today, and I want to thank you again for the support you and this Subcommittee have given to CRS over the years. I want to assure you that I continue to adjust existing staff and resources to align with the Congress' legislative needs. This request for 12 positions reflects new added capacities that cannot be drawn from other subject areas without weakening CRS's overall support to Congress across all legislative issues. We take very seriously our mission to provide the Congress with comprehensive and reliable analysis, research, and information services that are timely, objective, nonpartisan and confidential, thereby contributing to an informed national legislature. I hope you find that we are meeting this mission, and that we are doing so in a way that warrants your continued trust and support.

PREPARED STATEMENT OF MARYBETH PETERS, REGISTER OF COPYRIGHTS, COPYRIGHT OFFICE

Mr. Chairman and Members of the Subcommittee: Thank you for the opportunity to present the Copyright Office fiscal year 2003 budget request. This is an exciting time for the Copyright Office as we move ahead with our reengineering program to improve our public services including the provision of these services online. This budget request ensures our ability to maintain a strong and effective national copyright system, one that serves both owners and users of copyrighted works. It provides funding to administer the nation's copyright law and provide expert policy assistance to Congress and the Executive Branch.

FISCAL 2002 SUPPLEMENTAL REQUEST

I would like to begin by noting that the Office has requested a $7.5 million supplemental appropriation for fiscal 2002 resulting from the security-related suspension of U.S. Postal Service mail to the Library. This disruption of USPS mail delivery began on October 17, 2001 and has caused a one-third decrease in receipts for the first four months of the fiscal year from the level we had projected. This is extremely significant since two-thirds of the Copyright Office's basic budget is funded through fees, primarily those received for registering claims to copyright. Based on current information from the congressional mail task force, we anticipate a substantially reduced flow of USPS mail continuing for at least another four or five months. Even when full mail delivery resumes, the Office will have difficulty processing the resulting backlog and fees before the end of the fiscal year. Based on actual receipts for the first four months of the fiscal year and the expected continued delays in mail delivery, the Copyright Office estimates the fiscal year 2002 receipts will be down from $21.5 million to $14 million. We are, therefore, requesting a $7.5 million supplemental appropriation for the Copyright Office, Salaries and Expenses Account.

We need this supplemental funding for the Office to maintain its basic operations and staff. This capacity must be ensured so that we can meet public service needs once mail delivery resumes.

COPYRIGHT OFFICE MISSION

The mission of the Copyright Office is to promote creativity by administering and sustaining an effective national copyright system. In doing this, the Office carries out the following functions: (1) Administration of the United States copyright law: It processes claims for copyright registration, documents for recordation, and works deposited under the mandatory deposit provisions of the law. It creates public records of these actions and provides copies of deposited works for the Library's collections. The Office also administers the law's compulsory licensing provisions, and convenes arbitration panels to determine royalty rates, terms and conditions of licenses, and the disposition of royalties. (2) Policy Assistance, Regulatory Activities, and Litigation: The Office assists congressional committees in drafting and analyzing legislation relating to intellectual property; represents the U.S. Government at international meetings and diplomatic copyright conferences; and advises the U.S. Trade Representative, the State Department, and the Commerce Department on domestic and international copyright laws. (3) Public Information and Education: The Copyright Office provides information to the public about United States copyright laws and Copyright Office practices and procedures, and conducts searches, which may be certified, of the copyright records. The Office conducts outreach to inform the public discussion of copyright issues.

FISCAL YEAR 2003 BUDGET REQUEST SUMMARY

For fiscal 2003, the Copyright Office requests an increase in its Offsetting Collections Authority from $21,880,000 to $23,321,000. This $1,441,000 increase is based on projected annual fee receipts of $21,500,000, and the use of $1,821,000 from the Copyright Office no-year account.

The Copyright Office no-year account balance totaled $3,080,660 as of September 30, 2001. In the current fiscal year we will use $380,000 from the no-year account to fund the ongoing reengineering program. This fiscal 2003 initiative represents the continuation of a five-year reengineering program initiative started in fiscal year 2000. In fiscal 2003, the Office proposes that no-year account funds be used for two parts of the reengineering program: (1) $1,441,000 to partially fund the IT improvements; and (2) $380,000 to continue implementing business process reengineering. We plan to use the remainder of the no-year account funds to further develop and build IT systems.

The fiscal 2003 reengineering funds will be used to hire contractors to perform system design and development activities based on the IT Requirements Analysis we are now undertaking and which is scheduled to be completed in June. The analysis will provide the Copyright Office with an IT strategy that supports reengineering, lays out a plan for replacing aging systems, and expands the electronic delivery of our public services.

PROPOSED ADJUSTMENT IN SOME COPYRIGHT OFFICE FEES

On February 28, 2002, I delivered a revised schedule of fees to Congress. The new fees will take effect 120-days after submission, on July 1, 2002, unless Congress enacts a law within that period stating that it does not approve the schedule. The Office is proposing adjustments for certain fees, but does not recommend a change for the $30 basic copyright registration filing fee. No change is recommended in the fiscal 2003 budgeted receipt level of $21.5 million because of the great uncertainty in our receipt levels due to the mail situation both this year and into next year, making it extremely difficult for us to make fee projections at this time.

REVIEW OF OFFICE WORK AND FUTURE PLANS

I would like to briefly highlight some of the Office's current and past work, as well as our plans for fiscal 2003.

Reengineering

Since September 2000, the Office has pursued a needed, and ambitious, reengineering program to improve our public services. We are now merging our information technology planning and our business process reengineering to form an Office-wide reengineering program that incorporates our processes, technology, organization, and facilities. This program will allow the transformation of our processes from hard-copy and largely manual processing to one where we offer our services electronically to the maximum extent possible and use technology to improve our internal workflow. The reengineered processes call for information systems and tools that markedly reduce keyboarding of data and the extensive movement of paper and materials that are so prevalent in the processes the Office use today. The initiative will also enable the Copyright Office and the Library of Congress to fulfill their missions in the digital environment by increased acquisition of digital works through the copyright registration system.

To provide public services online and to implement the reengineered business processes, the Office must put into place a new technology infrastructure, including hardware and software. The new infrastructure will promote the use of electronic applications, deposits, and correspondence; incorporate the latest scanning technologies including optical and intelligent character recognition (OCR/ICR); create tracking and reporting capabilities; and permit the exchange and sharing of data between Copyright Office and the Library of Congress electronic records.

The time line is aggressive and carefully integrates the new business processes with the development of new robust Copyright Office Information Technology (IT) systems. We have made significant progress in defining new processes and improvements for our core business processes and in chartering a path for a comprehensive information technology strategy.

In fiscal year 2001, the Copyright Process Reengineering Team, composed of staff directly involved in these processes, assessed the Office's core business processes and completed a Baseline Current Operations Report in January 2001. This report was the first of a series of documents to record findings, conclusions, recommendations, and plans to implement new processes in the Office. The team used this report as the baseline from which to plan for the new environment.

From January until April 2001, the team worked to redesign the Office's principal business processes. During this phase of the project, the team analyzed issues and problems with the current processes and developed new processes that are organized around outcomes to ensure that activities focus on the final output to be produced. The new processes are: Maintain Accounts, Answer Requests, Record Documents, Acquire Deposits, Register Claims, and Receive Mail.

A Reengineering Implementation Plan was completed in June. We are now defining the redesigned processes to an operational level, drafting procedures manuals, creating a training plan, and developing a reorganization package, including new job roles for the new processes.

Recognizing the need for a concomitant reengineering of IT systems to support the reengineered business processes, last year the Office began a comprehensive assessment of IT systems and projects and established an interim Information Technology Oversight Group (ITOG) to direct IT activities. In 2001, the Office formally began the reengineering of its automated systems by issuing a request for quotation for contract assistance to complete an IT requirements analysis. This is the first step in the process of building and acquiring the Office's IT systems so they will support the reengineered business processes and allow the Office to provide more services electronically.

In September 2001, an IT requirements analysis contract was awarded to follow in step with the Office's reengineering work and define the automated procedures to collect, route, and manage the information that makes up the historical record of a copyright. This effort will address electronic and scanned images of applications for copyright registration and documents, more comprehensive fiscal processing including acceptance of credit card payments, electronic routing of records and documents, and effective means to track public service requests. In addition, parts of the Office not included in the business process reengineering study are being looked at and opportunities identified for technology based improvements in those areas.

The requirements analysis will produce two products by this summer that will be critical to fully prepare for the new business architecture: (1) functional specifications for system components that will be needed to support the reengineered business processes including decisions about best hardware and software options and best IT development and operation practices; and (2) an integrated BPR and IT implementation plan that lays out the events and tasks necessary to put in place the changes in the Office processes, organization, and facilities, as well as in technology. The plan will delineate the dependencies between events and will identify the critical path to facilitate management of the overall program.

This year, based on the planning and requirements analysis work now underway, the Copyright Office will award task order contracts to begin systems analysis, design and development work. These contracts will be put into place to rebuild and integrate the Copyright Office's information systems to meet the new business process requirements. The systems development effort will be substantial and the Office expects that most, if not all, work will be done through outsourcing tasks to contractors skilled in building state of the art systems. The task order contracts will facilitate assignment of manageable and measurable tasks to the contractors. Issuing concurrent task assignments will also accelerate development with most occurring during fiscal years 2003, 2004, and 2005.

Registration, Recordation, and Cataloging Operations

In fiscal 2001, the Copyright Office continued to fulfill its statutory mandate to register claims to copyright and make available a public record of these claims. During the fiscal year, the Office received 590,091 claims to copyright covering more than 800,000 works, and registered 601,659 claims. The Office worked diligently to improve the timeliness of its registrations by reducing a backlog of claims on hand. In February 2001, the Examining Division implemented a major backlog reduction effort. The goal of this effort was to reduce the processing time for a copyright registration from receipt of the application to issuance of a certificate and to reduce the number of unexamined claims on hand to four. At the end of the year, this number had been achieved and the backlog had been reduced by more than 80 percent.

Title 17 of the U.S. Code requires the Register of Copyrights to provide and keep records of all deposits, registrations, recordations, and other copyright-related services such as renewals and to prepare indexes of all the records. The Cataloging Division records the copyright facts of all works registered in the Copyright Office. In fiscal 2001, the Division received 595,224 registrations and created cataloging records for 548,458.

The public record created by the Cataloging Division also includes assignments, security interests, notices of termination of transfers, statements of death, and notices of errors in the name in a copyright notice. The Documents Recordation Section received 15,369 documents and recorded 15,242 covering more than 300,000 titles or works.

Licensing Activities

The Copyright Office administers the compulsory licenses and a statutory obligation under Title 17. The Licensing Division collects royalty fees from cable operators for retransmitting television and radio broadcasts, from satellite carriers for retransmitting "superstation" and network signals, and from importers and manufacturers of digital audio recording products for later distribution to copyright owners. In fiscal year 2001, the Office distributed approximately $264 million to copyright owners. The Division deducts its full operating costs from the royalty fees and invests the balance in interest-bearing securities with the U.S. Treasury.

During fiscal year 2001, the Copyright Office administered five Copyright Arbitration Royalty Panel (CARP) proceedings. Three of the five proceedings involved setting rates and terms and the other two proceedings involve the distribution of royalty fees.

Copyright Education

Another principal function of the Copyright Office is providing information on copyright law and its application. The Copyright Office responds to public requests for information and engages in outreach programs to inform the public discussion on copyright issues. The Public Information Office responded to 138,352 telephone inquiries, 13,932 letter requests, and 12,000 electronic mail requests for information from the public. It also assisted 11,600 members of the public in person, taking in 21,845 registration applications, and 2,164 documents for recordation. The Copyright Office Web site continued to play a key role in disseminating information to the copyright community and the general public with 12.1 million hits during the year, a 28 percent increase over the prior year.

CONCLUSION

The Office looks forward to working with Congress on the copyright challenges facing the United States both at home and abroad. Our major reengineering program will position us to fully meet the responsibilities given to the Office in the Copyright Act. I thank you for your consideration of this request for fiscal 2003, as well as our supplemental appropriations request for the current fiscal year.

MAJOR ELEMENTS OF THE LIBRARY'S BUDGET REQUEST

Senator DURBIN. The Library's budget request for fiscal year 2003, excluding the Congressional Research Service and the President's accrual proposal for health and retirement benefits, is $423.9 million, an increase of $23.7 million over the current year. The Library is requesting a substantial increase for digital initiatives as it balances the need to adapt to the electronic age with its traditional mission of acquiring, preserving, and making accessible books and other artifacts. Significant increases are also requested to expedite processing of new materials, eliminate arrearages, and prepare items for off-site storage.

Other critical issues we look forward to discussing today include the Library's mail backlog and its impact on operations, an issue which we are familiar with on Capitol Hill; the status of the new automated hiring system; and the Russian Leadership Program.

I now turn to my friend and ranking member, Senator Bennett, for his opening statement.

STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you, Mr. Chairman. You have covered all of the items that we need to pay attention to.

I would simply like to raise an issue that I raised in conversation with Mr. Mulhollan, when he came by in a courtesy visit prior to the hearing, that really goes back to my memory of the Library of Congress when I was serving up here as a staffer, and that is how do we make sure that Members of Congress understand what is available to them in the form of the Congressional Research Service and do what we can to facilitate the use of those superb support services that are there in CRS.

The Library represents a national treasure. I try not to use that term overmuch. I remember a period in our political history when everybody was a national treasure, the old line about we are all special. But the Library truly is a national treasure, but we must remember that it exists primarily, first and foremost, to serve the Congress and support the Congress. Unfortunately, I think some of our fellow members do not understand what a treasure they have within walking distance and do not use it as much as they should.

So, Mr. Mulhollan and I had that conversation when he was in my office, and I want to get it on the record of the hearing here that it is going to be one of the things that I am going to pursue in the time ahead.

With that, Mr. Chairman, I would just comment that I have been to enough of these now, met these three gentlemen often enough, to know that they are outstanding public servants and that the country, as well as the Congress, should be grateful for the service that they render.

Senator DURBIN. Thank you, Senator Bennett. Not only are these gentlemen fine public servants, you are truly a national treasure.

Dr. Billington.

OUR NATION'S CHALLENGES

Dr. BILLINGTON. Thank you, Mr. Chairman and Senator Bennett and members of the committee.

The details of our funding request, which we are very pleased and honored to have the opportunity to present to you today, are in my longer statement. I would like just briefly to suggest at the outset how the Library is helping to address some of these key challenges facing our Nation today.

We are, in the first place, in the midst of a digital explosion. It is the greatest revolution in communication since the advent of the printing press. The Library of Congress is playing a leading role in bringing the potential educational benefits on the Internet free of charge to the American people in their own localities with our National Digital Library, which now has more than 7½ million items of American history and culture on line. We have the beginning of a global on-line library with agreements with the national libraries of Russia and Spain, continuing conversations with others, and we are putting on line the best practice teaching experiences of teachers and librarians across the country, a number of whom we have helped train.

The Advertising Council has recognized the educational and inspirational value of these on-line Americana resources by supporting for the first time in their history a multi-million dollar, nationwide program for a library.

Overall, our free on-line services, such as THOMAS for comprehensive information on the Congress, received well over 1 billion transactions last year. We are now leading the new congressionally mandated campaign to create and implement also a shared national plan to preserve the growing amount of important material that is being produced only in digital form in a world where the average website lasts only 44 days and much of the most important material is endangered and vanishing.

Much of the Library's requested budget increase, including key digital projects in the Law Library for its Global Legal Information Network, and in the Copyright Office for its re-engineering process, are needed so that we can, in effect, enhance electronic services as befits the age we live in and also integrate, a new virtual library into the already existing traditional artifactual one.

WAR ON TERRORISM

In the war on terrorism, as in the competitive global marketplace, both of which America is deeply involved, we need to know more about more parts of the world than ever before. Hitherto little-known regions like Kosovo, Burundi, Chechnya, Afghanistan, smaller Muslim countries of Central Asia, all play a much greater role in our thinking these days, and the Library has unique collections for all of these places, collections in 450 languages. We continuously gather in a wide range of materials from six unique overseas offices in places like Cairo, Islamabad, New Delhi, Jakarta. We have large special reading rooms for the Asian, European, Hispanic, African, and Middle Eastern worlds, and we have the largest and most comprehensive Middle Eastern collection in the world, including also an extraordinarily rich Arabic one.

Our expert curators recently discovered, for instance, in our Arabic language collections a 92-page, 11-year-old interview with Osama bin Laden with a great deal of important detail that was not otherwise available. Supporting such collections and the curators who understand them and cull them is a national need that our proposed budget will help meet.

There is a closely related national need to bridge the continuing split in our society between the thinkers and doers. The Congressional Research Service does much of this, providing knowledge usefully for the Congress in a shared service. We are proposing now to augment that capacity particularly in technical fields within CRS that Mr. Mulhollan will talk about in a minute. These are areas that are important in the current war on terrorism.

The Library has now also raised a private endowment, thanks to John Kluge, the head of our Madison Council, largely, but from a few others as well, to bring a significant number of the world's greatest minds to the Library to be available for informal contact with the Congress, people who can dispense wisdom, not just sound bites, and provide deep perspective for a present-minded city.

The war on terrorism has opened up new areas of cooperation with Russia and this relationship is becoming even more important as we seek to prevent the spread of Russia's huge and unique supply of weapons of mass destruction to hostile nations of terrorists. The Library has helped forge good relations with the new generation of emerging Russian political leaders by bringing more than 4,000 of them from all over Russia to America, with more than 2,000 scheduled for this year under our Open World Russian Leadership Program, which the Congress has now set up as an independent center.

INFRASTRUCTURE AND SECURITY ENHANCEMENTS

Wherever people today are trying to move from autocracy to democracy, they realize that open access to knowledge is one of the essentials for a participatory and accountable government and they admire the special link that our legislature has had from the beginning with its Library. The Congress of the United States quite simply has been the greatest single patron of a library in the history of the world, amassing here more than 124 million items in all languages and formats and a staff superbly equipped to make it all freely accessible to the public.

The Library of Congress provides the Congress and the Government here in Washington with the world's knowledge and transmits to people everywhere more and more the primary materials of America's creative heritage and also increasingly of the world's varied cultures.

To sustain this demanding range of things that we do and to sustain these collections, the Library needs substantial infrastructure and security enhancements. The increased funds requested for the coming fiscal year are mainly for mandatory pay raises and benefits and unavoidable price increases. Programmatic and infrastructure requests represent net overall only about a $10 million net increase over last year's appropriations.

Mr. Chairman, Senator Bennett, and members of the committee, we thank you on behalf of all of us at the Library of Congress for your terrific support over the years and for your consideration of this year's request.

I would like to turn the microphone over to my distinguished colleague, our Chief Operating Officer, the Deputy Librarian of Congress, General Donald Scott.

ADMINISTRATIVE AND TECHNICAL INITIATIVES

General SCOTT. Thank you, Dr. Billington.

Good morning, Mr. Chairman, Senator Bennett. I thank you for the opportunity to support Dr. Billington's overview of the Library's efforts to address some of the key challenges facing our Nation. I will highlight a few of the ongoing administrative and technical initiatives that this budget will fund and help to achieve the Library's vision for providing service to the Congress and to the Nation.

The Library requires continuing support from Congress to build and strengthen our digital infrastructure. This budget includes the necessary next steps toward building a digital library, one that provides for storage, preservation, and the access to information that the Congress and the American people increasingly rely upon for decision making in their daily lives. This budget also funds collections and computer security improvements.

Keeping the mail flowing safely is a must for the Library's comprehensive collections. We greatly appreciate the Congress' immediate response to the anthrax closure by providing supplemental funds to address recovery from the shutdown and other unplanned costs to ensure continuity of operations. While the Library's mail flow has resumed, it is at a greatly-reduced level, which has had a major impact on the acquisition of materials and the intake of copyright registrations and receipts. We are, however, taking the necessary steps to process as quickly as possible the backlog of materials that originate from within the United States, as well as materials from our critical overseas operations in Cairo, New Delhi, Islamabad, Rio, Jakarta, and Kenya.

Mr. Chairman, we also have asked for funds to support the purchase and implementation of a new financial management system.

And, finally, we continue in our efforts to install a fair and timely automated hiring system so that we are able to recruit individuals with the varied skills and abilities that our unique work force requires.

All of these ongoing efforts are part of the Library's vision to keep pace with the informational and service needs of the Congress and the Nation.

Thank you.

Senator DURBIN. Thank you very much, General Scott. If you do not mind, we will ask questions relative to the Library and then Mr. Mulhollan will speak to the CRS.

MAIL—PROCESSING

Let us talk about mail for a minute, a constant source of vexation since September 11th and the anthrax scare on Capitol Hill. Let me try to go over some information that we have and ask you for your comment.

It is my understanding that the Library of Congress is now processing its mail, letters and parcels, with the use of an outside contractor, Pitney Bowes, and that the estimated expense to the Library is about $8 million a year for that purpose. Is that what you are anticipating in next year's budget? Is that correct?

General SCOTT. Yes, sir. The Library is participating with the House and the Senate. Our cost for the processing of the mail is about $5.4 million, with fixed costs we estimate to be approximately $2.8 million. The difference making our costs so much higher than the Senate's is our volume, which is about 70 percent more than the Senate's.

Senator DURBIN. I think that is accurate. The staff has advised me that 70 percent is a pretty good estimate of the difference in volume. I also understand there is a difference in character of mail and that you are more likely to have parcels than the Senate in our normal course of activity.

Here is the point I would like to make to you. We spend in the range of $2.5 million in the Senate, the House about $9 million, and the Library of Congress about $8 million to literally process this mail. I cannot imagine the days coming when we are going to abandon this activity. It is more likely that this is now part of the routine that we are going to face for a long time unless something happens that I cannot envision.

MAIL—CONTRACTING OUT

So, my question to you is this. Do you believe that it is worthwhile for us now to take a step back, 6 months after September 11th, and to assess whether or not contracting out under this circumstance makes sense, is cost wise in terms of what this is going to entail, or whether we ought to look at this approach somewhat differently?

For instance, if you take the $2.5 million spent by the Senate where we do it in-house and double it to $5 million, it is still considerably less than what the Library is paying Pitney Bowes. Add another 20 percent or more for the fact that you have more parcels, and you are still below the amount being paid to Pitney Bowes. What is your thought about dealing with this from a nonemergency perspective in a long-term view?

General SCOTT. We do feel that it is time now to take a hard look at all available options to make sure that we can process the mail in a timely way and a safe manner. To that end, we are looking at other vendors who have processes that meet the specifications of the DOD scientists, and looking at the option of perhaps having our own people process the mail. We will come up with what we think is in the best interest of timely, efficient, and safe processing of the mail and the Library's mission.

MAIL—COMPETITIVE BIDDING

Senator DURBIN. Was this a competitive bid? Did other vendors bid on this business?

General SCOTT. I am not sure that I can answer that since we were not the contractor.

Dr. BILLINGTON. There was not, Mr. Chairman, any alternative that could deal with both the mail processing aspects and the environmental aspects. Obviously, we want to take a look at how we are going to do it in the future.

MAIL—BACKLOG

But the other important point in our case is that getting over this backlog is of critical importance, because when there is a backlog, a very heavy backlog, in serials for instance, if we do not keep them current, we are not able to make sure that we are accurately surveying all of the world on these various problems. We have a real backlog to get over now, and there was only one vendor who was able to process the mail in a timely way and safeguard it environmentally.

MAIL—SOLE SOURCE VENDOR

Senator DURBIN. I understand that, and you faced the same emergency we faced on Capitol Hill. The House went in one direction, the Senate in another, and only time will tell which made the right choice. But I anticipate, at least I suspect, from your budget request for next year, you are planning to continue on with this sole source vendor. Is that correct?

General SCOTT. No, sir. We did ask for the money for next year, but we also plan to take a very serious look at alternatives. If we do come up with some alternatives that are better than what we currently are doing, then we certainly will go with the best alternative.

RETAIL SALES

Senator DURBIN. I have asked you from time to time about the retail sales, the retail income into the Library of Congress, and we have asked the General Accounting Office to take a look at it. We had a preliminary report from them which raises some interesting questions. I do not know if you are familiar with their findings. Have you had a chance to review them?

General SCOTT. Yes. We received the GAO report just yesterday and are in the process of going through it to make sure we understand all the recommendations.

Mr. Chairman, we welcome the opportunity to have retail sales and to make sure that we can put the necessary planning together that will assure this becomes a profitable operation. We have already put in motion a marketing plan, and have hired a contractor to help us do so.

Senator DURBIN. When was that done?

General SCOTT. About 2 weeks ago.

PHOTODUPLICATION SERVICE

Senator DURBIN. Now, what the GAO has found is in a period of 5 years, ending September 30, 2001, your Photoduplication Service reported losses of $2.2 million, gift shop losses of $180,000, and the audio-video laboratory $120,000.

It is my understanding that the Photoduplication Service has reported losses. In the first 2 years of this review, they made money, but in the last 3 years, they have lost money when you used contractors to meet internal microfilm needs. Are you familiar with that?

General SCOTT. Yes, sir, I am familiar with the fact that we found it necessary to make some drastic cuts in the photoduplication service. I would like, with your permission, to call up Winston Tabb, who is our manager in this area and, who, I think, has done an expert job of handling this issue, which is systemic to some of the challenges we face in assuring cost effective operations.

Senator DURBIN. Of course.

Mr. TABB. Thank you, Mr. Chairman.

It is true that we had to make significant reductions in the staffing of the Photoduplication Service last year. A total of 29 staff were considered to be redundant primarily because that business had changed dramatically. The Photoduplication Service was initially set up to make copies, upon individual requests from people, from the Library's collections. Those requests had decreased, and a lot of the staff who were working in that area had been doing microfilming, but now we are moving much more toward digitization for our preservation work. So, it was no longer necessary to have that many staff there.

We also felt that if we were going to get repositioned to have the Photoduplication Service focus on the kinds of things that you are interested in and that we are, which is to be much more proactive in getting people to want to have copies from the collections, we needed to get on a sound financial basis so that we could begin to build from that with a very different kind of focus, from a very passive one, as established in the 1930's, to a much more aggressive one of outreach. And that is what we are trying to do.

Senator DURBIN. Let me make sure I understand the situation. I can understand that you would need internal photoduplication and digitization and such. My impression from the GAO report, though, is we are talking about the outside world asking for Photoduplication Services and paying for them, and that over the 5-year period reviewed by the GAO, in the first 2 years, the Library made a profit off of that Photoduplication Service, but then decided to contract it out, and for 3 straight years lost money on it, which suggests to me that you are not charging your customers enough to break even.

Mr. TABB. Pricing is always a difficult area in the Government, and this is one of the points that we have been working with GAO on—to determine at what point you raise the prices to the point that you drive people away.

Unfortunately, it is not always possible in the Government to be as agile as one needs to be. This is why we know that if we are going to be able to achieve the objectives, which we share, to be able to generate profits from some of these areas, we probably are going to have to have some legislative help so that we can be much more agile in having both contract and Library staff.

Part of the problem here has been that historically we had really been focusing in the Photoduplication Service, if I can say this a different way, on two different primary customers, one, the passive requests coming from people who wanted single items from our collections, and second, on microfilming the Library's collections for preservation purposes.

Senator DURBIN. Here is the problem I am having. Most people say we should contract out to save the taxpayers money. It appears in Photoduplication Services you contracted out to lose taxpayer money.

Mr. TABB. What actually happened is that the management of the Photoduplication Service, if I can be direct about this, was not quick enough to furlough staff or to reduce staff after the point when their revenues had ceased to come in.

Senator DURBIN. For 3 years?

Mr. TABB. It was actually 2 years.

Senator DURBIN. It took 2 years?

Mr. TABB. Yes.

Senator DURBIN. There is a definite lack of agility.

Mr. TABB. The problem has been resolved now. I will be happy to speak about that preferably off the record since it involves personnel.

Senator DURBIN. That would be fine to do it that way.

But are you telling me that if we sit down together next year, that the Photoduplication Services to outside customers will show at least a break-even or a profit?

Mr. TABB. It will be at least at a break-even, which is what it is supposed to be, and that was the reason why we did reduce in force the 29 positions. We are on a much better footing now than we were 6 months ago.

But I would like also to say that we are not looking at the Photoduplication Service. What we think must occur, if we are to achieve the objectives that you have set for us and that we have for ourselves, is that we think about the Photoduplication Service, the motion picture revolving fund, and the retail shops as one entity for marketing purposes, not as three separate ones. And that is one of the other changes that we have recently made, to bring these three activities together so they can be thought of collectively as a way of making the Library's collections more available to the public.

Senator DURBIN. The reason I asked for the GAO study and the reason I raise this issue is not to suggest that we need to commercialize the treasures of the Library of Congress, but to suggest that there are certain things that we can do to make them available and, in generating revenue from that availability, help defer some of the needs of the Library so we can reinvest it right back into the Library for things of value to the American people for generations to come. We can stop short of putting a price tag on everything that you have in your inventory but still find a way to show profitability in what is known as a retail venture. My colleague has been involved in business a lot longer than I have, and I will suggest to him that even with losses, you cannot make it up in volume.

So, I will pass it along to Senator Bennett.

Senator BENNETT. Thank you, Mr. Chairman.

ACQUISITION AND PRESERVATION OF DIGITAL MATERIALS

Dr. Billington, we have had a number of conversations over the years about the digital age and the digital revolution. We appropriated in December 2000, $100 million for a national digital strategy effort to archive and preserve digital information. The law authorized the Library to spend $5 million immediately to develop a plan and then the balance would be made available upon completion of the plan and matching funds of $75 million.

As I contemplate this from a layman's point of view, I have a concern that I would like to raise here and have you speak to. Digital information inherently is a whole lot cheaper than hard copy. We have discovered that just in our families, that it is a whole lot easier to send an e-mail than it is to write a letter and buy a 34 cent stamp and pay for the stationery and wait for it and so on. We politicians are discovering that in campaigns that if you get a digital mailing list, you can send an e-mail piece of campaign literature for virtually nothing, compared to what it would cost you to mail post cards to everybody in your congressional district or your home State.

So, I would be interested in knowing where we are with the plan and the raising of the $75 million, but I would also be interested in your long-term view. As we go down this road of trying to preserve digital information and we see the ratio between digital information and hard copy information tilt toward the former, are we going to see long term some financial savings out of the fact that we are not archiving magazines, we are archiving websites? More and more magazines are web magazines and information can be taken off the Internet virtually for free and preserved virtually for free as opposed to having to have a subscription and having to have somebody handle it physically as it comes in, look at it, place it on a shelf, give it a number, all of the things connected with hard copy information.

So, that is kind of a long-term view of things, but as we are talking about the cost of this, I would like to know where we are short term, but I would also like your observations about where we are going long term.

NATIONAL DIGITAL INFORMATION INFRASTRUCTURE AND PRESERVATION PROGRAM (NDIIPP)

Dr. BILLINGTON. Well, it is a very good and very searching question. Let me take the long-term view first.

I think there is no doubt that in the long term, if you adopt as your costing device a unit of knowledge, or a unit of information, we will have enormous savings. But if you take the overall cost, it may not show because we are generating so much more knowledge. So much more knowledge is being made public through the Internet. In other words, you have a huge number of data sets, publications, expressions of opinion that would fall short of publication under traditional artifactual publications.

What we are seeing is an explosion of the world's knowable information; that is to say, things that were in somebody's head now spill out into the Internet in digital form. There is going to be a tremendous expansion of knowable information and of the recorded intellectual activity of the human race. There are many more participants in this activity in many more countries. This is the first generation in which women have really come anywhere near equality of participation in the generation of knowledge. There is going to be a great deal more.

The problem is that if you have great savings in the unit cost, you also have the explosion of worthless information. You do not have to go very far on the Internet to see chat rooms and violent games and all kinds of things that really do not add, which are helping to fill it up.

We have been trying to get a standard of quality free on line. I regret to say we have not had as much participation in the for-profit sector as we would like because the Internet is still seen basically as a marketing and an entertainment device and an area for just disorganized chatter. Indeed, the basic unit of human thought, the sentence, is gradually getting assaulted as we get these run-on chat room conversations.

One of the purposes of the legislation is to task us with forming a shared distributed national strategy for organizing and sorting this information so that it is retrievable.

But the startup costs of establishing that are really very, very substantial. Congress took this welcomed initiative last year and gave us the assignment of bringing all the Government and the non-governmental people together to address this issue.

In the long term, yes, both in terms of the unit cost of a unit of information and knowledge, there are going to be real economies. In terms of the overall amount of useful knowledge, as well as useless knowledge, there is going to be a great expansion of that. Both qualitatively and, in terms of unit costs, quantitatively, this is a tremendous boon.

Now, it is a tremendous challenge to sort, to use it, to make it accessible. That is what we have accepted on a shared basis.

We have had two meetings of our 26-member advisory board to begin formulating a strategy.

The situation is becoming very alarming. The last survey that was taken some years ago said the average life of a website was 76 days. Now the latest study made last year says it is 44 days. The information that gets eliminated tends to be disproportionately the good information. It has real utility, but does not have present marketability. We are going to want it 10 years from now. And that is what we are enjoined to do, and it is very visionary of the Congress to do this.

We have a 26-member advisory board that includes a great many people from the stakeholder communities, the industry, representatives of new media, websites, digital TV, film, e-journals. These kinds of people have been brought in, as well as representatives of the major public libraries and private archives and repositories.

We have had two planning meetings and then we have broken up in individual teams to deal with different aspects of what is really an enormous problem.

We have 15 other Federal agencies involved in this discussion. There are four designated by the legislation, myself, the Archivist of the United States, the Secretary of Commerce, and the White House Advisor in Science and Technology, as a core group. There is also a broader group.

We will be presenting a plan later this year, most likely in either July or September, with the results of this planning operation and recommendations. What we are doing now, after defining many aspects of this problem—and developing a national plan, is the initiation of archiving. We work with the Internet Archive, which is the principal agency archiving this material. They give us snapshots of the web at periodic intervals. We are beginning to deal with the challenges in a variety of ways that Laura Campbell, who is in charge of this, could explain in greater detail if you wanted.

We think the IT community is getting involved.

NDIIPP STRATEGIC FUNDING PLAN

On the question of funding, you will remember that the first stage is the $5 million, to develop a strategic plan, out of this very highly iterative and consultative process.

We have had particularly good leadership from James Barksdale who is one of the pioneers in this industry. He has been playing a particularly helpful role, but others have as well. We call it the National Digital Information Infrastructure Preservation Program, NDIIPP.

We had hoped to be further along. The legislation provides for an additional $20 million that begins when we have submitted our plan to Congress, which must approve and authorize. Finally, as is presently scheduled, by March of next year, we are scheduled to have developed the plan to match the $75 million remaining in that which was appropriated from either cash or in-kind contributions.

To be frank about it, since 9/11, the fundraising climate for this has been not very propitious. It was the judgment of the key people in the private sector that we consulted with that it would be better to defer our fundraising efforts until later for two reasons; one, because it was very difficult in this climate for this kind of a thing to be done, and second of all, it would be more effective to approach it once we had the strategic plan developed, which we are in the process of doing.

The key is future scenarios. We have to have a variety. We have to have made a major effort to really analyze the breadth of this problem. This is a colossal problem for which there is no precedent. The only precedent that comes to my mind is when the Library of Congress undertook at the Congress' behest at the beginning of the 20th century, to develop a systematic cataloguing that was suitable for the expanding libraries that had outgrown the Dewey Decimal System. Congress was willing to use the Library of Congress' system to bring order out of what was considerable developing chaos in the then exploding world of published materials.

Now we are dealing with a far greater explosion, and the cataloguing data, the so-called meta-data, is not developed. All this has to be done consultatively. We have been working under Laura Campbell's leadership very effectively.

In all candor, we may have to ask for an extension on meeting the March 2003 deadline, for the $75 million match. The people who we hope and believe will help us in the private sector have advised us that this is not the best time to do this, and because in their judgment it is better to have a plan to show to demonstrate in order to effectively engage the industry because a lot of the private contribution will be in-kind in nature. We will also have a much clearer idea of exactly what we are going to need by then.

That is where we stand on both aspects of that question. I am sorry I took so long.

Senator BENNETT. Thank you. You give me a view of where the long term will be. In the short term, you are saying you are probably going to come back next year for a little more money.

Dr. BILLINGTON. Probably a little more time.

Senator BENNETT. Some of the people behind you are shaking their heads and some are nodding.

Dr. BILLINGTON. I think we will need more time if we are going to approach that match, not more money next year. In the long run, yes, it is going to be more expensive.

This is to be a distributed and a shared responsibility. We may need the Congress' help and counsel, this committee or others' help and counsel in determining who and how to do the sharing. Everyone participating on our advisory board thinks this is a great idea and deserving of help that somebody else will certainly be willing to provide.

Senator BENNETT. Yes, I am familiar with that. We have all lived with it.

Dr. BILLINGTON. We are trying to develop a sense that this is shared, but you are dealing with competitive industries and you are dealing with institutions. I think we can develop this but I think it is probably going to take a little more time. In the long run, beyond this $100 million, it is certainly going to take a great deal more funding. But we hope that as we develop a certain esprit in this group and as the importance of this becomes clearer to everybody, we will be able to get better buy-in and work out some pattern of how the burden should be shared.

DIGITAL FUTURES

We have found, for instance, in the National Digital Library, that we raised the money, private money, for a number of other institutions to digitize their material to put on the net. We have 36 institutions on the National Digital Library, among the 7½ million things we have digitized. With an extremely small development office, we have ended up raising the money to bring other institutions of very considerable wealth into this.

I think this cannot be the case, we are going to have to have direct collaboration.

This is part of entering the new networked world. I think there is a sense of patriotism and common purpose that America has generated so much of the world's knowledge. If we do not find ways to effectively preserve it and make it accessible, as we have with books and with other artifacts in the past, we will be losing our own resource. I think more and more people recognize this. More education is needed of people interested in short-term returns rather than the long-term position of the United States. I think people are more open to that argument, but it has to be made decisively.

I think we may have to involve Members of Congress at the appropriate point in developing a strategy to get everyone's buy-in on this. We are working on it and we think when we have a plan to you, hopefully by July, but certainly by September, we will be able to move ahead confidently to the next step of this program.

Senator BENNETT. Thank you very much, Mr. Chairman.

Senator DURBIN. Thank you very much, Senator Bennett and Dr. Billington.

HIRING SYSTEM

I want to ask a question about the hiring system, and I think I am going to elicit answers from both the Library and specifically from CRS. So, it is a little out of order here, but Mr. Mulhollan, I will go into the hiring question and then, after Senator Bennett has completed his second round, we will go to your statement.

But let me ask you about this. As I understand it, you are facing a court order of some complexity which is asking for a much more non-prejudicial and colorblind approach to hiring at the Library of Congress, and that in response to that, the Library has brought on an automated hiring system.

I am told that during the course of the last year, the Congressional Research Service has been unable to fill a vacancy with this system, and that many of the people hired within the Library of Congress are actually internal promotions, people more familiar with the system than perhaps the outside world.

So, could you tell me if you believe that this automated system is meeting the goals that were enumerated in the court decision that led you to use it?

General SCOTT. Yes, sir. The Library, just to set the stage here, and plaintiffs attorney's negotiated an agreement, that was approved by the court to develop a new automated hiring system, one that would not discriminate. The court gave us a time line in which we had to implement the new system.

Additionally, we had an old hiring system that was manually based that was very cumbersome and took an enormous amount of time to try and get quality staff hired. As a matter of fact, the old system had an average of taking 175 days to get someone from start to finish through the system.

So, having the impetus to move ahead and wanting to establish a system that was timely, a system that also would respond to the various agencies within the Library who have different hiring needs, we looked at vendors and OMB and selected a vendor that was on the GSA schedule.

We started this last March. We underestimated some of the challenges that we would face in putting in a new system. We had training problems. We had some other system problems and typically some of the problems that you have anytime you put in a new system.

INSPECTOR GENERAL'S RECOMMENDATIONS

To date, Dr. Billington has recognized that we needed to have a deeper insightful look at what we were doing and appointed his Inspector General to come up with a report that would give us recommendations. Of the recommendations, the key one which Dr. Billington has acted on was to form a project manager and a project management team. That team has currently expanded with some outside consultants in human resources, and we are giving a very detailed review of what the system needs to do in order to respond to the unique hiring challenges within the Library of Congress.

Senator DURBIN. Well, if it took about 6 months to hire someone under the old system, how long does it take to hire them under the automated hiring system?

General SCOTT. We have mixed reviews. We have hired about 140-some-odd people under the new system, and the average time of that was about 80 days under that system.

Senator DURBIN. Those were internal hires, most of them.

General SCOTT. Some of those were internal hires, to include permanent placement of digital technology staff. I could get you the breakout of how many were internal and how many were external.

Senator DURBIN. Your Inspector General came out with a report in February of this year making some recommendations for some changes, and what you have mentioned so far, General, is that the project manager recommendation is being responded to. How about the other recommendations from your Inspector General?

General SCOTT. Yes, sir. The other recommendations from the Inspector General are also being reviewed. The reason we acted with some urgency to appoint a project management team was to be sure that we had a team that could look at all of the recommendations and help us to prioritize them so that we could do a couple of things simultaneously. Also we needed to try and get as many of our critical hires through the system as we possibly could, and develop some system requirements that uniquely meet the Library's hiring needs. We think that the project management expanded team will be able to handle all of the recommendations that the Inspector General has proposed.

Senator DURBIN. Now, do I understand it, in reading the background of this lawsuit, which interestingly enough was filed in 1975 by employees alleging discrimination in the Library's hiring practices and finally resolved in 1999, a mere 24 years later, was a negotiated settlement? Is that correct? Or was this an order of the court?

General SCOTT. There are a couple of things here that I need to be clear on. The negotiated settlement was between the Library's attorneys and the plaintiffs' attorneys, for a new hiring process or amended appendix B, which is the guideline under which we have to implement this new hiring system.

Senator DURBIN. I do not want to belabor this. And I was mistaken. It appears that it was filed in 1975 and finally resolved in 2001. So, it was 26 years.

But what I am trying to drive at is, did you have any options? Was this the only way that you could go to meet the terms of the negotiated settlement, an automated system?

General SCOTT. The settlement included implementing the new hiring process using an automated system. At the time, we thought the online system was the best option that would satisfy our hiring needs, satisfy the court, and, I might add, the Library's desire to have a system that is fair and does not discriminate. So, yes, we thought this was the best.

OTHER AGENCIES USING HIRING SYSTEM

Senator DURBIN. Are there any other agencies of the Federal Government that use this automated data hiring system that you are familiar with?

General SCOTT. Yes, sir, there are other agencies in the Federal Government all in the executive branch, that use an automated hiring system.

Senator DURBIN. Have they had any better luck than the Library in terms of actually hiring people from the outside?

General SCOTT. I cannot speak to the detail of the other agencies in the luck that they have had. I can speak, by way of comparison, that the other agencies do not have the diversity of jobs and the complexity of position descriptions that we have in the Library, which has caused us to have to work harder to make this system, or any automated system, adjust to our needs.

Senator DURBIN. So, Mr. Mulhollan, you have had, obviously, some difficulty with the system and been unable to fill a vacancy with it.

Mr. MULHOLLAN. We have been doing everything possible working with the Library to get this to work for us as other parts of the Library.

My recollection is, to the question you asked before, out of the 144 positions—my most recent information—that have been filled under the Avue system, 94 were internal. But I believe our head of human resources would like to point out a number of those were temporary employees that were included in the internal mix because they were part of the digital library staff that Congress allowed to be incorporated.

The Avue system called for is part of a number of automated systems that are out there currently being used. The challenge is applying the system to what Don Scott just mentioned, amended appendix B, which is an amendment to the original settlement you mentioned in 1999. The Library had a hiring system, but the court determined that that system produced a workforce that was underrepresented in two major areas. There was also a question about the statistical system being used for reporting statistics to the courts. Those are the issues that we responded to.

CRS VACANCIES FILLED USING HIRING SYSTEM

Senator DURBIN. How many vacancies have you tried to fill in the CRS using this system?

Mr. MULHOLLAN. We currently have and plan to fill 88 positions; 79 positions will be filled under the new Avue system, and 9 positions will able filled under alternative hiring programs, such as the law recruits.

Senator DURBIN. I am trying to get to a scorecard here.

Mr. MULHOLLAN. Yes. We have not filled any positions under the new system.

Senator DURBIN. How long have you been trying?

Mr. MULHOLLAN. Since the implementation of the negotiated settlement.

Senator DURBIN. One year.

Mr. MULHOLLAN. Yes, sir.

Senator DURBIN. This is hard for me to deal with here. This is a system which you agreed to by negotiation, and it apparently has created a world of problems for you if you cannot fill a vacancy in 1 year. The old system took 6 months, which sounds terrible, and this system is going to break all records. Maybe you will never fill a vacancy.

But I am wondering, has there been any thought given to either, one, reviewing whether you have a good system or there is a better system being used by other executive agencies, or perhaps returning to the court to try to negotiate some other approach that achieves this goal? If the idea was to improve the diversity of the employment at the Library of Congress and the only people who are being, quote, hired—and I used that term advisedly—are already on your employee rolls, it does not sound like you are going to reach your goal of having a more diverse work force.

General SCOTT. If I might respond to that, Senator. We are currently in the process of evaluating the current system and at the same time examining other systems that might be available that would help us to reach our goal. We have not ruled out that this system can work. We have admitted that it has been a difficult challenge and we think we have all the horsepower we need to come up with what is in the best interest of the Library to hire people fairly and efficiently and to be able to know how we have met the challenge within the next 45 to 60 days.

Senator DURBIN. I am going to conclude this round of questioning with one last question. Is it fair to say that some of these vacancies are critical in terms of the operations of the Library of Congress?

General SCOTT. Yes, sir, it is.

Senator DURBIN. Well, I hope that you will get on this very quickly. What we have heard this morning about the contracting out and photoduplication and 2 years before people can be furloughed, a system that took 6 months to hire people is now replaced with an automated system that does not hire anyone, cannot fill critical vacancies, this is not a good report card in terms of dealing with some essential management problems. We want to work with you. We know you are facing a court order, so this is not all your own design or choice, but it appears that there should be a better way.

Senator Bennett, do you have any questions?

Senator BENNETT. Well, Senator Stevens.

Senator DURBIN. Senator Stevens?

Senator STEVENS. If I may. I have just come from another hearing and I have got to go to two more yet today. I appreciate the chance to be here to welcome the Librarian and General Scott and Mr. Mulhollan.

MAIL—IMPACT ON LIBRARY'S OPERATIONS

I do want you to know we are working very hard on the mail problem. Mr. Chairman and Senator Bennett, the Librarian showed me yesterday one of the applications for a copyright that had been caught up in the mail. The tape was burned and the blue ink was turned to brown, and it did not arrive until 2 months late, something like that. That is a tremendous problem and I hope that we will be sensitive to the impact on the operations of the Library, particularly the Copyright Office. This is a very difficult problem we are all facing in terms of mail delays, but also the costs associated with that. Now they have got to go back and have the applicant repeat the process, I gather. We are having to do the same job two and three times. The Librarian, I think, has a tough job trying to work with that.

RUSSIAN LEADERSHIP PROGRAM

I want to commend you on the way that you have handled the Russian Leadership Program. It was my honor to be involved in it, but beyond that, I was called to the Rotarians' annual meeting and they were overwhelmed and have supported this process now substantially. We are attracting more and more non-government people into this operation. I am told now, Dr. Billington, are there not several members that have come over here from local governments that are now members of the Duma?

Dr. BILLINGTON. Yes. A good number of the members of the Duma have actually participated in the program as well.

Senator STEVENS. It is an outreach that is bringing into the cities of our country people who are elected representatives of local governments in Russia. They are the leaders of the future and they are coming over and living with our people and learning how individual cities in this country are run and what freedom means to our people. I think it is an extremely fine program and I hope we can continue it.

KNOWLEDGE OF HIRING SYSTEM PROBLEMS

Lastly, I too am concerned about what this chairman was talking about in terms of this hiring problem. Are your relationships with your own IG such that you think you can work together to formulate a program that will meet less criticism?

Dr. BILLINGTON. Yes, I think we will. There are a couple of things, and then I will turn it over to General Scott again who has been working intensively and effectively on these difficult problems.

First of all, we initially had rather favorable reports from other Government agencies on this process. We have since had some more mixed reports. There are concerns. Part of this evaluation that we are doing is to determine our own specifications so that we can then examine a variety of alternative systems as a possibility including the one we have.

The Library faces a very unusual situation which is that no other agency dealing with an automated hiring system faces the problem of depending primarily on applicant questionnaires to assess qualifications. That is a so-called elimination of minimum qualifications.

Senator STEVENS. You do not have the money to pay to bring them in and interview them?

Dr. BILLINGTON. Oh, yes, we bring them in and interview them. But, if you have a process which generates four times the number you used to get, per vacancy, it tends to clog up the system.

WORKFORCE DIVERSITY

We have, in fact, been steadily and I think successfully increasing the diversity of the work force. So, the end objective here is being methodically approached and successfully advanced internally within the Library quite apart from the court order. The terms of the settlement agreement specified how the Library must approach this issue, which no other Government agency has had to deal with—and has been an inhibiting factor.

Anyhow, I turn it over to the General.

Senator STEVENS. Well, I am sorry. They have called me next door. I was an hour over there getting in line, so I either go back or lose my place in line over there.

Thank you very much.

General SCOTT. Yes, sir. The short answer is that the IG is helping us as part of this project management team to work through these issues.

Senator DURBIN. Thank you very much.

Senator Bennett.

HIRING SYSTEM IMPLEMENTATION PROBLEMS

Senator BENNETT. I do not want to beat the horse anymore, so I will just make an observation. I finally understand what the problem is with Dr. Billington saying that you have four times as many applications as you used to have and you have to look at all of those. Is that fundamentally what is clogging——

Dr. BILLINGTON. That is a good part of the problem, yes.

General SCOTT. That is one part, but there are more problems than that, Senator, but that is one piece of it.

Senator BENNETT. I can understand some of that clogging new hires. I have a tough time understanding why it takes 80 days to evaluate an employee that you already have.

We have all had the experience of hiring people, and I had a vacancy in my office, did not have anybody on board that I thought was the right one to fill it, and we spent a fairly significant amount of time looking around, getting applications, trying to find people who could fill that. And that we understand.

When my chief of staff here left, I knew he was going to go, and you certainly have advance notice of who is retiring because we have already had information from you about your attrition rate. I knew he was going to go. I had his replacement within 30 minutes because I knew that there was somebody on the staff that was capable of stepping into that slot with whom I had been working for 8 years. So, in that 8-year period, I did not need another interview. If the bulk of your hires, since you have gotten into this new circumstance, have been promotions from within and it takes you 80 days, it does not meet the smell test.

General SCOTT. Yes, sir. That was an average and we have had some positions that have been filled within a shorter timeframe.

I think, Senator, it does not sound good, but it also is a fact that anytime you start to replace a system that has been in place for 15 to 20 years or longer and you add automation, there are going to be a lot of startup challenges and problems.

Senator BENNETT. I can understand that. When you are dealing with your own employees whom you already know, the interview cycle should be a whole lot shorter, unless you are required by the court order to see that everybody in the world gets to bid on that before you end up with your own employee. Is that the problem?

General SCOTT. The Library's hiring process requires that every position that you post, that everyone has to go through the same process in order to compete for the position.

Senator BENNETT. So, you cannot automatically say, well, we have been watching Dan Mulhollan for 15 years and he is clearly the guy to move in when his supervisor leaves. You cannot do that.

General SCOTT. No, sir, we cannot. The plaintiffs alleged that the Library's hiring process was tinged with too many instances of individuals being appointed without going through any kind of a competitive process.

Senator BENNETT. I will leave it because it is not productive to pursue anymore.

Senator DURBIN. Well, this automation will really slow things down.

TRAVEL FUNDING REQUEST

Let me ask you about this travel request of $1.7 million, a 58 percent increase. Any basis for that?

General SCOTT. Yes, sir. The specific request for travel for 2003 is $213,000 or 14 percent over the 2002 funding. The reason we have to do more travel is our work to implement all of the networks that the Library is developing and involved with in our digital futures initiative.

Senator DURBIN. A 58 percent increase over a 2-year period?

Dr. BILLINGTON. This was a specific recommendation of the National Academy of Sciences study. As they enjoined us to do this massive program for retaining Born Digital materials, they said one of the major inhibiting factors was the fact that it could not possibly be accommodated on the travel budget we have. We have now reviewed and found out that in the first year, getting into this business of determining a shared national plan, there is just an awful lot more travel we have to do, in addition to bringing the advisors in, which is done under the other budget.

Senator DURBIN. Thank you.

Mr. Mulhollan, we will make your statement a part of the record. If you would like to summarize it for us at this point.

TERRORISM AND HOMELAND SECURITY

Mr. MULHOLLAN. Thank you, Mr. Chairman, Senator Bennett. I do appreciate the opportunity to appear before you today to present our fiscal year 2003 budget request. Our request this year focuses on two areas of critical importance to the Nation's security and future stability: terrorism and homeland security, and the aging of the U.S. population.

We are all too well aware, the September 11th terrorist attacks on the United States have fundamentally altered America's way of life. In all the years the U.S. Government has had to confront organized terrorism, the challenges of deterrence, detection, interdiction, immediate response, and incident remediation have never been as great and the consequences of failure more potentially catastrophic. The September 11th attacks, the subsequent anthrax ordeal, and the unfolding responses have few precedents in terms of their impact on virtually all U.S. programs and policies.

The budgetary implications of these events and the ongoing war against terrorism will be equally profound. Current estimates for homeland security appropriations are $29 billion in fiscal year 2002, and nearly $38 billion requested for fiscal year 2003. Future costs will likely continue to rise, accompanied by numerous questions about how much is adequate, how priorities should be set, and how resources should be allocated. New policies and programs may need to be developed to defend against conventional, biological, chemical, and nuclear attack by improving our threat assessment and response capabilities, the whole notion of Federal coordination, law enforcement capabilities, and public health services.

Congress must be prepared to address these challenges in both the short and long term. CRS must be prepared to help you. Congress and CRS already have a strong history of working together on terrorism-related issues. However, there are several important areas of expertise that we have been unable to offer you up to this point. These areas are Islamic and Arabic affairs, epidemiology, biochemistry, infrastructure engineering, and comparative religions.

These are not capacities to be acquired temporarily on contract. Nor are they capacities that are resident in CRS's current mix of staff. They are fundamental to new competencies that Congress must have available in order to legislate effectively on issues related to terrorism and homeland security, issues that are likely to be at the center of the congressional agenda for many years to come. Without this infusion of new expertise, CRS support to Congress on these critical national issues will be incomplete. Accordingly, I am requesting 5 FTE's and $572,000 to hire senior expertise in each of these five areas.

AGING OF THE U.S. POPULATION

The second component of our fiscal year 2003 request is for additional capacity to address issues related to the aging of the U.S. population. These issues will affect the lives of millions of Americans and have a profound impact on our economy, our health care system, and a whole range of social policies and services from now until well into the foreseeable future.

The budgetary implications of these issues are enormous. Annual Federal spending associated with retirement and disability programs will reach $1 trillion for the first time in fiscal year 2002. This spending amounts to half of all Federal spending, 9 percent of GDP. These programs, the largest of which, of course, is Social Security, Medicare, Medicaid, and Federal employee retirement, already dominate the fiscal policy debate. Projections indicate that under current policies, these programs will continue to grow as a proportion of total Federal spending and GDP as the U.S. population grows older.

Against this backdrop of fiscal concern, Congress is under pressure to address perceived weaknesses in current benefits for the aged, and these pressures are likely to grow as the number of elderly Americans begins to accelerate. Indeed, over the next 30 years, the population over 65 is projected to double and will constitute 20 percent of the population in 2030.

Recognition of the future rapid aging of the population is already driving current legislative activity on private pensions, retirement savings, proposals for prescription drug coverage, long-term care, military health care for retirees and dependents, social services for the aging, health personnel and facilities and other programs focused on the elderly. In addition, Social Security reform is expected to be a top legislative issue in the 108th Congress.

To assist you in addressing such a broad set of initiatives within the context of growing fiscal pressure, I am requesting seven FTE's and $849,000 to hire senior expertise in genetics, gerontology, the economics of aging, the economics of health care, actuarial and demographic expertise.

Finally, I would like to note what I perceive to be a significant added benefit of funding CRS's fiscal year 2003 budget request. If approved, this request would enable CRS to continue to build its overall capacity to support the Congress in the areas of science and technology. Indeed, the expertise we are requesting in epidemiology, biochemistry, systems engineering, genetics, and gerontology could be applied broadly across a wide range of emerging legislative policy issues. As the budget request demonstrates, science and technology play an increasingly important role in virtually all areas of public policy. In order for Congress to legislate effectively in this increasingly complex world environment, you must have access to the best scientific minds and technological expertise that this country has to offer. I believe that CRS can and should play a role in providing you with this expertise. If approved, this budget request will assist us in doing so.

CONGRESSIONAL RESEARCH SERVICE (CRS)

I appreciate the opportunity to appear before you. I want to thank you again for the support that this subcommittee has given to CRS over the years. In particular, I want to thank you for your generous support of our fiscal year 2002 technology initiative. I want to assure you that I will continue to adjust existing staff and resources to align with Congress' legislative needs. This request for 12 positions reflects new added capacities that cannot be drawn from other subject areas without weakening CRS's overall support for Congress across legislative issues. We take very seriously our mission to provide the Congress with comprehensive, reliable analysis, research, and information services that are timely, objective, nonpartisan, and confidential, thereby contributing to an informed national legislature. I hope you find that we are meeting this mission and that we are doing so in a way that warrants your continued trust and support.

Thank you.

Senator DURBIN. Thank you very much, Mr. Mulhollan, and I do find that the Congressional Research Service is widely respected on Capitol Hill. You do a great job.

Mr. MULHOLLAN. Thank you.

CRS WORKFORCE DIVERSITY

Senator DURBIN. You came to my office and made a similar presentation and it is a convincing presentation, particularly in the two areas that you have focused on.

But I have to get back to an earlier question. If you could not fill 88 vacancies in the last year, what will 12 new FTE's really mean to you?

Mr. MULHOLLAN. I would not be here today asking for those additional 12 positions if I did not believe, notwithstanding what has happened so far, that we are on a trajectory to fill all 88 positions by the end of September.

Because you are dealing with the restructuring of the Merit Selection process as a result of what has been discussed so far, there was a great deal of up-front work, particularly with developing the content-valid position descriptions for our analytical capacity. We have completed that work and we are now in the process of putting up all those positions. The next 2 months will tell, and I would not be here asking for that capacity if I did not feel that we can meet it within the timeframe.

Senator DURBIN. Of course, the lawsuit was generated over questions of diversity.

Mr. MULHOLLAN. That is correct.

Senator DURBIN. In terms of the employees at the Congressional Research Service, what can you tell me about the diversity of your work force?

Mr. MULHOLLAN. A survey done from 1997 through today, we have been able to increase our diversity from 14 to 16 percent in minority population.

Senator DURBIN. You have increased it from 14——

Mr. MULHOLLAN. Fourteen to sixteen percent in professional positions.

Our most recent recruitments for graduate students in analysts positions have been at 20 percent. So I think we have a good record, but this is always going to be a "work in progress". We have been aggressive in our recruitment and will continue to do so, looking at every feasible program to help to ensure that we reflect the diversity of the Nation.

Senator DURBIN. Thank you.

Senator Bennett.

Senator BENNETT. Thank you, Mr. Chairman.

FORT MEADE STORAGE FACILITIES

I do not want to put you in a difficult position here, Dr. Billington, but we are concerned about the building of storage facilities at Fort Meade, which was deeded to the Library several years ago. Construction of the first module is behind schedule. A number of code and other issues are outstanding, and the Architect of the Capitol did not request funds for designing and constructing additional storage modules at Fort Meade in his request for fiscal year 2003.

What are the implications for the Library of the slow progress that the Architect seems to be making in building storage at Fort Meade? And do you have any comments about that? I know it is difficult because you are dealing with another colleague and his budget. But I would ask for your comments and would like to know what the Library's long-term plan for storage is.

Dr. BILLINGTON. Let me just say one word and then General Scott can deal with this.

This is a very serious concern for the Library because these things are very much delayed, and we do take some issue with our sister agency in terms of the urgency of this and the need to have it included in the Architect's budget.

There is a great deal of books piling up in the stacks. It is a very serious problem, and when you consider the various other problems we have with the delay of things coming in from the mail, it is really imperative that this facility, which is way behind schedule, be put at a high priority and carried on.

I will let General Scott talk about it in detail because he has worked on it.

General SCOTT. Yes, sir. You asked about the immediate impact, which is that we do not have ample storage for at least 50,000-plus books, currently located in buildings here on Capitol Hill but long planned to go into the first module that we asked to be built at Fort Meade.

FORT MEADE—MODULE ONE

This first module is 5 years overdue. The issues for delay currently have boiled down to a concern with the fire protection system. We finally got through to the Architect of the Capitol on expediting resolution of that issue, and they are working with an outside consultant. They now tell us that within 2 weeks we should have a report that documents what needs to be done in order to finally get that facility open.

FORT MEADE—MODULES TWO AND THREE

As you mentioned, we have modules 2 and 3 for which we need to have a module completed every 2 years just to handle critical collections storage requirements.

The Architect took our requests for those two buildings out of the fiscal 2003 budget request without talking to us. We have since communicated to him in writing explaining why it is so critically important for us to have the design and construction of those two buildings to proceed on schedule. We have not gotten a satisfactory resolution to this issue as of this time. Any additional delay will have a significant negative impact upon the collections and operations awaiting the long-delayed storage space at Fort Meade.

Senator BENNETT. Thank you, Mr. Chairman.

Senator DURBIN. Thank you, Senator Bennett, and thank you to all the members of the panel.

ADDITIONAL COMMITTEE QUESTIONS

As part of our ongoing effort to prepare this legislative appropriation, your testimony has been valuable and we will probably have some follow-up questions on issues that we did not touch on this morning.

[The following questions were not asked at the hearing, but were submitted to the Library for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

MAIL

Question. The Library began receiving mail only last week and has a backlog of hundreds of thousands of items of mail dating back to October. The Library does not expect to get through the backlog until July. Why will it take this long?

Answer. There were some delays in establishing the off-site mail facility. The major issue was obtaining an occupancy permit from the Prince George's County. The permit was finally issued on March 8th. The Library anticipates that the Off-Site mail facility build-out may be completed before July 4th, the original projected completion date.

Question. What is the impact on the Library's operations?

Answer. The full impact of the mail delay will not be known until all of the mail has been located by the United States Postal Service (USPS) and the Library begins receiving the materials. However, at the very least the delay has created a new massive backlog of materials. In addition, the delay will require additional administrative work as owners of the damaged Copyright submissions will have to be notified and instructed on how to resubmit their materials and checks. The delay has also affected the Copyright Office's receipt level—the reason the Library requested a supplemental for the Copyright Office. The President submitted an emergency fiscal year 2002 supplemental request to the Congress on March 21st, which included the Library's request of $7.5 million for the Copyright Office.

Question. Has the Postal Service been fully cooperative in ensuring mail is properly irradiated and expeditiously processed on its end?

Answer. No. As part of a Hill-wide task force addressing the many issues and complexities involved in resuming safe and timely delivery of mail, the Library has been frustrated by problems with the USPS. The USPS has been very uncooperative in providing accurate information on the location of the Library's mail, the volume of mail, and the irradiation of Flat mail. In addition, delivery schedules have not been met. The Library continues to work with the local post office and the Postmaster General to resolve all of these issues.

Question. The Library has requested a $7.5 million supplemental for the Copyright Office owing to the fact that receipts are far below normal. Please explain the assumptions behind the $7.5 million, and how the copyright receipts to date compare to what had been projected?

Answer. The Library is requesting a supplemental of $7.5 million for the Copyright Office. Actual receipts through January reflect a loss of $2.5 million or −31 percent as compared to projected receipts for this time period. February and March receipts each show a greater drop, −40 percent compared to last year. If the mail does not resume until early or mid summer, the Copyright Office anticipates that another $2.5 million in receipts will be lost during the period of February–May.

Due to the uncertainty of when mail will resume and the condition of that mail, the Library assumes that receipts for the last four months of the fiscal year will also be $2.5 million below projected receipts, resulting in a total projected income loss of $7.5 million. It should be noted that even if mail does resume around or before July, many other factors may prevent the Copyright Office from collecting or processing fees. Many checks received may no longer be valid due to the length of time that will have passed, requiring a request for new payment. Irradiated checks may be damaged, preventing the processing of the checks and also require the Office to request a substitute payment. Finally, due to the public's knowledge of the mail situation on Capitol Hill, some individuals may be withholding registration claims until an announcement is made that mail is once again being delivered to the Capitol Hill offices. All of these factors make us very concerned about the Copyright Office's ability to operate without the proposed additional funds.

Question. To what extent do you expect irradiation to make materials unusable?

Answer. Some of the irradiated mail received to date has been unusable. Examples include: melted CD's and cassette tapes; checks fused into the envelopes; and letters and paper products that are stuck together and crumble when pulled apart.

Question. What will the impact upon the Library be?

Answer. The most serious impact of receiving damaged materials is the long-term impact on the Library's collections, as some damaged collections will not be replaceable. The delay and associated problems create more backlogs and may require the redirection of staff resources to process damaged materials and to send letters to donors indicating damage and need for new materials and checks. This redirection of staff resources may, in turn, cause delays in other work processes. The cumulative impact may have future budget implications.

NATIONAL LIBRARY IN-PROCESS ARREARAGE

Question. I understand the National Library's backlog of uncataloged materials is growing at the rate of 8,300 monographs and 300 new serials each month. It is expected there will be 781,056 serial issues to be checked in at the beginning of fiscal year 2003. What is the impact of this backlog on researchers?

Answer. The impact on researchers is extensive. Researchers are denied access to the most comprehensive and current collection in the United States, including the greatest foreign language collection in the United States, and the richest integrated collection—books, maps, photos, etc.—of recorded human knowledge in the world.

Question. With the additional funds the Library is requesting for next year ($1.475 million) when will the arrearage be eliminated?

Answer. The delay in mail receipts has enabled the Library to reduce its in-process materials arrearage significantly. However, the delayed mail has also created a new arrearage, the bulk of which will be processed in fiscal year 2003. Therefore, the requested funding and staffing are now needed to address this mail backlog. Specific tasks include examining serial issues received in the Library, via copyright deposit, for irradiation damage, sorting, checking-in on the LC ILS, and shelving in the curatorial division. The Library estimates that monthly receipts of the copyright serials will be approximately 83,000 issues per month—the reason why staff and contract support is needed.

Funding and staffing requested reflected one-time costs and will not be required after fiscal year 2003.

Question. The Library did not receive mail for several months. Has this allowed the Library to make a big dent on arrearage?

Answer. Yes. During this period of time, staff have reduced the number of serials to be checked in from 400,000 to 100,000; reduced the number of books to be accessioned to 35,000; and processed over 1 million items in the cataloging arrearage into the collections.

ACQUISITIONS

Question. Last year the Congress provided a special appropriation of $5 million for the acquisition of a map dating back to 1507 known as America's birth certificate—the Waldseemuller map. This was a one-time appropriation for a very special acquisition. The Library has included $5 million in its "base" for fiscal year 2003, increasing the acquisitions budget from the fiscal year 2001 level of $11 million to a proposed $16 million. Why?

Answer. Most of the Library's relatively small acquisitions budget is spent on current materials that cannot be obtained via copyright deposit. As costs continue to rise—both for current publications, especially serials, and for unique materials available in the volatile auction market—the Library's purchasing power to augment its special collections is steadily diminishing. Special collections—manuscripts, maps, photographs, rare books, etc.—are almost always very expensive, and usually available with little or no advance notice.

The acquisition process for the Waldseemuller Map was unique in that the owner was permitted by terms of the German export license to sell the object only to the Library of Congress. Therefore, the owner had no choice but to wait for Congress to provide extra support through the normal budget process timetable.

Because that kind of situation rarely, if ever, occurs, it is critical that the $5 million be retained, in the Library's base budget, for rare and special acquisitions. The Library can negotiate effectively with sellers and private funders only if it can respond quickly to these special acquisition opportunities and have some federal funds available to meet matching requirements. Only then can the Library continue to build its unique research collections, making the Library of Congress, America's preeminent Library.

Question. Are there specific items the Library anticipates attempting to acquire?

Answer. There are many examples of collections the Library would like to acquire including:

—The Forbes Collection of Americana, one of, if not the, best such collections remaining in private hands. This collection includes several hundred letters from Washington, Jefferson, Madison and Lincoln. The estimate for the entire collection, every piece of which is worthy of being added to the Library's national research collections, is in the $15 million range.

—The owner of the most comprehensive and important collection of stage design in the United States has offered to sell this collection to the Library at a very concessionary price. However, the Library's inability to offer complete payment in one year, or to offer ironclad assurance that we can purchase the collection over a period of years has brought negotiations for this important acquisition to a standstill.

—Eero Saarinen Collection—extensive archive of architectural drawings by leading American Modernist architect. Masterpieces include the drawings for: Dulles Airport terminal; TWA terminal at JFK airport, CBS headquarters in New York City and the U.S. Embassy in London. $1.2 million.

—Art Wood Cartoon and Caricature Collection—the world's most comprehensive collection of original, historical cartoon art in private hands; includes 30,000 items by more than 3,000 artists made between 1757 and 1995. $200,000.

—Design proposals for a New World Trade Center—Sixty, highly imaginative and thought-provoking design concepts created by a group of well-known and emerging architects worldwide in response to the destruction of the World Trade Center towers in New York in September 2001. Conceptual proposals include sketches, renderings, and multi-media presentations were exhibited to acclaim at a New York gallery in January–February, 2002; after a show at the National Building Museum in April through May, the U.S. State Department will enter the works as the official U.S. display at the 2002 Venice Biennale. Architects include many of the major figures practicing today—Michael Graves, Paolo Soleri, Coop Himmelblau, Hugh Hardy, Hans Hollein, Daniel Liebeskind, and Frei Otto. $400,000.

—Larry Fritsch Baseball Card collection—world's largest and most comprehensive collection of historic baseball cards; 750,000 to 1,000,000 items spanning the 1880s to present and including complete sets and editions. $2.5 million.

—John Steptoe Collection—Drawings, sketches, and painting of renowned African-American author-illustrator of books about children, old legends, and neighborhoods of his youth. Publications include: Train Ride, Stevie, Creativity, Mufaro's Beautiful Daughters, and Uptown. $1.7 million.

—Garth Williams Collection—Illustrator of numerous enduring classics of American Children's literature, including E.B. White's Charlotte's Web and Stuart Little, and Laura Wilder's Little House books. $1.87 million.

Question. To what extent should such items be financed by private rather than public funds?

Answer. Acquiring documents or other historical treasures that should be held by and for the American people and exhibited in the Congress' Library for all to share is an appropriate use of public funds. While the Library does seek private funds for many of its collections, securing private funds can be challenging, at best, and recent events have made this process even more difficult. Reliance on private funds also brings other complications: flexibility can be lost due to the demands/wishes of donors; negotiations may not be as timely as the time-sensitive acquisitions require; the private donors often require a Federal match. The $5 million will not only allow the Library to purchase items in a timely manner but also provide the leverage needed to secure funding from private partners.

LAW LIBRARY ARREARAGE

Question. Last year, a special appropriation of $850,000 was provided to address the significant backlog of material in the Law Library. What is the status of Law Library arrearages and when will the Law Library's materials be current?

Answer. The Law Library is on track with an action plan that will eliminate arrearages in four different categories/processes by the end of 2003. For example, the looseleaf arrearage has already been reduced by 184,482 items (20 percent).

While the Law Library does not anticipate any problems in reducing its current backlog, the impact the mail delay may have in terms of creating new arrearages is not known.

VETERANS HISTORY PROJECT

Question. The fiscal year 2002 budget included $250,000 for the Veterans History Project and another $476,000 is requested for next year. The project is also receiving generous support from AARP. Could you update us on the project?

Answer. The project is unfolding in the way that Congress envisioned: grandchildren are interviewing grandparents; veterans are interviewing each other; and schools are identifying subjects and conducting interviews as class projects. The project is receiving help from many organizations in 47 states and the District of Columbia, including veterans associations, libraries, museums, and civic groups.

The Library has developed a complete instruction kit for organizations and volunteers, available on the project's Web site (www.loc.gov/folklife/vets) and in print.

Large print and audio versions are also available for the visually impaired. Since the start of the project, the Library has attracted over 200 official partners. Close to 40,000 brochures have already been distributed. The Library receives up to 250 phone calls a day and over 400 submissions have been received to date, with many more expected. Some members of Congress are active in this project, organizing projects in their state or conducting interviews themselves.

This wonderful project assures the American people a personal and permanent record of our veterans' experiences.

NLS/BPH DIGITAL TECHNOLOGY

Question. Last year the National Library Service for the Blind and Physically Handicapped established a digital long-term planning group. What has come of this effort and what are the implications of emerging digital information technologies on the provision of books and materials to the blind community?

Answer. In 1990, the National Library Services (NLS) began its long-term planning to convert to a digital system to assess the impact of the emerging digital technologies on the NLS program and to investigate the opportunities they provide. In 2001, a long-term planning group was formed. The group, which has met twice, advises NLS on the impact on NLS consumers and network libraries of the transition to a digital audio distribution system, has already provided feedback on the options for audio book distribution, and contributed to the gathering of cost data for the system. NLS plans to convene the committee twice a year for the next five years to lead the program into the digital age and to guide the development of the digital talking book.

Digital technologies are already changing the way blind persons access information, especially as information increasingly becomes available electronically and accessible to the technically-able in the blind community. The future use of commercial audio books as a mainstream publication medium has significant potential. Improvements in synthesized speech will also enhance information delivery. The long-term planning group was formed to look at these technologies and assess their viability for the blind community in general and for the NLS patron base, in particular.

The development of the digital talking book by NLS is seen to have very specific implications on the provision of books and materials to the blind community. Some key aspects of the new technologies under investigation are:

—Increase ease of use of recorded media (less manipulation of media).
—Improved sound quality.
—Faster access to information within a document (enhanced navigation tools).
—Improved interaction with digital media (ability to set bookmarks, highlight material, etc.)
—Potentially more information accessible (less processing of data).
—Ability to integrate full text file with recorded human speech to allow keyword searches, spelling of words and other searches.
—Choice of format for accessing text file (human speech, synthetic speech, braille, large print).
—Direct access to audio materials via the Internet, once sufficient bandwidth is widely available at a reasonable cost.

Question. With an inventory of more than 700,000 cassette tape machines, any change will be very expensive. Are there long-term budget implications we should be aware of?

Answer. The NLS projects that digital audio will be of comparable cost to current analog cassette system. The impact on NLS budget will be primarily during the critical transition years as digital copies of existing audio books are created and as digital playback devices are built at a higher rate than the normal replacement rate. It is projected that an additional $70 million, with no-year authority, will be required to produce an adequate number of digital audio machines for a period of five years from the date of the first manufacture. At the end of that period, the current level of funding will be sufficient to meet patron requirements.

Question. When will the Library request additional funds?

Answer. The NLS plans to make the first request for additional funds in fiscal year 2005, although the fiscal year 2005 and fiscal year 2006 budget requests will be nominal. Requests for significant increases will begin in fiscal year 2007.

GLOBAL LEGAL INFORMATION NETWORK

Question. The Law Library is requesting $3 million and 6 FTEs to create a fully functional Global Legal Information Network (GLIN). GLIN has been under development, without dedicated funding, for a number of years to provide timely access to primary sources of law including "born-digital" sources. I understand over a 5-

year period the Law Library will be seeking $12.7 million to expand GLIN to a core of 50 countries. Can you explain the importance of this program?

Answer. The GLIN is the foundation of the digital law library and consistent with the goals of the Library's digital futures program. It serves as the database for foreign and U.S. Law and currently includes 90,000 law summaries, over 32,000 full texts of legal instruments, and over 250 legal writings. The network consists of 15 member nations, two international organization members. The Law Library contributes the laws of 24 Portuguese, Spanish and French speaking nations and the United States. These numbers will increase to 50 participating countries with planned outreach efforts during the next five years. The database/network is critical to the work of the Law Library, ultimately reducing paper documents and related storage space issues, increasing staff efficiency and productivity, and providing more immediate access to all materials.

Question. Why is a specific appropriation needed for the first time?

Answer. Limited resources have precluded even basic technological upgrades to the GLIN. No new GLIN system functionality has been implemented since 1998 and obsolete technology is impeding the growth of the network. An infusion of resources is necessary now to implement a critical system upgrade. No funding or reduced funding will result in the gradual loss of current members and will prevent the attraction of new members, eventually leading to the demise of the system. The proposed upgrades to the GLIN can be accomplished in a relatively short period of time with readily available technology.

Question. How will the expansion of this system benefit the Congress?

Answer. The system will benefit Congress by providing current and accurate information on legislation enacted by other nations. Heightened national security and growing economic interdependence makes GLIN indispensable in responding to Congress on foreign issues. Recent major multinational studies exemplify the use and great potential of the GLIN endeavor: Legislative responses to terrorism in various countries; health emergencies including anthrax and other contagious diseases; computer security; and law and policy related to cloning.

COMPUTER SECURITY

Question. As shown in the annual financial statements for several years, the Library's auditors have reported an internal control weakness in computer security. The Library's on-line services are important to the legislative branch operations and to the nation. What steps are you taking to address the auditors' concerns and to improve the Library's computer security?

Answer. The Library continues to upgrade its computer security through a number of measures:

—External LC firewall deflected over 1 million unauthorized connection attempts in CY 2001.
—Authorized remote access to LC's internal network is secured through Virtual Private Network which encrypts data traffic and requires user authentication prior to use.
—Recent penetration studies reveal no significant network security vulnerabilities from external (Internet) sources.
—There have been no major incidents or break-ins in the two years since the January 2000 defacement of the THOMAS system web page.

Other improvements include upgraded router security, internal computer security training for all LC staff, and card access security to the LC central computer facility.

Future Plans include:

—Request for two additional IG auditors in fiscal year 2003 to increase computer security audits.
—Replicating the central Library data center at a remote facility for the purposes of disaster recovery and/or speedy recovery from security incidents. This work is in cooperation with the House and Senate, using the $16 million provided in the fiscal year 2002 emergency supplemental.
—Hiring a computer security/communications expert to help document security policies and procedures across all service units.
—Conducting monthly or quarterly internal network security penetration studies.
—Installing redundant capabilities to the central firewall to eliminate the possibility of an unscheduled firewall outage.
—Adding processor power to scan for viruses and inappropriate content and other security tools.
—Card access security to all telecommunication closets.

HIRING AND AVUE SYSTEM

Question. Did the negotiated agreement specifically call for an automated hiring system?

Answer. Yes. The negotiated agreement specifically stated that Appendix B or the new hiring process would be implemented via an automated system to ensure content validity and objectivity.

Question. Has the Library been able to hire staff under the new system?

Answer. Yes. In addition to the 144 employees hired under the automated system, the Library has also selected 113 professional and administrative employees under the old merit hiring system for a total of 257 hires.

Question. Has the project manager been able to help with the implementation of the automated system?

Answer. Yes. The Project Manager coordinated the review of the Library's hiring process to develop Standard Operating Procedures. The Project Manager also drafted a Customer Requirements Document to ensure that the automated system meets the Library's hiring needs. This work was accomplished at the same time that critical positions were being filled.

Question. What has been the impact of the Library's new selection process on workforce diversity?

Answer. The Library has continued its strong record of a diverse professional and administrative workforce, a record that exceeds the federal government as a whole. Under the new process, 28.5 percent of all professional and administrative selections have been minorities, and overall, 31 percent of the Library's professional and administrative employees are minorities.

Question. Does the Library believe that filling a job in 80 days is a good benchmark for the Library?

Answer. While an 80 day recruitment process is not an optimum goal in filling a vacancy it does represent an aggressive milestone. An 80-day fill time is more impressive when one understands the complexities of and specific steps required in the hiring and selection of staff based on a fair and open competition.

HIRING SYSTEM

Question. Dr. Mulhollan, I understand there has been no hiring at CRS for almost a year under the new automated hiring system. When do you expect to be able to hire staff? What has been the impact on your operations?

Answer. At the March 13th Senate hearing, I stated that CRS plans to fill 79 positions under the new automated hiring system and nine positions under alternative hiring programs (such as the Law Recruit Program). Since that time, the details of our hiring time line have been updated as follows:

April:
—Complete selection for a Review Specialist.
—Post 12 analyst positions, with selections to be completed during August and September.

May/June:
—Complete selections for two Public Affairs Coordinators.
—Post the remaining 38 analyst positions, with selections to be completed between September and December.

June/September:
—Post an additional 26 non-analyst positions, with the first selections being completed in September.

October:
—Post the 12 new analyst positions requested in the fiscal year 2003 request, with selections being completed in the second quarter of fiscal year 2003.

Decreased coverage and service quality for the Congress:

Operating with 57 analyst vacancies has been difficult. While CRS has met all of the Congressional requests, we do not believe that our analysis has always reflected the depth that might have been possible if we were fully staffed. Even with the imminent resumption of hiring, restoring full service to the Congress cannot be accomplished immediately. New policy experts typically take several years to acquire the level of knowledge and skills needed to operate with full effectiveness. New staff will have missed out on mentoring opportunities from seasoned experts who are beginning to retire in greater numbers, as we had anticipated. CRS service to Congress in numerous areas of expertise is currently seriously compromised by staff departures and unfilled positions. These areas include the following:

Agricultural economics
Appointments and confirmations
Aviation safety and security
Biometrics
Business taxation
Civil rights, equal rights, violence against women
Defense budget
Disease control
Europe-U.S. relations, NATO, EU
Federal laboratory research and management
Financial institutions, regulation and oversight
Global securities markets
Hazard and risk assessment
Impeachments and standards of proof
Industrial technology and infrastructure
Information technology and govt. IT management
Intergovernmental finance and taxation
International monetary systems
International natural disaster assistance
International finance
Judicial reform and improvement
Law and information technology
Military base closures: local impacts and assistance
National defense stockpiles
Natural disasters
research, mitigation and assistance
Ocean and coastal resources
Postal affairs
Productivity and U.S. living standards
Proliferation of nuclear and other sensitive technologies and weapons
Public health policy
Refugee policies
Regulatory commissions and regulatory reform
Research and development incentives
Social security and long-term reform
Social security and the Federal budget
South Asia
U.S. relations
Stem cell research
Tax administration
Trade in financial services
World health threats and assistance
World oil and gas resources and recovery

Disruptions in on-going efforts to strengthen and upgrade business operations:

Important operational and strategic reviews affecting CRS' ability to improve Service-wide business operations have been delayed this year because substantial senior management resources had to be redirected to help implement the new hiring process. Some significant examples include the following:

—A major, one-time effort to incorporate ideas and reactions of all CRS staff on enhancing our service to the Congress was suspended six months into the process.

—Efforts to develop an online capability for facilitating congressional access to CRS resources focused on current legislative issues were truncated and that capability now operates at a lower level of service than planned.

—A functional review to evaluate and determine the best use of information resource specialists and CRS' recently enhanced information technology to integrate electronic information resources more fully and effectively into research activities has been on hold for about a year.

Further, from time to time, research responses to congressional requests have been less than optimal. Senior researchers have had to assume operational duties, such as review and project management responsibilities for senior managers whose time had to be diverted to help implement the new hiring process.

Question. What are you doing to adjust workload internally rather than asking for additional FTEs?

Answer. In my opening remarks before the Subcommittee on Legislative Branch Appropriations, I assured the members that CRS was continuing to adjust existing staff and resources to align with Congress' legislative needs. The request for twelve additional positions reflects new added capacities that cannot be drawn from other subject areas without weakening CRS' overall support to Congress across all legislative issues.

With regard to the seven additional positions to handle aging issues, Congress is already, this session, grappling with several major age-related initiatives such as improved coverage of prescription drugs under Medicare, new tax incentives to encourage the purchase of long-term care insurance, and increased staffing and improved employment conditions in nursing homes and home health care agencies. In addition, Congress is facing the prospect of major Social Security reform legislation in the 108th Congress. These issues will affect the lives of millions of Americans and have a profound impact on our economy, our health care system, and a whole range of social policies and programs from now until well into the foreseeable future. These issues also have a considerable impact on the U.S. budget wherein annual federal spending associated with retirement and disability programs will reach $1 trillion for the first time in fiscal year 2002. This spending amounts to half of all federal spending and 9 percent of the gross domestic product. Given the enormity of these issues and the costs associated with them, CRS must be positioned now to assist the Congress.

With regard to terrorism and homeland security, the five positions identified in the budget request represent knowledge and skills not currently resident within the current CRS staffing capacity. CRS has adjusted work assignments, created teams to foster interdisciplinary support in issue areas related to combating terrorism and ensuring homeland security, and has already adjusted baseline capacity to address some of the policy areas arising from the event of September 11th. The new positions reflect knowledge, skills and work experiences that the current analyst pool cannot assume for two reasons: (1) the level of sophistication needed by the Congress is such that current analysts cannot gain the equivalent expertise quickly; and (2) the current pool of analysts are fully engaged in supporting other policy needs of the Congress.

CRS uses a formal and structured process to determine research and support needs. This process is undertaken at the beginning of each fiscal year and is reviewed and revised, if needed, regularly. The Assistant Directors for each research area identify their personnel needs using a Service-wide “Needs Assessment” tool that measures risk of capacity loss due to planned retirements, historical attrition rates, and Congress’ legislative needs. The Assistant Director for Finance and Administration and the Assistant Director for Work Force Development inform this process with reports on the financial condition of the Service as well as the status of personnel actions such as hiring and retirements, and contract procurement. At the end of this process, the Director decides which staffing needs would be filled given resources. These decisions are reviewed periodically and adjusted if needed. In addition to this process, CRS is constantly shifting existing resources within the Service to adjust to Congress’ legislative agenda and needs. The decision to ask Congress for twelve additional positions in fiscal year 2003 was made after completing a Service-wide review and determining that the specific research capacities inherent in these positions could not be met with current staff or staff identified as part of our fiscal year 2002 hiring decisions.

Even if it were possible to move analysts from one area to another, the results would be draconian. CRS would be forced to accommodate the research needs in equally important issue areas without sufficient resources.

Question. To what extent is CRS contracting for the needed expertise, and how effective are contracts in lieu of in-house staff for getting CRS’ work accomplished?

Answer. CRS aggressively pursues the use of contracts to acquire the capacity needed to meet the needs of the Congress—in any year. The use of contracts provides some limited relief to current capacity shortfalls; however, this strategy does not serve the long-term mission of CRS. The CRS mission can best be carried out with a permanent workforce that has both institutional knowledge of the legislative issues facing the Congress and an understanding of the analysis needed to support Congress’ deliberations on these issues. Permanent staff also gain an organizational loyalty critical to successful public service.

Having said this, CRS experience with contractors has been very positive, over a number of years. For example, CRS has used contractors to develop a database and econometric modeling supporting CRS research projects, develop seminar presentations by nationally recognized experts (on terrorism, peacekeeping, budget process), and to complete selected studies on specific issues for which CRS expertise was not available, and for which lead time in meeting congressional needs was not immediate. For the vast majority of Congressional demands on CRS, use of permanent staff is most efficient and effective. With very few exceptions Congress places its demands on CRS with some urgency. Resident experts who are available on demand provide the only feasible way for CRS to meet the large volume urgent congressional requests in a timely manner. Congress places a large volume of demands on CRS that reach across all areas of policy-making. Resident experts who have experience working together quickly identify the most appropriate specialist(s) for each set of work requirements and combine forces as appropriate across disciplines (law, economics, science, international relations, etc.) or fields (e.g. banking, fraud, pensions, corporate finance, etc.) to meet the great variety of congressional needs. Congress works in a setting in which events and responses frequently evolve rapidly. Resident experts have the flexibility to adjust work in progress to adapt to new events and evolving legislative proposals. Because resident experts have continuing responsibilities, they develop research products that they can and do maintain through updates and revisions to keep pace with events, including the legislative process.

DIVERSITY REPORT

Question. CRS recently completed a report on diversity at CRS. Can you tell us why CRS undertook this project, and what you found? What is CRS planning to do to enhance its diversity with respect to the categories needing improvement, namely Hispanic men and Asian men?

Answer. A copy of the CRS Diversity Report is submitted for the record. CRS prepared the report for two reasons: (1) to demonstrate that CRS has been committed to diversity (for a number of years), and (2) to let the record show that the actions taken over the past few years has indeed produced a diverse staff in CRS. CRS believes that it must have a high quality workforce that mirrors the Congress we serve and the constituencies it represents. The obligation to pursue that level of diversity in its workforce is one of the core values to which CRS is fully committed. While this effort is now, and will always be, a "work in progress", CRS has successfully employed a diversity strategy with several component elements:

The first component of the CRS Succession Initiative, was supported by congressional funding in fiscal year 1999 and fiscal year 2000. This initiative involved extensive nationwide recruiting efforts and has revealed intense competition for a small pool of minority graduate students (14 percent) reduced further by fewer students seeking public service. This effort included several components: (1) the CRS Graduate Recruit Program (41 hires, 20 percent minority) between 1997–2000, (2) the CRS Law Recruit Program (five hires, 40 percent minority) between 1997–2000, (3) the Presidential Management Intern Program (seven hires, 43 percent minority) between 1997–2000, (4) Research Partnerships ("Capstone" projects), and (5) Outreach to Minority-Serving Organizations (e.g., Atlanta University Center, United Negro College Fund, Congressional Black Caucus, etc.).

The second component in the CRS diversity strategy is the CRS Internal Programs which comprise internships, working groups, and professional development opportunities, such as: project management coordinators, technical support assistants, and the CRS detail opportunity program. CRS also participates in the Library's Volunteer Intern Program, Career Opportunity Plan, and Recruitment and Mentoring Workgroups.

The third component in the CRS diversity strategy is participation in many of the Library's diversity programs, including: Hispanic Association of Colleges and Universities (HACU) National Internship Program (one to two interns per year since 1996), Affirmative Action Intern Program (three interns in fiscal years 1994–1996), Affirmative Action Detail Program (participated in the 2000 program), Leadership Development Program (recently submitted nine project proposals), and the Executive Potential Program (eight assignments since 1996).

Since the beginning of fiscal year 1994, CRS has lost more staff than it has been able to replace. For both total staff and professional staff, however, CRS has been able to hire minorities in a greater proportion than it has lost. CRS has increased professional minority staff to 16 percent (total minority staff 33 percent). As of June 2001, when compared to the national professional civilian labor force, CRS is at or above parity for Black men and women and Native Americans.

CRS is working to improve under-representation in other areas, especially for Hispanic men and Asian American/Pacific Island men, the two categories in which CRS is currently most under-represented. CRS is focusing recruitment efforts on universities with high concentrations of Asian and Hispanic students; partnering with specific public policy schools which have high proportions of Asian and Hispanic students to undertake research through the "Capstone" projects; and meeting with all Members of Asian-American descent and Members who participate in the Black Caucus and the Hispanic Caucus to elicit ideas on how to improve staff representation.

DIRECTOR'S REPORT—DIVERSITY IN THE CONGRESSIONAL RESEARCH SERVICE—NOVEMBER 2001

NOVEMBER 13, 2001.

The sole mission of the Congressional Research Service is "to provide the Congress, throughout the legislative process, comprehensive and reliable legislative research, analysis, and information services that are timely, objective, non-partisan, and confidential, thereby contributing to an informed national legislature." The Service must carry out that mission, adhering to its core values of client service, uncompromising integrity, total quality, mutual respect, and diversity.

The commitment of CRS to diversity has been especially apparent in its recent efforts to meet the challenge presented by the imminent departure of a large proportion of its staff to retirement. The Service has operated on many fronts as part of its "Succession Initiative" to take full advantage of the opportunities presented by this transition period for ensuring for the Congress a talented and diverse workforce to support its legislative work in the future. The Congress expects no less, and I am pleased to report on our progress to date and our plans for the future.

This report outlines many of those efforts that are an integral part of our succession planning, as well as on-going diversity efforts that are a regular and permanent feature of CRS programs, policies and procedures. What is described here is, of course, but a snapshot of what we have accomplished, where we are today, and what we are working to achieve in the coming years. Our diversity efforts are, and will always be, a "work in progress." They must never be a reason for complacency, but rather a stimulus for further efforts, both new and old, with the same goal in mind a high quality workforce that mirrors the Congress we serve and the constituencies it represents.

DANIEL P. MULHOLLAN,
Director.

EXECUTIVE SUMMARY

Diversity has long been identified as one of the five core strategic values of the Congressional Research Service (CRS), and remains critical to its success as both a congressional support organization and an organization of people. The impending retirement eligibility of more than 60 percent of the Service's professional staff by 2006 offers significant opportunities for CRS in the area of diversity opportunities that have not been present on this scale since the early 1970s, when Congress infused the Service with a new mandate to serve its analytic needs and provided funding for a substantial increase in staff capacity. Those 1970s hires have largely remained with CRS and now approach retirement eligibility. With a very low staff turnover rate and with government-wide budget constraints, CRS has had but limited opportunity to add new research staff.

Over the past five years, in anticipation of these impending retirements, CRS has taken a number of actions, including the following:

—Launching a formal "Succession Initiative" supported by congressional funding, and using it to fill 53 permanent positions;

—Utilizing national recruitment and hiring programs to attract minority applicants to CRS programs such as the CRS Graduate Recruit Program, the CRS Law Recruit Program, and the Federal Presidential Management Intern Program;

—Targeting universities and public policy schools with high minority enrollment to serve as recruitment sources for entry level professional positions visiting over 60 schools;

—Working with higher education institutions, such as Syracuse University, the University of Texas at Austin, and the University of California at Los Angeles, to build research partnerships that include objectives related to the Service's ability to attract a diverse pool of applicants for CRS professional positions;

—Forging special connections with minority-serving organizations such as Historically Black Colleges and Universities, the United Negro College Fund, the Congressional Black Caucus, the Congressional Hispanic Caucus, and others.

In addition to these actions, CRS has developed programs and initiatives to provide career development opportunities for all staff, including the creation of a new positions, the formalization of a detail opportunity program in cooperation with its labor union, the Congressional Research Employees Association, and participation in the Career Opportunity Program. CRS has created a program providing work opportunities for volunteer interns. The Director also created recruitment and mentoring working groups to further the goal of enhancing diversity in the implementation of the succession initiative.

CRS has participated in Library diversity programs and initiatives in order to enhance diversity in professional and administrative positions throughout the Service; these include the Hispanic Association of Colleges and Universities National Internship Program, the Affirmative Action Intern and Detail Programs, the Leadership Development Program, and the Executive Potential Program.

Finally, examination of data related to the diversity of the CRS workforce today reveals that, while CRS has been successful in its diversity programs, work remains to be done especially to attract Hispanic and Asian men. The Service is fully committed to a continuing effort to see that its staff mirrors the full range of diversity found in the Congress itself and in its constituencies.

INTRODUCTION

Diversity has long been identified as one of the five core strategic values of the Congressional Research Service (CRS), and remains critical to its success as both a congressional support organization and an organization of people.[1] As an agency charged with assisting the United States Congress in the formulation and evaluation of legislative proposals, CRS has sought to ensure that its research and analysis are reflective of the diversity within the Congress itself and among the many constituencies that it represents. Apart from such obligations, CRS also recognizes the organizational benefits for a workforce community that flow from incorporating diverse views, multiple disciplines, and a variety of research approaches into its work activities and culture.

Thus, when recruiting for its professional positions, CRS focuses on bringing in staff from all racial and ethnic backgrounds. As a result, since fiscal year 1994, in spite of staff losses, CRS has increased minority professional staff[2] slightly and has even reduced underrepresentation for some groups when compared to the national civilian labor force. It has been more difficult for other groups, however, specifically Hispanic men and Asian men who were significantly underrepresented in fiscal year 1994 and are still underrepresented. For example, since fiscal year 1994, CRS has lost four professional Hispanic males to retirement, other employment, or for other reasons—a higher turnover rate than any other group. CRS has been able to replace only two of them through outside appointments. For Asian males, CRS has lost two and hired three, which reduced underrepresentation, but only slightly.

Low turnover rates among professional staff and government-wide budget constraints have limited CRS's opportunity to add new research staff over the past several years. However, as the Service faced the impending retirement eligibility of a large number of its professional staff over the next few years, it became clear that this situation offered significant opportunities for further progress in the area of diversity—opportunities that have not been present on this scale since the early 1970s, when Congress infused the Service with a new mandate and provided funding for a substantial increase in staff capacity. Consequently, CRS sought and received congressional support for a succession strategy that placed heavy emphasis on finding a diverse pool of entry-level candidates for the positions being vacated by those retiring.

This report examines the key strategic actions CRS has undertaken in recent years to prepare for these impending retirements and to take advantage of the opportunities they represent for enhancing diversity within the Service. The report, which will be updated periodically, also summarizes CRS participation in other ongoing workplace diversity initiatives, and provides information on the composition and diversity of the CRS workforce. The Service remains committed to the goal of further enhancing the diversity of its workforce in all areas.

CRS SUCCESSION INITIATIVE

The Legislative Reorganization Act of 1970 greatly expanded the CRS mission, mandating that the Service provide, without partisan bias, "analysis, appraisal, and evaluation of legislative proposals."[3] To implement this new mission, Congress appropriated funds for CRS to hire significant numbers of new staff. Many of the staff hired during that period have remained with CRS and are now, or soon will become, eligible to retire. Indeed, by 2006, more than 60 percent of CRS's professional staff

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[1] The other four core CRS strategic values are client service, uncompromising integrity, total quality, and mutual respect (as outlined in "The Congressional Research Service: Supporting the Legislative Work of the Congress in a Period of Fiscal Constraint," February 1996).

[2] For the purpose of this report, the term "professional staff" is based on the Office of Personnel Management's (OPM) Professional, Administrative, Technical, Clerical and Other (PATCO) definition of professional. For CRS, this consists of research analysts and librarians.

[3] The mission of the Congressional Research Service (CRS) is to provide to the Congress, throughout the legislative process, comprehensive and reliable legislative research, analysis, and information services that are timely, objective, nonpartisan, and confidential, thereby contributing to an informed national legislature. This mission derives directly from the CRS organic statute, codified at Section 166 of Title 2 of the United States Code. The Legislative Reorganization Act of 1946, as amended in 1970, mandated that CRS perform a variety of functions in fulfilling its responsibilities. Generally, the Director is obligated, without partisan bias, to "develop and maintain an information and research capability." Specifically, CRS is to advise and assist congressional committees in "analysis, appraisal, and evaluation of legislative proposals", determining advisability of enactment, estimating probable results, and evaluating alternatives. Upon request or on its own initiative, CRS is to "collect, classify and analyze" information having a bearing on legislation and to make that information available to Members and committees. Legislative support is to be provided at all stages of the process, from the development of proposals, to the preparation and conduct of hearings, to mark-up and the writing of reports, to final floor consideration, and beyond to implementation and oversight.

will be eligible to retire, and more than half of those eligible have indicated that they will in fact retire within this time-frame.[4]

To address this anticipated loss of senior expertise, CRS in 1996 developed a comprehensive risk assessment and succession planning strategy designed to identify the areas of expertise at greatest risk through retirements and plan in advance for their replenishment.[5] The goal of this Succession Initiative was to obtain congressional funding to hire a cadre of 60 entry-level staff to work alongside veteran staff in an apprenticeship capacity before those veteran staff retired, thus providing the Congress with a seamless transfer of CRS knowledge and institutional memory. Moreover, CRS sought to use this singular recruitment opportunity as a means to attract minority applicants to the Service.

Today, five years later, CRS has achieved much of what it set out to accomplish. As of this writing, the Service has filled 53 permanent positions as part of this initiative. Fifteen of these positions were specifically funded by increased congressional appropriations in fiscal years 1999 and 2000; the remainder were funded from the CRS base appropriation. Twenty-five percent of these were minority hires (racial and ethnic).

I. Utilizing National Recruitment and Hiring Programs

The Service primarily used two CRS-created nationwide recruitment programs as well as the Presidential Management Intern Program to carry out its succession initiative.

—*The CRS Graduate Recruit Program*.—This is a two-phase, competitive program designed to attract the nation's top graduate students as they complete their degree programs. Phase one consists of an initial summer experience for those selected. During this phase participants work closely with senior CRS staff on a variety of research and analytical projects intended to expand their academic knowledge and skills and enhance their familiarity with the work of CRS. Participants who perform successfully during this initial summer experience are then considered for Phase Two of the program—non-competitive placement in a permanent position with the Service. For students having already completed their advanced degree, the program provides an opportunity for immediate conversion to a permanent position. Students who have not yet earned their advanced degree return to school and are given the opportunity for a permanent position upon completion of all degree requirements.

CRS has hired 41 permanent staff including 8 minorities (20 percent) under the Graduate Recruit program since 1997.

—*The CRS Law Recruit Program*.—This program offers law students the opportunity for permanent employment as legislative attorneys with the CRS American Law Division. The program is open to law students in their final year of law school. Offers to students are effective after all requirements for the degree have been completed, with the understanding that bar membership will be obtained within a stipulated time period. Since 1997, CRS has hired five perma-

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[4] The CRS staff is comprised of nationally recognized experts in many disciplines, able to cover the wide range of issues before the Congress, including law, economics, foreign affairs, the physical and behavioral sciences, environmental science and natural resources, public administration, and the social sciences. The work of these experts can be undertaken through a synthesis of existing research or through original analysis based on models, unique databases, or other analytical tools which support collaborative internal research efforts. In addition to these subject experts, CRS staff with years of experience and institutional memory are available to assist with matters related to legislative processes themselves—from parliamentary procedures to budget and appropriations procedures, to matters of jurisdiction and oversight responsibility. The breadth and depth of resident expertise enable CRS staff to come together quickly to provide integrated, cross-cutting analysis on complex issues that span multiple legislative and program areas.

[5] The CRS workforce will undergo a significant transition during the next five years. As these retirements are taking place, the nature of the work in CRS is changing to meet the needs of Congress, particularly as the Congress moves from a primarily paper-based world to one that is digitally-dominated. During the past several years, the Service has taken steps to build its internal capacity to continue to meet the changing needs of Congress, including realigning the organization, and implementing a succession plan for professional staff. Additionally, CRS has undertaken several internal studies related to better understanding how the work has changed, particularly as related to production support and research assistance, information services and librarianship. These studies all point out the need to re-evaluate our effectiveness, hone position descriptions, and more precisely identify competencies and skills needed to perform the work. Finally, CRS is in the process of creating a five-year strategic plan, and it is clear that replenishing and developing a talented, diverse staff with the skills to serve Congress in a technologically fast-paced environment is a key strategy for CRS if it is to comply with its congressional mandate and meet its strategic goals for the future.

nent staff under the Law Recruit Program, including two minorities (40 percent).

—*The Federal Presidential Management Intern (PMI) Program*.—This is a national program administered by the Office of Personnel Management and designed to attract to federal service outstanding graduate-level students from a wide variety of academic disciplines having an interest in, and commitment to, a career in the analysis and management of public policies and programs. Universities nominate the top ten percent of their advanced degree candidates to compete in a national pool out of which 500 interns are selected for placement. CRS has hired seven staff under the PMI program since 1997, including three minorities (43 percent). CRS offered rotation opportunities to eight additional PMIs from other agencies, 25 percent of whom were minorities.

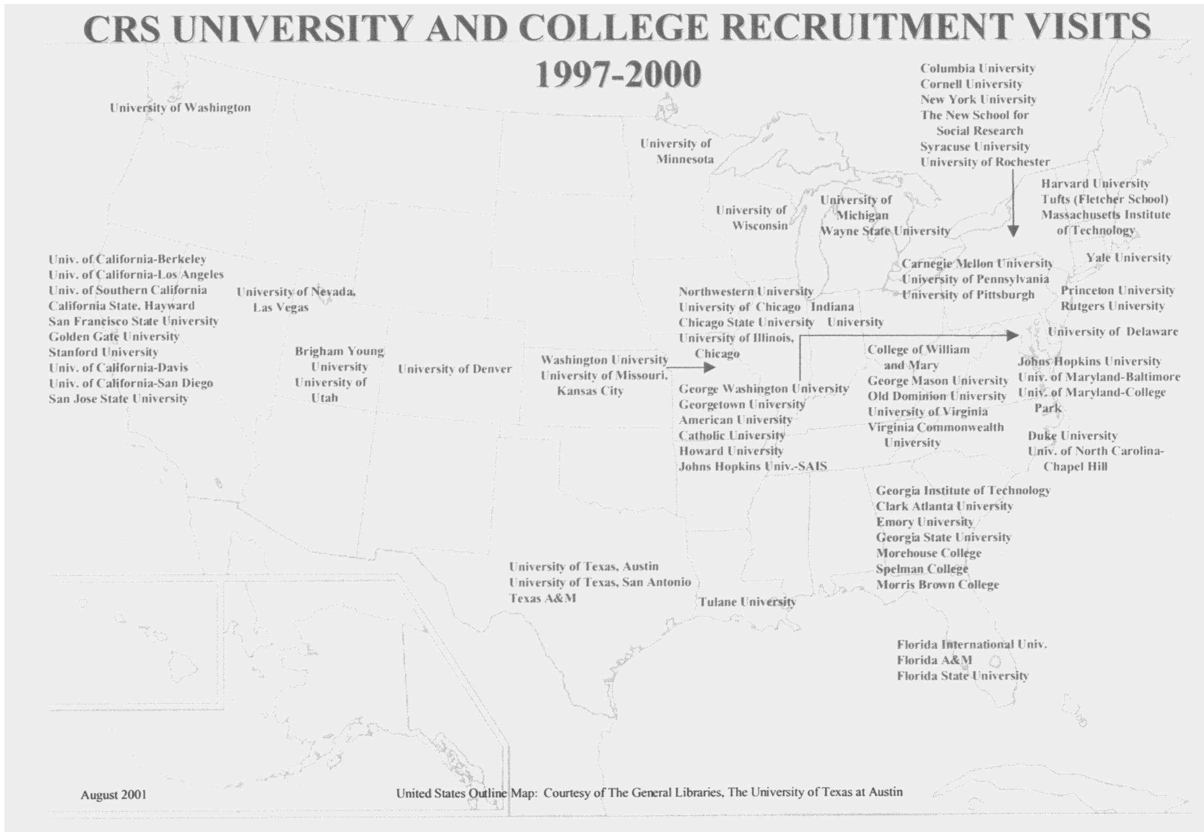
II. Building and Sustaining Successful University Recruiting Relationships

The Succession Initiative presented CRS with considerable opportunities and challenges in the area of university recruitment. Government-wide budget reductions and exceptionally low CRS staff turnover rates [6] resulted in relatively few new hires to the Service during the late 1980's and early 1990's. Consequently, by the mid-1990s, many of the Service's university recruitment networks had become inactive.

To address this problem, CRS launched an aggressive campaign to re-familiarize graduate school administrators and faculty with the Service and its work. Specifically, CRS focused its recruitment efforts on graduate schools (particularly public policy schools) considered to be of the highest academic caliber and with a high proportion of minority enrollment. CRS relied on several sources in making these judgments, notably studies conducted by the Association for Public Policy and Management (APPAM) and by the National Association of Schools of Public Affairs and Administration (NASPAA), national school rankings by various media, and input from resident CRS experts in key policy areas. The truly national character of the effort is evidenced by the number and geographic dispersal of universities visited.[7]

[6] The typical annual staff turnover rate for CRS in the early 1990s was between 3 and 4 percent.

[7] The colleges and universities visited by CRS during these recruitment efforts include: American University, Brigham Young University, California State University, Hayward, Carnegie Mellon University, Catholic University, Chicago State University, Clark Atlanta University, College of William and Mary, Columbia University, Cornell University, Duke University, Emory University, Florida International University, Florida State University, Florida A&M, Georgia State University, George Mason University, George Washington University, Georgetown University, Georgia Institute of Technology, Golden Gate University, Harvard University, Howard University, Indiana University, Johns Hopkins University, Johns Hopkins (SAIS), Massachusetts Institute of Technology, Morehouse College, Morris Brown College, New York University, Northwestern University, Old Dominion University, Princeton University, Rutgers University, San Jose State University, San Francisco State University, Spelman College, Stanford University, Syracuse University, Texas A&M, The New School for Social Research, Tufts (Fletcher School), Tulane University, University of California-Berkeley, University of California-Davis, University of California-Los Angeles, University of California-San Diego, University of Chicago, University of Delaware, University of Denver, University of Illinois, Chicago, University of Maryland-College Park, University of Maryland-Baltimore, University of Michigan, University of Minnesota, University of Missouri, Kansas City, University of Nevada, Las Vegas, University of North Carolina-Chapel Hill, University of Pennsylvania, University of Pittsburgh, University of Rochester, University of Southern California, University of Texas, Austin, University of Texas, San Antonio, University of Utah, University of Virginia, University of Washington, University of Wisconsin, Virginia Commonwealth University, Washington University, Wayne State University, Yale University.


CRS UNIVERSITY AND COLLEGE RECRUITMENT VISITS
1997-2000
University of Washington
Univ. of California-Berkeley
Univ. of California-Los Angeles
Univ. of Southern California
California State, Hayward
San Francisco State University
Golden Gate University
Stanford University
Univ. of California-Davis
Univ. of California-San Diego
San Jose State University
University of Nevada, Las Vegas
Brigham Young University
University of Utah
University of Denver
University of Minnesota
University of Wisconsin
Washington University
University of Missouri, Kansas City
University of Texas, Austin
University of Texas, San Antonio
Texas A&M
Tulane University
Northwestern University
University of Chicago
Chicago State University
University of Illinois, Chicago
Indiana University
University of Michigan
Wayne State University
George Washington University
Georgetown University
American University
Catholic University
Howard University
Johns Hopkins Univ.-SAIS
Columbia University
Cornell University
New York University
The New School for Social Research
Syracuse University
University of Rochester
Harvard University
Tufts (Fletcher School)
Massachusetts Institute of Technology
Carnegie Mellon University
University of Pennsylvania
University of Pittsburgh
Yale University
Princeton University
Rutgers University
University of Delaware
College of William and Mary
George Mason University
Old Dominion University
University of Virginia
Virginia Commonwealth University
Johns Hopkins University
Univ. of Maryland-Baltimore
Univ. of Maryland-College Park
Duke University
Univ. of North Carolina-Chapel Hill
Georgia Institute of Technology
Clark Atlanta University
Emory University
Georgia State University
Morehouse College
Spelman College
Morris Brown College
Florida International Univ.
Florida A&M
Florida State University
August 2001
United States Outline Map: Courtesy of The General Libraries, The University of Texas at Austin

CRS has conducted its recruitment campaign at several levels. At the highest level, top CRS management, including the Director, Deputy Director, and the Associate Director for Research Operations, conducted personal visits to over 40 universities, meeting with Deans, Career Counselors, and key faculty. Recruiting at these and other graduate schools was also undertaken across CRS by top managers and other senior staff.[8] As part of its Graduate Recruit Program, CRS enlisted the further support of 39 staff who volunteered to visit and maintain relationships with graduate school career counselors and faculty members.[9]

Finally, CRS has maintained an active presence at the following regional minority career fairs: the Mid-Atlantic Black Law Students Association Job Fair, the Midwest Minority Recruitment Conference, the Northeast Black Law Students Association Job Fair, the Southeastern Minority Job Fair, the Sunbelt Minority Recruitment Program, and the University of California at Berkeley Diversity Career Fair—a three-day event that is considered to be the largest diversity job fair of its kind in the United States.

The importance of maintaining relationships with the academic community cannot be overstated. First and foremost, they offer CRS an opportunity to inform key university officials about the work of CRS and to promote the Service as a potential employer. At the same time, they provide an opportunity for CRS to learn about the latest trends in university recruiting from some of the top graduate schools in the United States. For example, through these relationships, CRS learned that many graduate schools were experiencing a decline in the number of graduates interested in pursuing public service careers.[10] For those graduates who are choosing public service as a career, CRS was told that the promise of substantive work and the opportunity to "make a difference" are the most important considerations.[11] CRS has witnessed first-hand that competition for top graduates is increasing among both public and private sector organizations, many of whom are able to offer graduates signing bonuses, increased benefit packages, student loan forgiveness options, and workplace flexibility such as work-at-home, telecommuting, casual dress, and flexible work hours.

These relationships have also provided a forum for CRS to exchange ideas, observations, and experiences on how to successfully recruit minority graduate students. By initiating this dialogue on diversity, CRS has gained valuable insights into the factors that motivate minority graduate students to pursue careers in public service.

Perhaps most significantly, CRS learned that the pool of minority graduate degree recipients is proportionately small—in the 1996–1997 school year, only 14 percent of all graduate degree recipients were minorities.[12] In the fields of public administration, law, library science, and social science—fields which traditionally have yielded large numbers of hires for CRS—the pool of minority graduate degree recipients is even smaller. In these fields, a recent study suggests that minorities represent only 7 percent of the graduate degree recipients.[13] As a result, there is strong competition for the top minority graduate students among both public and private sector organizations. In terms of incentives that attract minority graduates to particular organizations, it became evident that minority graduate students typically

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[8] Six CRS research divisions (the American Law Division, the Domestic Social Policy Division, the Foreign Affairs, Defense, and Trade Division, the Government and Finance Division, the Information Research Division, and the Resources, Science, and Industry Division) and the Office of Information Resource Management participated.

[9] In selecting staff to serve as recruiters, careful attention was paid to ensure diversity. In addition to being racially and ethnically diverse, recruiters represented a range of CRS divisions and subject areas and a mix of new and veteran staff. Where possible, recruiters were paired in two-person teams that joined senior staff with more recent hires, and minorities with non-minorities. Recruiters participated in formal training sessions that emphasized diversity as a core CRS value, and were provided information on how to target minority groups and organizations on graduate school campuses. When available, the names and telephone numbers of university minority recruitment coordinators were also provided to recruiters.

[10] This observation has since been echoed by several public administration scholars, most notably Paul Light at the Brookings Institution. In his 1999 research study, "The New Public Service", Light observes that the number of public policy and administration graduates taking first jobs with the government has decreased steadily from 76 percent in 1973/74, to 68 percent in 1983, to 49 percent in 1993. See also, Chetkovich, Carol A. "Winning the Best and Brightest: Increasing the Attraction of Public Service." The PricewaterhouseCoopers Endowment for The Business of Government, Human Capital Series (July 2001).

[11] Heather Barrett, et al. "Recruiting Strategies for the Congressional Research Service", a research study conducted by students of the Maxwell School at Syracuse University, June 11, 1999.

[12] National Center for Education Statistics, "Degrees and Other Awards Conferred by Title IV Eligible, Degree-granting Institutions: 1996–97".

[13] Ellen Rubin, et al. "CRS Succession Planning: Diversity and Reform", a research study conducted by students of the Maxwell School at Syracuse University, June 9, 2000.

are attracted to diverse organizations in diverse communities, and to jobs that offer an opportunity to make a difference and impact change. CRS also learned that proximity to family, availability of student loan forgiveness programs, access to mentors and other senior minority employees, and workplace flexibility were also mentioned as important factors minority graduate students consider in their job search.[14]

III. Establishing Research Partnerships

In addition to efforts focused exclusively on recruitment, CRS also commenced partnerships with select universities through their "capstone" projects—graduate course work designed to give students the opportunity to work on "real world" issues for "real" clients as a final component of the curriculum.[15] Concomitantly, CRS and the Congress benefit from the substantive research resulting from these efforts. As a "spin-off" of CRS recruiting efforts of the past few years, the capstone effort has focused on many of the same schools targeted by the Graduate Recruit Program and by other Service actions aimed at attracting a diverse pool of talented applicants for each hiring opportunity presented. The recruiting efforts that have led to examination of capstone programs specifically targeted schools with strong diversity postures. Reciprocally, involvement in capstone projects clearly helps CRS attain its goal of identifying and attracting minority candidates for positions at CRS. One of the projects undertaken through this program evaluated general recruitment efforts of CRS and another focused specifically on recruiting diverse candidates.[16] The panel for the latter project was itself highly diverse, with 3 of the 7 graduate students (43 percent) being minorities.

It is generally recognized that one of the most effective recruiting tools is "word of mouth." The capstone concept not only educates students, both minority and non-minority, to the nature of CRS work, but also gives them a glimpse of how we operate and the positive aspects of a CRS career. Whether the students working on the project prove interested in applying for a position with CRS or not, information about the agency travels throughout the program and leads to expressions of interest by students who learn of CRS from classmates and faculty. Capstone projects also provide CRS an opportunity to gauge the quality of students at a particular school and to look at the curriculum and points of emphasis in the training received. CRS managers who visit these schools in the course of carrying out a capstone project are also thereby positioned to conduct recruiting sessions with students, discuss potential candidates with faculty, and continue fostering a positive relationship with the schools for future recruiting and collaborative purposes.

As part of its capstone project with the Maxwell School of Citizenship and Public Affairs at Syracuse University, CRS submitted a proposal requesting that a team of Master of Public Administration candidates recommend means by which it can bolster the recruitment of qualified minority candidates. A team of graduate students under the supervision of a senior faculty member was assigned to this task. This project joins a series of efforts CRS has recently undertaken to increase diversity in its succession planning, including a risk assessment and the creation of an Office of Workforce Development.

The Maxwell report[17] made recommendations in the categories of facilitating change in organizational culture; supporting and encouraging minority networking; broadening the scope of external contacts; enlarging the target recruitment pool; modifying the current application process; developing standard recruitment training; creating the Office of Workforce Development; implementing professional development strategies; and augmenting current CRS strategies. Many of the recommendations expand or increase existing actions or programs at CRS. The report recognized that CRS had already taken many positive steps toward achieving its goal of diversifying its workforce, and recommended that CRS continue with these actions or programs: focusing on a "promotion without competition" philosophy[18]; streamlining

[14] These observations were later confirmed by Ellen Rubin, et al.

[15] Angela Evans, et al. "University "Capstone" Programs, Congressional Research Service Opportunities for Cooperative Public Research Projects for the Congress", October 2000.

[16] These studies were conducted by the Maxwell School of Citizenship and Public Affairs at Syracuse University, which has produced several other studies in recent years as part of the capstone programs. CRS also has entered into an agreement for two projects with the Lyndon Baines Johnson School of Public Affairs at the University of Texas. The Service has been exploring further partnerships with the University of California at Los Angeles School of Public Policy and Social Research, the John F. Kennedy School of Government at Harvard University, and the School of International and Public Affairs at Columbia University.

[17] Ellen Rubin, et al. "CRS Succession Planning: Diversity and Reform", a research study conducted by students of the Maxwell School at Syracuse University, June 9, 2000.

[18] CRS analysts are placed in a career ladder that runs up to GS–15. The "ladder" allows analysts to be promoted without having to compete against colleagues, which not only provides at-

the application process; creating relationships with professors; using internet and mail for schools that CRS was unable to visit; and expanding the functions of the Office of Workforce Development. The team also cited additional CRS actions such as using analysts as recruiters; participating in minority career fairs, conferences and symposia; and conducting outreach to minority fellowship organizations, as actions that should be encouraged and supported by CRS as an organization.

IV. Forging Special Connections with Minority-Serving Organizations

In addition to the recruitment efforts outlined above, CRS has, as part of its ongoing recruitment and hiring activities, conducted extensive outreach to organizations that promote diversity in higher education. These organizations include Historically Black Colleges and Universities (HBCUs), national minority organizations and education associations such as the United Negro College Fund, and congressional organizations such as the Congressional Black Caucus Foundation and Congressional Hispanic Caucus Institute. The nature and scope of these relationships are described below.

Historically Black Colleges and Universities (HBCUs)

Over the past several years, CRS has worked with HBCU administrators and faculty in pursuit of three objectives: (1) to promote CRS as a potential employer of HBCU students; (2) to encourage HBCU students to consider public service as a career option; and (3) to encourage undergraduate HBCU students to consider graduate study as a means to fulfilling their long-term career objectives.

For example, CRS has undertaken efforts to recruit at the Atlanta University Center (AUC), made up of Clark Atlanta University, Morehouse College, Spelman College, and Morris Brown College, to develop a program for providing paid summer work experiences for students with outstanding academic credentials and to explore the feasibility of a faculty sabbatical program with the Service. Several visits to these schools by the Director, the Deputy Director, and an Associate Director resulted in an inaugural program for the summer of 2001.

The first student nominated by the AUC for the intern program has now completed his work experience with the CRS American Law Division.[19] Feedback from the student, his CRS mentor, and his supervisor indicates that the program was highly beneficial to both the student and CRS. Based on this feedback, the Service will continue to work with the AUC schools to develop and potentially expand the program for the coming academic year. The AUC program is a direct outgrowth of the recruiting efforts CRS has undertaken at Clark Atlanta University, Morehouse College, and Spelman College over the past several years.

In addition to the AUC program, the Service has also conducted extensive outreach with Howard University, both through the Ralph J. Bunche International Affairs Center and the Patricia Roberts Harris Public Affairs Program. Specifically, CRS has provided internship opportunities to Howard University students, and participated in career fairs and made presentations to various student groups and organizations on campus.[20] In addition, CRS has made available to the Bunche Center a senior CRS librarian who was instrumental in helping the University establish and organize an international affairs library.

National Minority Organizations and Education Associations

In establishing recruiting relationships with various universities, CRS was made aware of several groups that offer valuable perspectives and networks for minority recruiting. One such group is the Institute for International Public Policy (IIPP). Administered by the United Negro College Fund, the IIPP is a fellowship program designed to identify, recruit, and prepare under-represented minority undergraduates for careers in international service. Working with the Director of the IIPP, CRS developed a program for providing paid summer work experiences to qualified IIPP Fellows. CRS selected its first IIPP Fellow in the spring of 2001.[21] Based on the initial success of this program, CRS is currently considering options for expanding its relationship with the IIPP.

CRS has also regularly attended recruiting events and annual conferences of minority organizations such as Blacks in Government (BIG), the National Association

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tractive upward mobility potential, but also promotes team work and collegiality in the workplace.

[19] A graduating senior at Morehouse College worked with CRS over the summer of 2001, before going on to graduate work in education at Columbia University.

[20] CRS has established personal relationships with both past and present Howard University administrators, including the current President, H. Patrick Swygert.

[21] A Morehouse graduate, returning from work in China, worked as an IIPP Fellow in the Foreign Affairs, Defense, and Trade Division of CRS for the summer of 2001.

for Equal Opportunity in Higher Education (NAFEO), the National Association for the Advancement of Colored People (NAACP), and the National Urban League.

Similarly, CRS has taken an active role in higher education associations such as the Association for Public Policy and Management (APPAM), the National Association of Schools of Public Affairs and Administration (NASPAA), and the Association of Professional Schools in International Affairs (APSIA), as well as professional associations such as the American Bar Association, the American Library Association, the American Political Science Association, etc. Specifically, CRS has participated in annual career fairs and job expos sponsored by these organizations, attended meetings with key organization representatives and affiliates, participated in various panels and symposia, and delivered speeches and presentations on diversity-related topics.

Congressional Organizations

CRS has established recruiting relationships with both the Congressional Hispanic Caucus Institute (CHCI) and the Congressional Black Caucus Foundation (CBCF). CRS's involvement with the Congressional Hispanic Caucus Institute has centered around the CHCI Public Policy Fellows Program. The CHCI Fellowship Program accepts up to 20 promising Hispanics each year from across the country, Puerto Rico, and Guam. The purpose of the program is to provide Fellows with hands-on experience at the federal level in the public policy area of their choice. For the past several years, CRS has participated in the formal orientation program for CHCI Fellows by making a presentation about career opportunities in Washington, DC. This year, CRS is seeking to expand its relationship with the CHCI program by serving as a job placement site for one or more CHCI Fellows.

CRS is working to develop a similar relationship with the Congressional Black Caucus Foundation in the near future. The CBCF sponsors a number of internship and fellowship programs for both undergraduate and graduate students. CRS has traditionally been involved in providing legislative training for these interns and fellows, but has not served as a job placement site for CBCF Fellows. Discussions are currently underway with the CBCF to determine whether CRS might be included as a placement site for CBCF Fellows during congressional recesses. CRS is also working with the CBCF to expand the training opportunities available to CBCF Fellows.

CRS INTERNAL DIVERSITY PROGRAMS AND INITIATIVES

In addition to recruitment and outreach efforts directed at outside institutions and organizations, CRS has developed programs and career development opportunities for its own staff. This section of the report highlights those programs, opportunities, and activities.

Project Management Coordinators

Over the past five years, CRS has undergone a number of organizational reviews. One such review resulted in the elimination of the senior level position of Coordinator of Research. This was followed by an examination of the administrative [22] and managerial support provided to senior managers throughout the Service to determine their needs in this area. As a result of this examination, the Project Management Coordinator position was created in 1997. This position, in a promotion plan to the GS–15, was made available to each office and division and was posted limited to the Service as a means of providing CRS staff with an opportunity to compete for it. As a result, out of the 14 project management coordinator positions filled, five (36 percent) were filled by minorities (4 African-American and one Hispanic).

Technical Support Assistants

In early 1995, CRS determined that there was a need for mid-level computer specialist assistance not only in its Technology Office, but also in its 12 divisions and offices. As a result, a GS–12 was added to the GS–7 to GS–11 Technical Support Assistant career ladder to meet this need. Subsequently, in March 1995 CRS began posting these administrative positions at various grade levels. To provide advancement opportunities for its non-professional staff, most of the vacancy announcements were posted under the Library's Affirmative Action Intern Program, the CRS Career Opportunity Program, or through vacancy announcements limited to Library

[22] The term "administrative positions" is also based on OPM's PATCO definition. For CRS this consists of certain senior managers, technical information specialists, computer specialists, information specialists, administrative officers, management specialists, project management coordinators, and certain other administrative positions.

or CRS staff. Since that time, 16 appointments have been made to these positions, 11 (69 percent) were filled by minorities.

Detail Opportunity Program

In May 1996, with the cooperation and agreement of the Congressional Research Employees Association (CREA), CRS began a process under which it posts throughout the Service notices of detail opportunities. This program was designed as a means of increasing the Service's capacity to shift resources quickly and effectively in order to meet the ever increasing and changing needs of Congress. Through this program, CRS provides employees at various levels within the organization an opportunity to fill a temporary need (not to exceed one year) within a division or office while at the same time providing them with work experience in an area of interest. Since this program was launched, out of the 32 selections made, 17 (53 percent) were minorities.

Volunteer Intern Program

The Volunteer Intern Program was developed in June 1994 by a committee tasked by the Director to explore the possibility of expanding the gratuitous services program as a way to bring in volunteers to supplement the work performed by the permanent staff during a period of budgetary constraints. While intern opportunities are available to professionals at all levels, the primary focus of this program is to recruit undergraduate and graduate students from institutions with programs that reflect the work we do at CRS and that have a diverse student enrollment. By recruiting students from diverse social and cultural backgrounds, CRS has been able to identify a broader pool of volunteers and to build strong relationships and partnerships with participating colleges, universities and organizations. During fiscal year 2001, the Service brought in 17 student volunteers under this program. Three of these students (18 percent) were minorities.

Career Opportunity Plan (COP)

COP is a career development program that is part of the Collective Bargaining Unit Agreement between the Library and the Congressional Research Employees Association (CREA). It was developed to provide CRS non-professional staff with the opportunity to use their knowledge, skills and abilities to compete for professional opportunities. There are two primary components, the position component and the detail component. Under the position component, selectees participate in the program for two years, during which they receive on-the-job training and assignments designed to provide them with ample opportunity to demonstrate their capacity to perform professional work. Following successful completion of the two year program, participants remain permanently in the new professional positions. The detail component involves the announcement of a competitive six-month detail to a policy analyst or legislative attorney position for the purpose of enabling detailees to gain creditable research experience. Since its inception, 17 CRS staff have been selected under this program, four of whom (24 percent) were minorities.

Recruitment and Mentoring Working Groups

In an effort to further the Service's goal of enhancing diversity in implementing its succession initiative, in March 1998, the Director established two diversity working groups, one on recruitment and one on mentoring. The recruitment working group focused on reviewing and strengthening the Service's processes to attract a diverse applicant pool for permanent professional positions. The mentoring working group focused on exploring ways to incorporate mentoring of new staff into the Service's work environment as well as identifying ways to mentor current staff who move into different areas of responsibility. Upon completion of their work, these groups provided a report to the Director that included a number of recommendations. Many of the recruitment recommendations are currently being implemented. While mentors are assigned to staff hired under special programs, because of staff shortages, most of the recommendations of the mentoring working group will not be implemented until additional staff are hired.

ONGOING PARTICIPATION IN LIBRARY-WIDE DIVERSITY ACTIVITIES

While succession planning provided a strategic framework in which to focus on diversity during the past five years, CRS also regularly participates in Library-wide workplace diversity programs and activities.[23] These programs include:

[23] While not discussed explicitly, CRS has supported and made every effort to comply with all Library and government-wide policies and procedures designed to ensure fairness and equity.

Continued

HACU National Internship Program (HNIP)

The Hispanic Association of Colleges and Universities (HACU) is a non-profit organization that sponsors an internship program for Hispanic-Serving Institutions (HSIs), with a minimum of 25 percent Hispanic enrollment. This program, the HACU National Internship Program (HNIP), provides undergraduate and graduate students with an opportunity to serve as paid interns at federal agencies and private organizations. Through the Library's agreement to serve as a sponsoring agency for this program, since 1996 CRS has provided one to two HACU interns a year with an opportunity to gain professional work experience in a variety of areas.

Affirmative Action Intern Program

The Library's Affirmative Action Intern Program is a two-year program designed to further the career development of Library staff in clerical or technical positions by providing them with training and experience for placement into permanent professional or administrative positions. (CRS selected 3 under the fiscal year 1994–96 program.)

Affirmative Action Detail Program

The Library's Affirmative Action Detail Program is designed to encourage the interest of talented and motivated staff, especially women, minorities and persons with targeted disabilities in administrative or managerial work. The experience gained through the detail can be used as qualifying experience for positions in the administrative/managerial field. (CRS participated in the 2000 Affirmative Action Detail Program, the first such program.)

Leadership Development Program

The Leadership Development Program is designed to develop future leaders for the library profession in the Library of Congress or other libraries, to expose Fellows to cutting-edge technology and information systems, to increase the number of minorities who are prepared to assume leadership positions in the library, and to prepare them for the next generation of librarianship in an expanding electronic environment. For the 1999–2000 program, the most recent program year, CRS submitted nine possible projects for consideration of the ten fellows chosen under this program as part of their one year assignment to this program.

Executive Potential Program

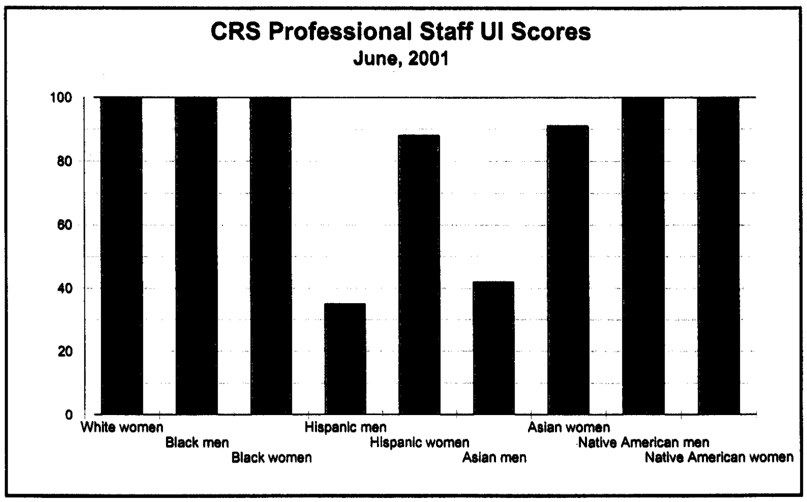
The Executive Potential Program (EPP) is a 12-month nationwide career enhancement program that offers training and development experiences for high-potential GS 13–15 employees who wish to move into managerial positions. EPP provides managerial needs assessment, individual development plans, developmental work assignments and residential training that address the competencies necessary for executive-level positions. Participants are required to complete a minimum of four months of developmental work assignments away from the position of record. Since 1996, CRS has provided developmental assignments for eight people.

COMPOSITION AND DIVERSITY OF CRS WORKFORCE

Since the beginning of fiscal year 1994, CRS has lost more staff than it has been able to replace, suffering a net loss of total staff on board (from 753 on September 30, 1993 to 690 on August 31, 2001) and professional staff on board (from 450 on September 30, 1993 to 407 on August 31, 2001). For both total staff and professional staff, however, CRS has been able to hire minorities in a greater proportion than it has lost. Thus the percent of minorities among total staff has increased from 30 percent to 33 percent and the percent of minorities among professional staff has increased from 14 percent to 16 percent. During the same period, despite overall staff losses, CRS has increased the number of staff in the administrative category from 143 to 168 and increased the percent of minorities in that category from 33 percent to 44 percent.

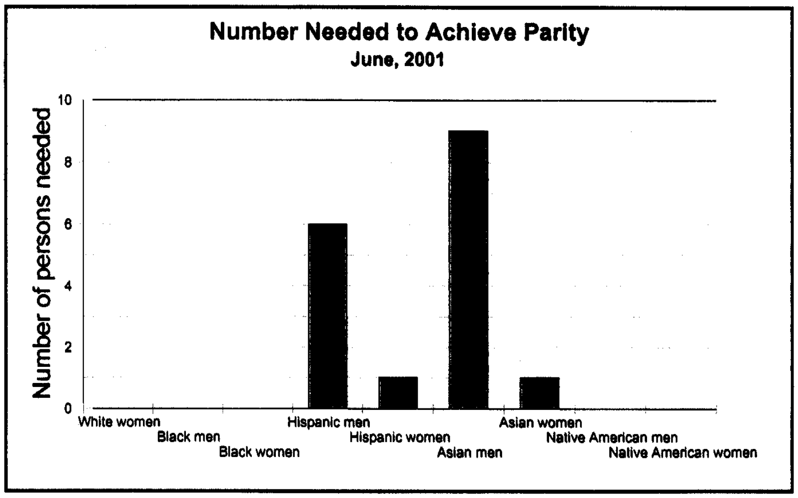
Such policies and procedures include: diversity training, procurement regulations, bestowal of awards, promotions, professional development opportunities, and formulation of recruiting plans for each hire. In addition, CRS is represented on the Diversity Advisory Council and has supported staff participation in minority sponsored activities such as Blacks in Government, the Black Caucus, and Hispanic Leadership Conference, as well as efforts to celebrate diversity such as Heritage Month activities. CRS also regularly hires high school students under the Work Study Program and as provides work opportunities for students under the Summer Youth Program. Work Study is a progressive, career-development effort that combines on-the-job training with classroom instruction and training. The Summer Youth program also provides on-the-job training to students. Over 90 percent of the students who participate in these programs are minority.

The first chart presented below, based on Library of Congress data, shows the status of the CRS professional staff as of June, 2001, in terms of underrepresentation index (UI) scores. The underrepresentation score, calculated for each protected class, shows the percentage of that class in the CRS workforce compared to the percentage in the civilian labor force to which the CRS workforce is compared. (The Library compares its professional workforce to the national professional civilian labor force.) A score below 100 indicates underrepresentation. The lower the score, the higher the underrepresentation. A score of 100 indicates that the class in CRS is at or above parity with the relevant civilian labor force, that is, it is at least as well represented in the CRS workforce as it is in the relevant civilian labor force. Thus it is not underrepresented. Indeed, in several categories CRS is well above parity. For example, the UI scores for Black men, Black women, and Native American women among CRS professionals are considerably above parity. See Appendix, CRS Professional Staff as of June 30, 2001, for a breakdown of these numbers.



The next chart, based on the same table in the Appendix, shows the number that CRS would need to hire for each currently underrepresented group among CRS professionals to achieve parity with the professional civilian labor force.[24] While CRS will continue to recruit to increase diversity among all groups, it is clear that CRS should direct its recruitment most urgently to Hispanic men and Asian-American/ Pacific Island men.

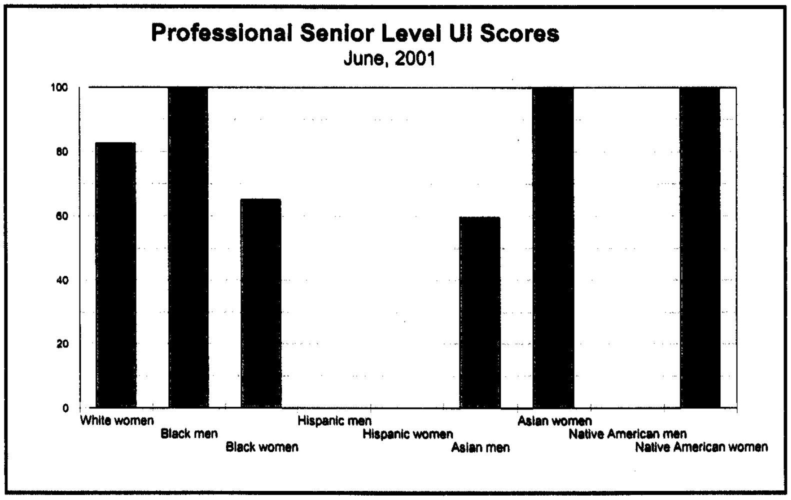
[24] Note that each additional hire (or each loss) changes all the UI scores because it changes the ratio of each group to the whole.



While the CRS staff can be broken down in any number of ways to calculate underrepresentation,[25] two categories that are often examined are senior level staff and senior level manager positions. The Research Policy Council—the top senior level managers consisting of the Director, the Deputy Director, and Assistant and Associate Directors—are 23 percent minority (3 of 13) and 46 percent female (6 of 13). All senior level managers, which includes Deputy Assistant Directors and others besides the members of the Research Policy Council, are 16 percent minority (6 of 38) and 37 percent female (14 of 38). All senior level staff, including senior level managers, are 15 percent minority (8 of 54) and 35 percent female (19 of 54). This chart shows underrepresentation scores for professional senior level staff, whether managers or not.[26] The most severely underrepresented groups are Hispanic men and women and Native American men. The Appendix, CRS Professional Senior Level Staff as of June 30, 2001, provides a breakdown for these numbers.

[25] For example, one could examine the scores of specific occupational groups such as social science analysts, or of grade groupings either for total staff or for an occupational group such as GS–13–15 social science analysts.

[26] Six other senior level staff, including 3 white women and 1 black woman, are in the administrative category.



CONCLUSION

CRS has redoubled its diversity efforts in recent years, utilizing a wide variety of programs and initiatives—both CRS-specific and Library-wide. Indeed, it has become clear that success in this regard is dependent on such a multi-faceted approach that relies on a variety of hiring practices, recruiting strategies, and communication techniques. These efforts have been an integral part of succession planning. The impending large turnover of CRS personnel provides the opportunity to address goals in a comprehensive way that will help guarantee the diversity of the next generation of staff.

What this report describes is only an overview of what has been accomplished, and that picture clearly demonstrates the commitment of the CRS Director, managers, and staff to the principles of diversity as they carry out the Service's programs, policies and procedures. CRS remains fully committed to diversity both in its substantive research perspectives and in the makeup of its staff—diversity that mirrors that of the Congress and its constituencies. And while its diversity efforts will always be a "work in progress," the Service has had a high degree of success in recent years and is determined to see that trend continue.

APPENDIX 1

The following tables illustrate the breakdown of CRS professional staff and senior level staff compared to the national professional civilian labor force (CLF). Note that UI Scores are capped at 100 and do not reveal whether the group exceeds parity, although that can be seen where the percent in CRS exceeds the percent in the CLF. The number needed to achieve parity is always rounded up to the next whole number.

CRS PROFESSIONAL STAFF AS OF JUNE 30, 2001

Group	Number of group in CRS (A)	Percent of group in CRS (B)	Percent of group in CLF (C)	UI Score (B/C × 100)	No. Needed to achieve parity
White men	203	51.39	54.70	....	....
White women	127	32.15	30.30	100	0
Black men	16	4.05	2.40	100	0
Black women	25	6.33	3.20	100	0
Hispanic men	2	0.51	2.10	24	7
Hispanic women	5	1.27	1.40	90	1
Asian/Pacific men	7	1.77	3.50	51	7
Asian/Pacific women	7	1.77	1.90	93	1

CRS PROFESSIONAL STAFF AS OF JUNE 30, 2001—Continued

Group	Number of group in CRS (A)	Percent of group in CRS (B)	Percent of group in CLF (C)	UI Score (B/C × 100)	No. Needed to achieve parity
Indian/Alaskan men	1	0.25	0.20	100	0
Indian/Alaskan women	2	0.51	0.20	100	0
Total	395				16

CRS PROFESSIONAL SENIOR LEVEL STAFF AS OF JUNE 30, 2001

Group	Number of group in CRS (A)	Percent of group in CRS (B)	Percent of group in CLF (C)	UI Score (B/C × 100)	No. Needed to achieve parity
White men	29	60.42	54.70		
White women	12	25.00	30.30	83	3
Black men	3	6.25	2.40	100	0
Black women	1	2.08	3.20	65	1
Hispanic men	0	0.00	2.10	0	2
Hispanic women	0	0.00	1.40	0	1
Asian/Pacific men	1	2.08	3.50	59	1
Asian/Pacific women	1	2.08	1.90	100	0
Indian/Alaskan men	0	0.00	0.20	0	1
Indian/Alaskan women	1	2.08	0.20	100	0
Total	48				9

ADDITIONAL SUBMITTED MATERIAL

[CLERK'S NOTE.—The subcommittee received a letter from James H. Billington requesting that several statements and letters relating to the Center for Russian Leadership Development be included in the record.]

LETTER FROM JAMES H. BILLINGTON

APRIL 17, 2002.

The Honorable RICHARD J. DURBIN,
Chairman, Subcommittee on Legislative Branch, Committee on Appropriations, United States Senate, 115 Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I was grateful for the opportunity to appear before your subcommittee last month to present testimony about the Center for Russian Leadership Development (CRLD). I would be glad to supply additional information for the record or in person if that would be helpful.

Meanwhile, members of the CRLD Board of Trustees and others who have organized significant programs for the Open World Program have asked that their testimony be submitted for the record. I am enclosing statements from the Honorable James W. Symington and the Honorable James F. Collins, members of the CRLD Board of Trustees. I am also enclosing a statement from Mr. Lee Boothby, vice president of the International Academy for Freedom of Religion and Belief. Finally, I am enclosing a copy of recent correspondence from Judge Michael Mihm of Peoria, Illinois, who has previously corresponded with you about the partnership between the Open World Program and the United States Judicial Conference.

I would be grateful if these statements could be made part of the official hearing record, since this was the first chance to testify about the program and its new structure, and there was no opportunity for outside witnesses to appear before the subcommittee.

Sincerely,

JAMES H. BILLINGTON,
Chairman of the Board of Trustees.

PREPARED STATEMENT OF HONORABLE JAMES W. SYMINGTON, MEMBER, BOARD OF TRUSTEES, CENTER FOR RUSSIAN LEADERSHIP DEVELOPMENT

It is my great honor and pleasure to submit testimony in support of the fiscal year 2003 appropriations request for the Center for Russian Leadership Development submitted to the members of this subcommittee by the Librarian of Congress, Dr. James H. Billington, who testified in support of the Center's request on March 13, 2002. The Center is now a distinct entity in the Legislative Branch, housed at the Library of Congress, and charged with managing the largest exchange program the United States maintains with Russia—the Open World Program.

I am pleased to serve on the Board of Trustees for the Center, with Jim Billington (Chairman), Senator Ted Stevens my good friend, who serves as Honorary Chairman, Senators Carl Levin and Bill Frist; Representatives Amo Houghton and Bud Cramer; former Ambassador Jim Collins, and philanthropist and financier George Soros.

My involvement with the Center is almost as long as that of Senator Stevens and Jim Billington. When Jim Billington first proposed the idea of a large-scale effort (modeled on the Marshall Plan's success after World War II in rebuilding Germany by allowing young German political leaders to visit the United States to observe democracy in action) Senator Ted Stevens moved quickly to give this bold idea a chance to demonstrate its worth.

The fiscal year 1999 supplemental appropriations request for Kosovo contained $10.0 million to give the Library of Congress the opportunity to launch a pilot effort to bring up to 3,000 young Russian leaders—with no English language skills—to the United States for short-term stays in American homes and communities. Senator Stevens, whom I am honored to have as my friend, was familiar with my lifelong interest in and passion for Russian culture and forging ties between Russia and the United States. I have continued to work to bring major exhibitions to both the United States and Russia through the Russian-American Cultural Foundation, which I chair. Senator Stevens asked me to serve as Executive Director for the program—launched as the Russian Leadership Program but known throughout Russia as "Open World." Jim Billington arranged to have experienced staff at the Library loaned to the program for six months. I worked day-to-day with Gerry Otremba, whom the Board has asked to serve as Executive Director for the Center, and Aletta Waterhouse from the Congressional Research Service, who had worked on the Frost Task Force some years earlier. We had our work cut out for us.

We found ourselves with scarcely seven months to create the first grant-making program in the Legislative Branch; find partners who would help us ensure home stays in American communities for our guests; put arrangements in place in Russia to nominate, screen, and obtain visas for participants; develop appropriate local programs; arrange international and domestic travel; and find and train escort-interpreters to accompany the delegations during their typically 10-day visits in the United States.

The Open World Program was a resounding success: in just seven months, the program brought 2,045 young Russian leaders to 48 states and the District of Columbia. We at the Library did not produce this miracle alone. Our key partner was the American Councils for International Education, led by Dan Davidson, which handled all of our Russian and U.S. logistics, including travel. Our major hosts were the Russia Initiative of the United Methodist Church, Rotary International, and the Friendship Force.

Jim Billington, in his testimony before this subcommittee, presented powerful and persuasive thoughts on why our relations with Russia three years later are even more dependent on large-scale exchanges such as the Open World Program. Jim is a world-renowned scholar of Russian history and culture and has advised many Members of Congress and, indeed, U.S. presidents on Russia's political history and culture. Jim's original idea was simple and direct and it remains vital three years later. Let me add a very personal perspective on the impact the program can have—both for its Russian participants and its American hosts.

The very first summer, Open World brought as many as 400 young Russians per month to the United States. We wanted, quite naturally, to see and evaluate their experience firsthand, rather than rely solely on second hand reports. So we visited delegations during their stay in America to meet them, meet their U.S. local hosts, and determine firsthand the impact of the program. Let me hasten to add that our informal on-the-ground evaluation was supplemented at the conclusion of the program with a systematic evaluation and debriefing of all the returning Russian participants.

I mentioned that the Methodist Church's Russia Initiative was one of our host partners. I traveled to Lee's Summit, Missouri—my home state—in July 1999 to meet the delegation being hosted by Steve Whitehurst, Patty Sents, Bob Farr, and others of Grace Methodist Church in Lee's Summit. The program was a typical mix of activities designed to show America—its people, values, culture, and volunteer spirit—to young Russians who had come of age in the Soviet era and live today in Russia surrounded by images of the United States drawn almost exclusively from American popular culture: films, television, music, and advertising. I can assure members of the subcommittee that Lee's Summit, Missouri, is a far cry from reruns of "Dallas".

The delegation's two newspaper editors, one journalist, and one professor had a 10-day visit that featured meetings with Kansas City mayor Kay Waldo-Barnes and U.S. Representative Ike Skelton, a meeting of the town council, and visits to the Truman Library, television and radio stations, a hospital, a school, and Jefferson City, the state capital. A highlight of their visit was being hosted by the man who was both the Methodist minister and the volunteer fire chief for the town.

The wide variety of civic endeavors that Americans take in stride provides an astonishing spectacle to the foreign visitor. Lee's Summit, a vibrant community close to Kansas City, presented this delegation with a slice of all-American life they will not likely forget. Bob Farr, their robust host, after taking them on a wave-splashing motorboat tour of Lake Lotawana, where they also fished and swam, welcomed them into a comfortable, rambling home that could have been the subject of a Norman Rockwell illustration, complete with two teenagers doing their homework on the living room floor, a sleeping pup, and a mountainous dinner for 18 beckoning in the next room.

Dinner had been prepared by Mrs. Farr's mother, since Mrs. Farr had just completed her first day as a seventh-grade teacher in the local high school. Mr. Farr, having preached the previous day as Minister of the Methodist Church, had doffed his robes, and donned his gold-braided uniform as the community's fire chief. He then escorted the somewhat bewildered Open World delegation to the firehouse, where they witnessed a dazzling demonstration of planned pyrotechnics. An old car was set aflame, setting the stage for the arrival of a gleaming, fully equipped yellow fire truck that disgorged about two dozen masked firefighters. The hose was rolled out, the flames were doused, and a dummy "victim" was pulled to safety. This done, the brigade removed their masks to reveal the jovial faces of young men and women in their twenties.

One Russian tentatively inquired "How much make?", "Nothing, we're all volunteers." "Well, how you life?" They described their several "day" jobs and obligations. Volunteerism was an integral part of the life and times of Lee's Summit. Earlier, the Russians had been introduced first to the Police Chief, a retired Kansas City cop who enjoyed the quieter life of a city jail with one empty cell to keep him company, then the Mayor, a charming lady who proudly introduced her two employees, including the Treasurer, another lady, slowly counting out greenbacks. "She collects the money," said the Mayoress. "I spend it." The Russians smiled at this division of labor.

Back at the fire station, the Russians were so delighted with their new and multitalented young friends that they suggested a beer in the local tavern. The invitation was enthusiastically accepted. The party, unimpeded by normal language barriers, went on into the small hours. At the next day's farewell the lead spokesman for the visitors told their host, The Reverend Fire Captain Farr, that his imaginative hospitality topped an already burgeoning list of happy and instructive experiences.

—Open World provides precisely the elements we have been told repeatedly that first-time visitors find immensely valuable;
—Open World makes possible direct observation of our political process—usually at the town or county level, where the level of citizen involvement and relations with the business and volunteer sectors are very apparent;
—Open World introduces American culture, values, and customs through attendance at community events—baseball games, Fourth of July parades and picnics, barbecues in American backyards with friends and neighbors, and the like;
—Open World builds mutual understanding: our delegations meet with the local newspaper editor, are interviewed on the local television station, and meet leaders and citizens of communities large and small who are involved with the PTA, the local Rotary Club, the Methodist Church, and other civic, religious, and voluntary organizations like the Lee's Summit Fire Brigade.

At the hearing on March 13, Senator Stevens particularly praised the Open World Program for its success in involving nongovernmental organizations in hosting our Russian guests.

A week earlier, the Board of Trustees voted overwhelmingly for a 2002 program and budget that will allow Open World to invite 2,500 participants—the largest number since the program's first pilot year in 1999. We on the board made that decision with the full understanding that the program's carry-over funds would be needed to supplement the $8.0 million Congress appropriated for fiscal year 2002. The Center's full $10.0 million request for fiscal year 2003 will allow the program to plan and execute a program of equal scope next year. I urge the Chairman and members of the Subcommittee to support the full request.

As a former member of the House of Representatives, I know full well the difficult funding decisions that you as members of the Appropriations Committee must make. The Open World Program is a modest investment in supporting Russia's dramatic transformation from Communism to democratic and market principles in the space of 10 brief years. The investment from the Federal government of approximately $6,000 per participant is matched by hundreds of hours of volunteer time provided by mayors, ministers, and state and federal judges. Home stays replace expensive and isolating hotel stays. American hosts provide entertainment and cultural activities greatly valued by first-time visitors. The home stays also provide a unique view of everyday American life from the inside, instead of a view from the outside in. The Russian participants want to interact with the Americans they meet and be able to ask questions freely and exchange views. They want to see the infrastructure of everything, know its practical application and experience it from top to bottom.

In conclusion, it has been my pleasure to serve as the Open World Program's first Executive Director and, now three years later, as a member of its Board of Trustees. I pay tribute to the two visionaries—Ted Stevens and Jim Billington—who made Open World a reality. I strongly encourage members of the subcommittee to meet delegations when they travel to your home states—as they surely will this year—and see for yourselves the profound impact the Open World Program has on both its Russian and American partners.

PREPARED STATEMENT OF HONORABLE JAMES F. COLLINS, MEMBER, CENTER'S BOARD OF TRUSTEES AND INTERNATIONAL ADVISOR, AKIN, GUMP, STRAUSS, HAUER AND FELD, L.L.P.

I am pleased to submit a statement in support of the fiscal year 2003 appropriations request from the Center for Russian Leadership Development to the Legislative Branch Subcommittee of the United States Senate.

I am submitting this testimony wearing, if you will, multiple hats: as a member of the Board of Trustees appointed by the Librarian of Congress, Dr. James H. Billington, in accordance with the terms of Public Law 106–554, and also as ambassador from the United States to Russia from 1997 to July 2001. I would like to share my impressions of the need and value associated with the "Open World" Russian Leadership Program managed by the Center. I have been associated with the program since its inception and I have enjoyed a unique perspective because I have had the opportunity to gauge the need for and efficacy of the program in Russia and to contemplate its long-term effect since my return to the United States last summer.

I have known Jim Billington for many years. During this time we have been colleagues and friends with a shared, deep interest in improving relations between the United States and Russia—through the Cold War, glasnost, perestroika, and the current period exemplified by burgeoning ties between the two countries nurtured by an interest in promoting democracy and market economy in Russia. I will not here review all the reasons why I believe these ties are important—my career commitment and Jim Billington's own testimony on this subject are sufficient. Rather I want to focus on my own role in shaping the first pilot Open World exchange in 1999 and how I have already seen the results of that effort and succeeding years.

As a career State Department official, I have been intimately familiar with the full-range of exchange efforts that the U.S. government has conducted with Russia for many years. Programs such as the International Visitors Program have been instrumental in bringing educators, scientists, government officials, and cultural leaders to the United States for extended stays of a few weeks' time. These programs were the mainstay of maintaining important ties to key opinion leaders in the former Soviet Union, particularly through the Cold War era. Few such programs were available to non-English-speaking leaders far from the power centers of Moscow and St. Petersburg. Numbers of visitors also fluctuated with funding for such activities as U.S. foreign policy priorities dictated.

Had the Cold War lingered on and Russia not begun a series of remarkable transitions in the late 1980's, such an approach would probably have been sufficient. With the collapse of Communism in Russia and that nation's completely unanticipated turn toward democratic principles and processes, a more dramatic effort—in both scope and size—was clearly needed. Jim Billington was a direct observer of what he correctly calls "the greatest political transformation in the late twentieth century": the final overthrow of Communist rule in Moscow in 1991. Perhaps no other living scholar/statesman—for that truly is Jim Billington's calling—was better poised to comprehend both the promise and danger that lay ahead for Russia and its people. Jim is hard-nosed about the lingering threat that Russia's vast stores of nuclear weapons and materials pose for the West. He is simultaneously poetic about the long history of the Russian people's struggles to survive their leaders.

It is our country's good fortune that Jim Billington's understanding of Russia's politics and her people collided, so to speak, in April 1999 with the collective political insight and will of the many Members of Congress gathered early one morning to discuss the state of U.S.-Russian relations at an Aspen Institute breakfast. Jim has escorted many CODELS and even Presidential Summit delegations to Russia. He offers guidance when asked and informs whenever and wherever possible about Russia's complex and remarkable history and culture. Fluent in its language and familiar with its far reaches, Jim keeps a steady eye on and ear to the Russian citizen's attitudes toward the West and the United States in particular.

When asked about Russian views toward the U.S. engagement in Kosovo, Jim provided both an important history lesson and a note of concern about the deterioration of the average Russian's views of U.S. foreign policy. When asked what could be done, Jim offered a dramatic, but certainly not new proposal: a large-scale program modeled on that portion of the Marshall Plan that brought thousands of young Germans to the United States for essential training to rebuild their shattered nation and its economy. Last year marked the 50th anniversary of the Marshall Plan. Even after 50 years, numerous participants spoke at celebrations, symposia, and reminiscences of the power and efficacy of the U.S. investment in guaranteeing the democratic future of the German Federal Republic.

Jim and I had discussed such an approach many times. I am certain that he raised it to many senior Members of Congress or presidential advisors. In April 1999 the time and place had come together. With the strong backing of Members of Congress—Senator Ted Stevens of Alaska, then-Majority Leader Trent Lott of Mississippi, Senator Carl Levin of Michigan, Representative David Obey of Wisconsin, to name but a few who involved themselves in the first discussions of launching and funding such a program—the "Open World" Russian Leadership Program was launched in May 1999. The Open World Program was tasked with bringing up to 3,000 of Russia's future political leaders to the United States to see democracy and a market economy for themselves, all in a scarce five-month period.

In all candor, I must tell the members of this subcommittee that I was pleased to be involved in shaping the program, its goals, and its management. As Ambassador in Moscow, I knew that this program would affect official relations with all levels of the Russian government and that the embassy's own resources of staff would be greatly strained—if only by the unprecedented number of visas we would be processing.

I had already had the opportunity to travel widely throughout the Russian Federation and knew firsthand the tremendous reserves of political talent dedicated to building democracy in Russia and eager to understand options open to Russia from American experience. I also was well aware of a whole generation of emerging leaders faced with the daunting challenges of a virtually-ruined economy and collapsing social infrastructure. Like Jim Billington, I shared a belief that a program of the size and scope we were proposing had to reach deep into every area of Russia—over thousands of miles—to introduce a shock wave of direct experience with the country that had so long been identified in the minds of every Russian as Russia's principal adversary.

If invited, would they come?

If they came, what benefit could be derived in 10 days?

I will not dwell very long on the first question. The record of achievement speaks for itself; Jim Symington's and Jim Billington's testimony amply cover the challenges of mounting such a large-scale program. We had heroic partners in both Russia and the United States. In Russia, the U.S. consulates and a score of organizations including the Open Society Institute, IREX, and others, including leading Russian government and non-government organizations, provided a superb pool of nominees from 86 Russia's 89 regions. In the United States, voluntary organizations such as Rotary International, Peace Links, and the Russia Initiative of the Methodist Church became the program's partners and made it possible for over 2,000 young Russian leaders to experience the political ideals and American hospitality of over 500 American communities. Jim Symington's heartwarming experience in Lee's Summit, Missouri, was repeated hundreds of times as young Russians shared volunteerism, political debate, barbecues, sports events, American music, and Fourth of July picnics and parades.

I would like to devote the balance of my testimony to the second question. We know the Russian have come to the United States under the aegis of the "Open World" Program—nearly 4,000 leaders from 88 regions. What has the experience meant to them and what does that experience offer to persuade members of this subcommittee to support its continuation and growth?

The facilities at Spaso House offer the U.S. Ambassador to Russia a wonderful place to engage continually Russian leaders and citizens. Virtually all receptions held after September 1999 included Open World alumni. I also met groups in Samara, Saratov, Tomsk, Tolyatti, and Novosibirsk at locations where the United States launched American Corners and Centers to house much-needed information resources about the United States. Let me describe what I think is important about the experience the Open World Program provides from the impressions I gained at these meetings and alumni conferences:

—The program is reaching not only a large number of young Russians—the average age is 38—but Russians involved in town, city and regional non-governmental organizations, and regional and city Dumas—who would not be invited to the United States under any other circumstances. These are the future leaders of a civil society in Russia's regions.

—The Open World Program does not require English speakers and gives priority to first-time visitors to the United States. In hundreds of communities, the Open World Program is providing the first contact with America—with the real America, not reruns of Dallas.

—Unlike virtually all other exchange programs, Open World guests stay in American homes. Direct contact with American families in your home states is the most powerful public diplomacy tool that America possesses. Open World has fully capitalized on that possibility—nearly 4,000 Russians have stayed in over 700 communities in 48 states and the District of Columbia. The photo albums that document each visit and return to Russia with our guests capture memories and experiences that will be discussed around kitchen tables in both countries for years to come.

—Each participant returns home with new insight into American values and an understanding of just what we means by accountable government. Participants also told me repeatedly—judges, nurses, city councilmen, etc.—how much they valued the exchanges they had with American counterparts.

When the Board of Trustees met recently for the first time, we were given the opportunity to scale back the program or expand it. We voted overwhelmingly to expand the scope and debated the desirability of allowing return visits to Russia by American hosts. We were fortunate the first year to have the opportunity to bring newly elected State Duma Deputies—nearly 25 percent traveled to the United States and were hosted by Members of Congress.

As new leadership enters the Duma and Federation Council and they are tasked with enacting significant legislation dealing with trade and security issues, it is more important than ever to continue to expand these ties. I am particularly pleased that the Congressional members of the Center's Board of Trustees want to be fully engaged with their counterparts. This aspect of the Open World Program—direct and sustained legislature-to-legislature relations—is of the utmost importance. As Ambassador, I worked with scores of CODELS, but I must emphasize how important it is for Russian legislators to meet their American counterparts on American soil and to participate in the informed and transparent work of the U.S. Congress.

In closing, I urge you to support the Center's fiscal year 2003 request for $10.0 million. The members of the board are committed to assisting with private fundraising but results cannot be expected overnight. Meanwhile, the continuing support of the U.S. Congress for this program—or the lack thereof—will be noticed in Russia. I can assure members of this subcommittee that senior Russian officials in all three branches of their government are keenly aware of it and appreciative of the opportunities the Open World Program affords Russian political leaders of all parties and points of view.

Prepared Statement of Lee Boothby, Vice President, International Academy for Freedom of Religion and Belief

I submit this written testimony before this Subcommittee as Vice President of and on behalf of the International Academy for Freedom of Religion and Belief. The Academy has a membership of approximately 100 experts in the fields of religious freedom and human rights drawn from many countries and different faiths. The Academy provides technical assistance on issues of freedom of religion and human rights, and its work has included conducting several conferences in the New Independent States and Central and Eastern Europe.

Our organization hosted a delegation from Russia under the 2000 Open World Russian Leadership Program. We also received a small grant from Open World to support alumni participation in a conference on "Freedom of Conscience and Ensuring Interreligious Understanding" that we conducted in Moscow in June 2001, and we have recently been awarded another grant from the Center for Russian Leadership Development to host fifty Open World participants in June 2002.

Since 1992 our Academy has regularly conducted seminars, conferences, and consultations in the Russian Federation, often with the Russian Academy for State Service Under the Presidency as our host. These meetings focus on problems relating to religious human rights, and the attendees are usually federal and regional officials who oversee religious matters.

We have extensive contacts with Russian religious affairs officials, the people who make the decisions that affect the decisions impacting on religious organizations present throughout the Russian Federation. Although most of these officials are conscientious in carrying out their responsibilities, because of the past they do not fully appreciate the positive benefits of religious tolerance and the right of people individually and in community with others to practice their religious beliefs without official discrimination and free from state interference. Although the Academy conferences have helped reduce the problems that foreign religious organizations operating in Russia and others face, there is always substantial resistance to change.

The experience we had with the delegation of Russians brought to the United States under the Open World Russian Leadership Program was both astonishing and gratifying. Although their visit was brief (five days in Washington, D.C., and five days in Utah), it was apparent from these officials' comments that their rigid attitudes were changed almost overnight by their experience in the United States. One participant later wrote: "The realization of the program of the Library of Congress was not only unique, but also actualized at a high level. In the process of open dialogue with our American colleagues, we, the Russian participants of the program, were able not only to exchange information and the experience of our work, but also to develop close working contacts and establish opportunities and main directions for future joint projects."

It has always been difficult to communicate the concept that the state should be neutral toward all religions and should not erect impediments to the free exercise of religion, free from bureaucratic imposition. We addressed these issues through programs and activities such as a mini-conference at George Washington University on the International Religious Freedom Act; sessions at Catholic University School of Law on key U.S. Supreme Court cases on freedom of religion and registration and tax policy; and discussions with Utah governmental officials on practical issues such as zoning, governmental regulation of religiously affiliated educational institutions, and governmental funding of religious social service activities. The Russians' visit to the United States seemed to erase many of their preconceived attitudes. I recall several of them commenting on how well the religious communities got along together, seeming to fight only about parking spaces on Sunday morning.

More importantly, even though our new Russian friends spent only a brief time here, it still allowed them and Americans with similar interests to get to know one another on a personal basis and to bond. These experiences, we found, continued to be remembered and to have an abiding, salutary effect after these participants returned to Russia to carry out their responsibilities. Now they have an altogether different attitude toward foreign religious organizations and missionaries.

Our Academy has two basic objectives in hosting the people visiting the United States through the Open World Russian Leadership Program: (1) to introduce key Russian leaders responsible for shaping and implementing religion policy in Russia to the institutions of religious freedom in the United States and to U.S. experts on these themes; and (2) to acquaint U.S. political, academic, and church leaders with Russian concepts of religious freedom. It continues to be our experience that all program participants come away with greater appreciation of: the importance of religious freedom; problems with implementing this ideal in both countries; and ways it can be better implemented in practice. We expect that our Russian guests and their counterparts in the United States will maintain the working relationships established through Open World.

In relation to the latter point, our Academy has been able to continue contacts and discuss matters of mutual concern with the alumni of the Open World Program, which extends the benefits of the visit of these Russians to the United States. In this regard, I want to express how valuable we have found the staff carrying out the Open World Program at the Embassy in Moscow to be. Allison Hawley and Alexander Khilkov multiply the benefits of the program by holding alumni meetings throughout this vast country.

Our Academy has also found the staff of the program here in the United States to be most helpful. I know the officers and members of the Board of the Academy believe that the expenditures made in connection with the Open World Program are the best dollars ever spent in American-Russian relations. We are certainly getting our money's worth in the results obtained.

CENTER FOR RUSSIAN LEADERSHIP DEVELOPMENT,
OPEN WORLD,
APRIL 8, 2002.

The Honorable MICHAEL M. MIHM,
Judge of the U.S. District Court, Central District of Illinois, 204 U.S. Courthouse, 100 Northeast Monroe Street, Peoria, IL 61602.

DEAR JUDGE MIHM: Thank you for your letter of March 27, 2002, and your previous correspondence. We are honored that you and so many of your fellow judges across the Unites States have worked so diligently to make Open World's rule of law component a success. I have also read the letter that you sent Senator Richard Durbin last October, and I appreciate your remarks about Open World's impact.

I agree with you wholeheartedly that the key to Open World's effectiveness is the person-to-person aspect of the exchanges, as exemplified by the judge-to-judge relationships the rule of law program fosters. Only when former Cold War adversaries sit around a table together can the process that you describe in your letter begin. Open World's colleague-to-colleague approach also ensures that these relationships are meaningful and sustainable. Our American host judges' commitment to making return visits to Russia and to establishing "sister court" relationships demonstrates this.

Russia is at a crucial stage in its transition to democracy, with judicial reforms providing, possibly, the critical hinge. The American judiciary's active engagement with its Russian counterpart through the Open World Program helps make me optimistic about the direction this reform process will take.

The staff of the Center for Russian Leadership Development and I appreciate your kind words about their efforts and professionalism. I look forward to working with you in the future on this exciting program.

Sincerely,

JAMES H. BILLINGTON,
Chairman of the Board of Trustees.

UNITED STATES DISTRICT COURT,
CENTRAL DISTRICT OF ILLINOIS,
Peoria, Illinois, March 27, 2002.

Dr. JAMES H. BILLINGTON,
The Library of Congress, 101 Independence Avenue, S.E., Washington, D.C. 20540.

DEAR DR. BILLINGTON: The last time I wrote you was in August of 2001, soon after the visit to my home in Peoria of four judges from the Russian Federation who were here as part of the Russian Leadership Program (Open World). I dug that letter out yesterday and reread it to assess where we have progressed since then. In that letter, a copy of which I attach to this letter, I was very exuberant about the wonderful experience that the visit had been, both for the Russians and for all of the people here in Peoria. I ended the letter by saying that more delegations were on the way and that we would be meeting to discuss how we could make the program even better for the delegations coming to America in 2002.

Representatives of the federal and state judiciary did in fact meet in Washington in mid November with all of the staff people involved and with representatives of Rotary International. It was a good meeting and fine tuning of program details (the devil is always in the details) followed. Now we are into 2002, and the first delegations have already come and gone. The first delegations this year have visited Tampa, FL, Eugene, OR, Nashville, TN, Ann Arbor, MI, Louisville, KY, and Rochester, NY. All reports that I have received indicate that the visits were very successful. We hope to bring over this year a total of around 200 judges. Since the beginning of our involvement 18 judges (14 federal and 4 state) in 18 states have hosted delegations. Of course, many more federal and state judges have been actively involved in the programs and other hosting activities.

I'm sure you are aware that there is significant judicial reform underway in the Russian Federation. Major legislation, including a new Criminal Procedure Code and three bills dealing with a variety of matters (everything from mandatory retirement age for judges to new judicial disciplinary procedures and new powers for judges in the areas of arrest, search and seizure, and pretrial detention) passed the State Duma and Federation Council in December and were signed by President Putin. These major reforms, most the result of significant debate, are changing the whole equation of judicial performance and judicial accountability in Russia. Not surprisingly, the judges strongly supported some of these changes and resisted others. All of this change, taken in conjunction with the other demands on a judiciary which will be celebrating only the 10th anniversary of its Council of Judges early next month, makes the Open World Program just that much more important, because the visits to the local communities give the Russian judges involved a new strength to face those challenges when they go home.

Under the new laws jury trials in certain serious criminal cases, which had been an option for a defendant in only selected experimental locations until now, will be extended to the entire Russian Federation. That change alone is of epic proportions. As a result, one of the major focuses of the local visits this year will be on the jury trial system in this country. Visiting judges will be exposed as much as possible to the variety of issues, problems, and solutions that we encounter here in jury cases. I believe this exposure will be of substantial assistance to them as they go about the task of establishing a tradition of jury trials in their communities. This move toward jury trials is in direct response to the recognition of the need to address the historic lack of trust of the Russian people in their court system.

No matter how much fine tuning to the Open World Program occurs, the most important product of the exchange will always be the person to person contact leading to life long communication and friendship. One of the judges who visited in our home in Peoria last summer was Chief Judge Alimzhan Shaymerdyanov. While he was here we came to realize the relative similarities of our respective communities. He is from the Vladimir Oblast. We have remained in communication since then. We have decided that there is much to be gained from the creation of a "sister court" relationship between his court and the federal and state courts here in central Illinois. Through a sister court relationship we will continue to exchange information and answer questions about how our systems operate. This will include not just judges, but also lawyers and court administrators.

I will be in Moscow early next month along with Judge Lloyd George of the District of Nevada to represent the American federal judiciary at the 10 year anniversary of the Council of Judges. I am going to use that opportunity to meet with Open World Alumni, and also specifically to meet with Judge Shaymerdyanov and the judges of his court in his home town to firm up the details of our sister court relationship.

If the Open World Program meant only that the Russian judges would come here and spend 10–12 days totally immersed is our legal and social culture, that would be a worthwhile project. If the visit here by the Russian judges leads to continued communication and dialogue, then the visit was not only an event, but the first step in a PROCESS, a partnership if, you would, a partnership committed to the establishment and enrichment of the Rule of Law.

By the way, in terms of ongoing communications, the alumni publication is wonderful. It is not only informative but also acts as a kind of "glue" or "cement" to the concept of long term relationships.

I work on a regular basis with many staff people who make the Open World Program a reality. I have yet to encounter any person who has not been highly professional, competent, and committed to ever improving the program. I believe that my brother and sister judges have all had the same experience. The superlative quality of the staff is, ultimately, a credit to you, because the positive attitude they display had to begin with you.

I came in very early this morning to write this letter, since I am in the middle of a jury trial. I tell you that not to make myself a better person than I really am, but rather to make the point that all of the judges who have been, are, and will be involved in this Open World Program, are judges first. If we did not believe that this program was an important one, we would not devote our time to it. Thank you for all of your efforts in regard to the Open World Program. I'll give you another report as circumstances warrant. If you have any questions of me regarding the program, please contact me at your convenience.

Warm Regards,

MICHAEL M. MIHM.

RUSSIAN LEADERSHIP PROGRAM,
OPEN WORLD 2000,
SEPTEMBER 18, 2001.

The Honorable MICHAEL MIHM,
Judge of the Central District of Illinois, 100 North East Monroe, Peoria, IL.

DEAR JUDGE MIHM: Thank you for your remarkable letter and all the time and attention you devoted to planning and hosting the first of our 2001 rule of law judges' delegations. You and your wife have set a standard for hospitality that was deeply appreciated by the Russian judges. The follow-up debriefing among all the July and September hosting judges has been invaluable for all involved with the pilot program. Your personal commitment to the effort has been outstanding and somewhat contagious among your fellow judges—much to our delight.

You are very kind to have noted the role played by the Russian Leadership Program and American Councils for International Education staff. We in turn are extremely grateful for the partnership with the Administrative Office of the United States Courts and the contribution, in particular, of Ms. Karen Hanchett, Ms. Mira Gur-Arie, and Mr. Peter McCabe. I am very pleased that the interest among your fellow judges is high and that we have been able to plan for another group of judges for November. Meanwhile, I would welcome the opportunity to meet with you later this fall to discuss what we have learned from the pilots and how to proceed with a program for 2002.

Sincerely,

JAMES H. BILLINGTON,
The Librarian of Congress.

JUDICIAL CONFERENCE OF THE UNITED STATES,
COMMITTEE ON INTERNATIONAL JUDICIAL RELATIONS,
AUGUST 23, 2001.

Dr. JAMES H. BILLINGTON,
The Library of Congress, 101 Independence Avenue, S.E., Washington, D.C.

DEAR DR. BILLINGTON: I wanted to share with you, briefly, my personal account of the recent visit to Peoria by four judges from the Russian Federation. All four of the judges and the non-judge facilitator stayed with my wife and me in our home. While we had volunteered to host the group in our home, I must confess that by the day they were due to arrive, Judy and I were more than a little apprehensive, given the language and cultural barriers. We found out later from our new Russian friends that they were even more apprehensive than we had been. In fact, when they arrived in Peoria, they believed that staying at our home was going to be a major problem.

Well, all of our apprehensions were unfounded. The eight days that we spent together were truly some of the most enjoyable of our lives. The morning that they left to fly back to Russia we had a private ceremony in my front yard, where we planted a young fir tree to commemorate their visit and to symbolize that our friendship would continue to grow long after they left. In fact, they vehemently resisted my efforts to pay for the tree the day before at the nursery and successfully argued that it wasn't, in fact, my tree—it was theirs.

My wife also gave each of them a key to our house with the admonition that, now that they had become part of our family, they would always be welcome in our home as family.

On the Tuesday night of their visit, Judge Astanin (from western Siberia) cooked a Russian meal. This followed a trip to the grocery store with my wife and the facilitator. Upon their return, proper ingredients were mixed together, and then we spent the next three hours standing around the kitchen counter manufacturing for immediate consumption the most incredible "Siberian dumplings" which have ever been made. Add to that small amounts of Russian vodka and appropriate Russian folk songs, and you have a priceless memory.

I could go on for pages about our other activities, and I haven't even mentioned the formal programs in Washington and Peoria, which were superb. I think you get the idea.

My wife was so taken with the entire experience that she may now accompany me to Russia next April for the celebration of the 10-year anniversary of the new Russian judiciary. That would give us the opportunity to meet at least some of the families of the judges who stayed with us. We have already established email contact with two of our guests.

Geraldine Otremba and Aletta Waterhouse from the Library and Lewis Madanick and Jeff Magnuson of the American Councils for International Education all performed their duties in a super manner and were very easy to work with. They are decent people who perform their jobs very professionally.

Now we are looking forward to three more groups coming over early in September. Preparations for that visit are well under way. I expect that after the September visits we will meet to discuss what we have learned from the six pilot visits and make decisions regarding the future course of the project.

Thank you for the vision to create this program and for providing my wife and me with an opportunity to be a part of it.

Warm regards,

MICHAEL M. MIHM.

UNITED STATES SENATE,
Washington, DC, November 6, 2001.

Honorable MICHAEL M. MIHM,
Chief U.S. District Judge, Central District of Illinois, 100 N.E. Monroe Street, Peoria, IL.

DEAR JUDGE MIHM: Thank you for your thoughtful letter and kind wishes. I appreciate knowing your insights on and favorable views of the Russian Leadership Program. Given your role in developing this program with the Library of Congress, it is helpful to learn about your personal experiences with the Russian participants.

As chair of the Legislative Branch Subcommittee of the Senate Appropriations Committee, I am familiar with this program and its merits. The conference committee crafting the details of the Legislative Branch appropriation bill recently approved an $8 million payment to the Russian Leadership Development Center Trust Fund for the Center for Russian Leadership Development. These funds will help enable emerging political leaders of Russia, including judges, to gain significant, first-hand exposure to the American free-market economic system and the operation of American democratic institutions. I will continue to support funding for this important program.

Thank you again for contacting me. Please stay in touch.

Sincerely,

RICHARD J. DURBIN,
United States Senator.

UNITED STATES DISTRICT COURT,
CENTRAL DISTRICT OF ILLINOIS,
OCTOBER 30, 2001.

Honorable RICHARD DURBIN,
United States Senator, 332 Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR DURBIN: I hope this letter finds you and your family well in these perilous times.

I almost never contact you about pending legislation, but I just learned this morning that an appropriations bill involving the Library of Congress Russian Leadership Program is presently under consideration. I write to offer my unqualified support for the program.

About a year ago Chief Judge Paul Magnuson of the District of Minnesota and I were contacted by James Billington, the Librarian of Congress, to ask for our support in putting together a program which would bring a large number of Russian judges to this country for a period of total immersion in our judicial and social culture. He contacted us because Judge Magnuson is the present head of the Committee on International Judicial Relations of the U.S. Judicial Conference, and I am the past chair of that Committee, a present member, and the person who has the primary responsibility for coordinating Rule of Law projects for the Committee involving the Russian Federation.

We met with Dr. Billington and others from the Library of Congress in Washington early this year. They explained that Congress had already approved funds for the purpose of bringing a wide variety of emerging Russian leaders from various walks of life to this country for a 10 day stay. The idea was that this would be the modern version of the Marshall Plan (where large numbers of emerging German leaders were brought here after the second world war). At the time of our meeting over 2,000 Russians had already taken advantage of this program. They indicated to us at that meeting that it had become clear to them how critically important it was to focus the program in part on the Russian judiciary, because without an honest, professional, and independent judiciary, it would be next to impossible to create and maintain a true Rule of Law in the Russian Federation.

To make a long story short, our Committee agreed to fully cooperate on this project. In March of this year I traveled to Moscow with two other judges, and while there we met with leaders of the Russian judiciary to seek their support for the program. They were very supportive of the project and promised their full cooperation.

In late July of this year the first contingent of Russian judges arrived in Washington. I was at the airport to greet them. We presented an intense two day orientation for them at the Thurgood Marshall Building on the American judicial system, state and federal. These presentations were made by both federal and state judges. On the third day the group split up into smaller delegations which traveled to local communities for full 7 day visits. I hosted one of the groups here in Peoria. In fact, the Russian judges stayed in our home with Judy and me for the entire week. During the week we presented a full program of judicial programming in the federal and state courts and also a variety of social events. The entire community became involved in the project. In fact, on one day we had a special setting of the Third District Appellate Court convene in my courtroom and hear oral argument in a civil and criminal case. The courtroom was filled to capacity with lawyers and judges from the entire area. Supreme Court Justice Tom Kilbride was instrumental in making that event possible, and personally attended and conferred with the Russian judges. We also had meetings with state legislators, representatives of the news media, prosecutors and defense attorneys, etc.

I could go on for pages. The bottom line is that the visit was very meaningful for the Russian judges. It made them fully understand what the Rule of Law means in reality in this country. Everyone who was involved in this program was touched, moved, and changed by it. I have maintained contact with the judges after their return to Russia. This same scenario played out at the same time in Oklahoma City and Baltimore, and since then delegations have traveled to Minneapolis, Denver, Nashville, and Boston. Tomorrow the next group arrives in Washington, and they will go to Salt Lake City, Las Vegas, and Albuquerque.

I would not presume to tell you that the continued funding of this program takes precedence over other budget demands. I have the greatest respect for your judgement. I can tell you that the program has been an unqualified success in each city where a delegation has visited, and that the emerging Russian judicial leaders who have participated in the program went home with a new vision of what a true Rule of Law environment could mean for the people of the Russian Federation. If funding is available we plan to bring over 400 Russian judges here in the year 2002. Many district courts around the country have expressed an interest in hosting a delegation in their community.

I believe that, if Russia succeeds in establishing a maintaining a meaningful democratic system, there is hope for many of the fledgling democracies of Central and Eastern Europe and Central Asia. If Russia fails in its democratic experiment, that failure will almost inevitably extend to those other new democracies. This program seems to be making a difference. A small, incremental difference that hopefully will grow with time.

I would be remiss if I did not also say that the people we have worked with on this project from the Library of Congress and their support staff are superlative in every respect. We have never worked with a better group of people on an international Rule of Law project.

I remember reading the transcript of your eloquent words in defense of the professionalism and in defense of our federal judiciary at a hearing of the Senate Judiciary Committee. This program exposes the Russian judges to that model as it performs in practice—in the big towns and small towns of America—made real for them by the men and women who serve the law in each local community.

I know there are demands on your time and attention. That is why I have written this letter instead of trying to contact you by phone. If you have any questions concerning this matter I would be happy to try to answer them at your convenience.

Please stay safe and continue your important work.

Warm Regards,

MICHAEL M. MIHM.

SUBCOMMITTEE RECESS

Senator DURBIN. The subcommittee is going to stand in recess now until Wednesday, March 20, at 10:30 a.m. Thank you.

[Whereupon, at 11:50 a.m., Wednesday, March 13, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, March 20.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2003

WEDNESDAY, APRIL 17, 2002

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:31 a.m., in room SD–124, Dirksen Senate Office Building, Hon. Richard J. Durbin (chairman) presiding.

Present: Senators Durbin, Reed, and Bennett.

U.S. SENATE

OFFICE OF THE SECRETARY

STATEMENT OF JERI THOMSON, SECRETARY

ACCOMPANIED BY:
BARBARA TIMMER, ASSISTANT SECRETARY
TIM WINEMAN, FINANCIAL CLERK

OPENING STATEMENT OF SENATOR RICHARD J. DURBIN

Senator DURBIN. Good morning. I would like to convene the subcommittee. Today we will take testimony from the Secretary of the Senate and the Architect of the Capitol on the fiscal year 2003 budget request. Our first witness is Jeri Thomson, Secretary of the Senate, who will be accompanied by Assistant Secretary of the Senate Barbara Timmer and the Senate Chief Financial Clerk, Tim Wineman. We certainly welcome you this morning.

SEPTEMBER 11TH

Before we review your budget, Jeri, I think it is appropriate to extend our sincere appreciation for your hard work and continuing efforts since last September 11. Most of the people who are viewing this hearing on C-SPAN do not realize what you have been through, and your family, I might add, since September 11, along with so many other dedicated people who work in the Capitol Building.

This subcommittee has a general responsibility, as the legislative subcommittee, and of course has major assignments when it comes to the continued operations, successful operations, of the United States Senate. But it also has a special obligation to the people who work as part of this operation and to our great legacy, these buildings which represent, not only to the United States, but to the world, a true symbol of freedom and democracy.

On September 11, a day which none of us will ever forget, you were called on, as many were, to do heroic things to protect this building. You had wonderful help in that regard. The Sergeant at Arms of the Senate Al Lenhardt and you were inseparable for months, as you both worked together to make certain that the buildings were secure and safe.

I cannot give enough praise today, or ever, to the Capitol Police for what they have done. I do not think any of us can really appreciate the sacrifices that were made by these men and women in an effort to keep all of us who work here safe and all who visit this great Capitol Building.

ANTHRAX INCIDENT

You and your staff then on October 15 faced a new challenge with the anthrax threat, which closed down a major portion of Capitol Hill. It was a threat that was unprecedented. The best experts in America came together and said, "We have never faced anything quite like this." And you were in the middle. You were in the eye of that storm, as we tried to bring business back to usual.

You faced a lot of pressure from members who wanted to be back in their offices, from staff, some of whom wanted to be back in their offices and others who did not want to go back in their offices. And you handled it with grace and real dedication.

I will just tell you that on behalf of all of the Members of the United States Senate—and I am sure I speak for both parties—that we want to give you, as well as the Architect's Office, the Capitol Police, the Sergeant at Arms, all of you, special commendation for the extraordinary and historic efforts that you made to keep the Senate in operation. It is a credit to you and your commitment to this institution that it was as successful as it was.

We understand that the countless hours that you put in on those days have diminished some, but are still being invested in preparedness and planning efforts to protect this great institution and all who work and visit here. We thank you so much for that critical work.

With respect to your budget, the request totals roughly $24 million, close to the fiscal year 2002 total budget. The request includes a one-time $5 million series of disbursing office initiatives aimed at improving financial management and the efficiency with which the Senate offices conduct resource tracking and reporting.

Senator Bennett will be joining us in a few minutes. But if I could ask you at this point—here he is, on cue. At this point, I would be happy to turn to my ranking member, Senator Bennett, for his opening statement.

STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you, Mr. Chairman. I read your opening statement and want to join in expressing my gratitude to the Secretary and her staff for the work that has gone into the activities surrounding September 11 and October 15. October 15 is not a date that is burned into the consciousness of the country. But certainly here in the Senate with the anthrax scare, it is a date that I am sure the Secretary of the Senate will never forget.

So, Jeri, we are very grateful to you for your leadership and your diligence and your dedication to lead us through that very difficult time.

Your budget request at $24 million does not seem unreasonable. I will be happy to have you tell us about the new initiatives that you are trying to bring on and the significant increase for the expenses of the Office of the Secretary. I am sure you can justify them. But for the record, we will go through that and I look forward to understanding them better.

We welcome you here, and I express my thanks and gratitude for the job you have done.

Jeri Thomson knows, Mr. Chairman, how she is referred to in our household as a term of endearment as she is herding Senators around to an event. My wife, who did not know her exalted title and position, referred to her as the “den mother” that was trying to see that all the Cub Scouts got to where they needed to be at the proper time and not get lost, so that she did not have to report to their mommies that they had wandered away.

It is a term of affection and admiration.

We are glad to have you here.

Senator DURBIN. Thank you.

The Secretary of the Senate, Jeri Thomson.

Ms. THOMSON. Well, thank you, Mr. Chairman and Senator Bennett, for all of those kind words. I think the praise of the staff and the Capitol Police is really warranted for their efforts during the extraordinary events of last fall.

I thank you for this opportunity to present testimony in support of the Office of the Secretary of the Senate’s budget request for fiscal year 2003. I am requesting $24,156,000. That is an increase of $161,000 over last year’s budget request.

LIS AND FMIS

Although the fiscal year 2003 budget request is essentially the same as last year’s, there are some important differences in how next year’s money will be spent. The Secretary’s Office has responsibility for two critical systems that are mandated by law. They are the legislative information system, known as LIS, and the financial management information system, known as FMIS.

Historically, the development of these systems has been funded by the Appropriations Committee through multiyear appropriations, which has enabled this office to plan, develop, and install these large and complex systems in a systematic and cost-effective way. Funding for the LIS augmentation project, which is known as LISAP, began in fiscal year 2000.

As former Secretary Gary Sisco noted in his testimony in May of 2001, the overall objective of LISAP is to implement extensible markup language or XML as the data standard to author and exchange legislative documents among the Senate, House of Representatives, the Government Printing Office, and other legislative agencies.

Our program carries out the December 2000 mandate to the Secretary of the Senate and the Clerk of the House from the Senate Committee on Rules and Administration and the House Committee on House Administration. Last year the committee appropriated $7 million to fund LISAP. The Secretary's Office is leading a team that includes staff from the Senate Sergeant at Arms, the Government Printing Office, the Library of Congress, Senate Legislative Counsel, and our own enrolling clerk. And we are working closely with the Clerk of the House so that the authoring tool that we develop is compatible with, and we hope identical to, the authoring tool developed by the House of Representatives.

This year I am recommending an appropriation of $5 million for a multiyear program to upgrade and expand the financial management information system of the Senate. The explanation and specific components of this project are described in my written testimony and in the much more detailed briefing book that has been provided by the disbursing office to the members of this subcommittee.

Briefly, with these funds our disbursing office will continue to modernize processes and applications to meet the continuing requests from Senate offices for efficiency, accountability, and ease of use. And in addition, with this funding the Senate will essentially complete the process of preparing the Senate to produce financial statements that can be audited, as mandated by the Senate Committee on Rules and Administration.

The multiyear funds appropriated by this committee in 1995 for the FMIS project have been spent. It is appropriate now to request another multiyear funding installment for this critical project, so that we can continue FMIS development in a strategic and orderly way. This approach is the same one this subcommittee used in 1995, when it appropriated $5 million for a multiyear financial modernization effort. Although that appropriation ended in 2000, the Secretary's Office funded additional contracts from our salary and expense budgets.

A piecemeal approach to financial management modernization is less efficient and less cost effective than the kind of long-term planned initiative that this committee put in place in 1995 and that we propose starting again next year.

STRATEGIC INITIATIVES

There are five strategic initiatives the disbursing office will implement, if this $5 million request is granted. And very briefly, they are: Moving to a paperless voucher processing system, improving the web FMIS function, making payroll system improvements; improving and integrating accounting subsystems, and, finally, being able to produce the financial statements.

The flexibility of multiyear funding assists the Secretary and the disbursing office in providing the long-range planning necessary to implement initiatives of this size and complexity. The previous similar FMIS funding strategy approved by this committee was a key factor in its successful execution.

DEPARTMENTAL OPERATIONS

While the overall budget request increase of the Secretary's Office is only $161,000, reallocation of funds within the office will result in an increase of $506,000 in the Secretary's departmental operations budget. Beginning with the fiscal year 1997 budget, the Secretary's departmental operating budget has remained essentially static at $1.5 million, with the one-time exception in fiscal year 2001, when the committee added approximately that same amount for an FMIS contract.

So for at least 6 years, the Secretary's operational systems, those systems that are a critical part of the infrastructure of the legislative and administrative services provided by the Secretary's Office, have had minimal or no upgrades. And as we know, 6 years is many lifetimes in information technology.

So I am recommending approximately $506,000, the same amount that was spent on the FMIS contract in fiscal year 2001, be available in fiscal year 2003, which would return the department's expense budget to about $2 million, which is the same that it was in fiscal year 2001.

The explanation of what needs to be done to bring the Secretary's departments the training, equipment, and systems they need to do their jobs is provided in detail in my written testimony. These new funds will begin to pay for new systems and upgrades that we have identified as critical to the Senate. And briefly, the $506,000 in funds that I have recommended for the departmental operations budget includes both recurring and nonrecurring costs.

The recurring costs are for the Secretary's annual continuity of Government/continuity of operations training and preparation. And we estimate that the initial expenditure for next year to be about $20,000.

The nonrecurring expenses are outlined in detail in my written testimony. But very briefly, it includes new hardware and software for the gift shop and the stationery room. The Senate curator needs to create microfiches of collection records to document the history and value of all the objects and to authenticate ownership and meet our COOP obligations. We have an obligation to take the same care that museums would of the Senate's art and antiquities, such as the Senate desks that are under the care of the Commission on Art. The approximate cost there is about $50,000. Our Official Reporters of Debate, who prepare the Congressional Record, need new computers. That is approximately $20,000. The Senate Library's catalog should be available online to every Senate office. The current catalog system has that capability, but the implementation was delayed pending release of a new Oracle-based software and scheduled replacement of an operating system. We are ready now. We would like to proceed. That approximate cost is $25,000.

CAPTIONING SYSTEM

And finally, the Senate's captioning system is now more than 10 years old. The system software is outdated. The computerized stenotype machines are the original machines purchased in 1991, when I was Assistant Secretary, and they are no longer manufactured. Replacement parts for the stenotype machines have become scarce.

And the present captioning system lends itself to possible errors that are mechanical in nature, rather than being caused by the captioners themselves. There is a critical need to upgrade the Senate's captioning system simply because we have an obligation to get it right. And the approximate cost there is about $100,000.

COOP AND COG PLANNING

Our response to the September 11 and October 15, 2001 events took the form of a direct, sustained, and now a permanent partnership between the offices of the Secretary of the Senate and the Sergeant at Arms. During and after the two biggest challenges of last year, the Senate's two principal officers have worked together seamlessly, both in coordinating continuity of Government planning efforts after the September 11 attacks and in managing the Senate efforts to reopen the Hart Building after the anthrax contamination.

After the events of the fall of 2001, it was obvious to the Sergeant at Arms and me, as newly sworn officers of the Senate, that more needed to be done in every Senate office to prepare for continuing Government functions during an emergency. The Senate's officers have been working together since that time to accomplish an extensive list of projects.

The Sergeant at Arms, as the Senate's lead officer in COG COOP planning, will brief the committee during his testimony. I, however, would like to brief you on what has been done in emergency planning in the Office of the Secretary.

Shortly after I took office on July 12, 2001, I tasked each department to complete their COOP plans by August 31. When I was Assistant Secretary, we had a small emergency planning process and I have remained convinced of the importance of emergency preparedness. As Secretary, I wanted to be assured that each department had the ability to perform essential functions in the event of the disruption of normal business operations.

Now all departments have finished their COOP plans. We have met in and tested off-site facilities. We have ordered equipment that departments will need to assist the Senate in session, in any location, in almost any circumstance. With the help of Senate legal counsel and the General Accounting Office, we are preparing a manual that will describe the process State by State for replacement of Senators, should that be necessary.

Each department has outlined a plan for the gradual restoration of operations, which might be interrupted or postponed by an event. They have identified requirements for operation at an alternative work site, which records, databases, equipment, and supplies are necessary to conduct essential functions. Each department has made arrangements to duplicate and store essential items off-site or has made sure adequate arrangements are in place to ensure timely replacement of those items.

COOP plans include maintenance schedules for records and databases, as well as a copy of the plan itself. Information from all final departmental plans was integrated into a Secretary of the Senate plan. And following the creation of this document, a comprehensive inventory of all space under the control of the Secretary of the Senate was undertaken. A vital records program, a training and testing exercise program, and a maintenance schedule were developed and included in a final three-volume comprehensive Office of the Secretary COOP plan.

And, of course, seven departments in the Secretary's Office were able to fully exercise those COOP plans when the Hart Building was closed for 3 months. I am pleased to report that all statutory responsibilities and obligations of the Office of the Secretary were met during that time, including meeting payrolls, paying bills, and receiving campaign and lobbying reports.

In coordination with the Sergeant at Arms, we are assisting the bipartisan Senate leadership, Senate committees, and 100 Senate offices in the development of their own COOP plans.

CAPITOL VISITOR CENTER

Capitol Police officers Jacob Chestnut and John Gibson died during the summer of 1998. And their tragic deaths focused attention on Capitol security and the need for a Capitol Visitor Center. The 105th Congress appropriated $100 million for the Capitol Visitor Center and directed that the remaining required funds be raised by the private sector. The Fund for the Capitol Visitor Center, a 501(c)(3) organization, was formed and successfully raised $35 million for this project before the events of September 11 and the anthrax bioterrorism attack.

I would like to commend Chairman Marilyn Ware and the board of the Fund for the Capitol Visitor Center for their essential contributions and their individual dedication in helping the Nation build a visitor center which will improve security while providing a much better educational opportunity for students and others who visit the Capitol Building.

To assist in funding the visitor center, Congress authorized the Capitol Visitor Center commemorative coins. Over 360,000 coins have been sold, and over $3.3 million has been raised for the purpose of constructing the Capitol Visitor Center.

For nearly 200 years the Capitol Building has stood as the greatest visible symbol of our representative democracy. It is, and will remain, the workplace of our elected representatives, as well as a museum and a major tourist attraction. Since 1859, when the present House and Senate wings were completed, our country has undergone tremendous growth. Citizens of the United States, and now the world, visit the Capitol in increasing numbers. And even though the events of the fall of 2001 resulted in a decrease in visitors, we already see that visitors will soon be at their highest levels once again.

The 19th century design of the Capitol Building does not easily lend itself to tourists and cannot safely accommodate the numbers of visitors we are again expecting to experience. The Capitol Visitor Center will provide a safe, comfortable, and educational introduction to the Capitol Building.

Following the World Trade Center and Pentagon tragedies, Congress appropriated sufficient funds to fully finance the construction of the Capitol Visitor Center. The Fund for the Capitol Visitor Center has ceased operation. And with full funding, the Capitol Preservation Commission has authorized construction. Pre-construction activities have been underway for several months. Excavation of the east front site will begin in mid-June 2002. The Capitol Visitor Center will be completed by January 2005.

The Clerk of the House and Secretary of the Senate continue to chair weekly meetings of leadership staff, who are informally charged, on behalf of the joint leadership of Congress, with overseeing this project. Project staff, representatives of the Architect, the Capitol Police, contractors, and others, as appropriate, attend these meetings.

And while construction of the visitor center will be disruptive, dirty, and noisy, we are confident that the American public and visitors and Congress will be proud of the new facility and pleased with the educational opportunities, the enhanced security, and the amenities it will provide everyone who visits the Nation's Capitol Building.

STAFF OF THE OFFICE OF THE SECRETARY OF THE SENATE

And finally, Mr. Chairman, I would like to say a word about the staff of the Office of the Secretary of the Senate. The events of last fall illustrated once again how valuable these people are to the Senate. The Secretary's legislative staff are almost irreplaceable in that one cannot just hire a legislative clerk or a parliamentarian or a bill clerk or an enrolling clerk. These people have years of training and experience. And the Senate would be hard pressed to conduct its business without them.

The same is true for the staff of the disbursing office, the Office of Public Records, Interparliamentary Service, the Official Reporters of Debates, and the captioners. We all depend each day on the services provided by the document and printing services staff and those who work in the stationery and gift shops. We need to hire qualified people who are willing to make a career here in the Senate. And then we need to have personnel policies, a salary schedule, and benefits that will keep them here.

Throughout the day on September 11, the Secretary's staff assumed responsibilities and helped out in any and every way they were asked. And during the anthrax incidents, those who were displaced went about their jobs and fulfilled the statutory obligations of this office without question and with a can-do spirit that I found quite remarkable.

PREPARED STATEMENTS

They have earned recognition and thanks from the Senate and from me for their unwavering dedication to the United States Senate.

Thank you.

[The statements follow:]

PREPARED STATEMENT OF JERI THOMSON

Mr. Chairman, Senator Bennett and Members of the Subcommittee, thank you for your invitation to present testimony in support of the budget request of the Office of the Secretary of the Senate for fiscal year 2003.

I am pleased to provide this statement to accompany the budget request and I am particularly pleased to be able to highlight the achievements of this Office during the past year.

FISCAL YEAR 2003 BUDGET REQUEST

The Appropriations Request

Mr. Chairman and Members of the Subcommittee, the budget request from the Office of the Secretary for fiscal year 2003 is $24,156,000, an increase of $161,000. Although the budget request for fiscal year 2003 is essentially the same as the amount requested last year, there are some important differences in how next year's monies will be spent. These differences reflect several significant initiatives that ultimately will benefit every Senate office, and, I believe, the Senate as an institution.

The Mandated Systems: LIS and FMIS

The two major mandated systems, the Legislative Information System (LIS) and the Financial Management Information System (FMIS), historically have been funded through multi-year appropriations. The funding for the LIS Augmentation Project began in fiscal year 2000. As former Secretary Sisco explained in his statement prepared for this Subcommittee in May of 2001, the overall objective of the Legislative Information System Augmentation Program (LISAP) is to implement Extensible Markup Language, or XML, as the data standard to author and exchange legislative documents among the Senate, the House, the Government Printing Office and other legislative agencies. Our program carries out the December 2000 mandate to the Secretary of the Senate and Clerk of the House from the Senate Committee on Rules and Administration and the Committee on House Administration.

Last year, this Committee appropriated $7 million to fund LISAP. We are leading a team that includes staff from the Sergeant at Arms, the Government Printing Office, the Library of Congress, Senate Legislative Counsel, and our own Enrolling Clerk and we are working closely with the Clerk of the House so that the authoring tool we develop is compatible with, and hopefully identical to, the authoring language being developed by the House. The LISAP XML project is historic. I was Assistant Secretary when we embarked upon similar projects: automation of the production of the Congressional Record and electronic filing with the Government Printing Office, and automating the production of enrolled and engrossed bills. Like those projects, the LISAP project will change the legislative operation of the Senate.

This year I am recommending an appropriation of $5 million for a multi-year program to upgrade and expand the Financial Management Information System (FMIS) of the Senate. The explanation and specific components of the project are described below, and in much more detail in the separate briefing book that the Disbursing Office has prepared for each Member of the Appropriations Committee. Briefly, with these funds our Disbursing Office will continue to modernize processes and applications to meet the continuing requests from Senate offices for efficiency, accountability, and ease of use. In addition, with this funding the Senate will essentially complete the process of preparing the Senate to produce financial statements that can be audited, as previously mandated by the Rules Committee.

The multi-year funds appropriated in 1995 for the FMIS project have been spent and it is appropriate to request another funding installment for this critical Senate project. I believe it is very important once again for this Subcommittee to put into place a planned, strategic multi-year initiative for FMIS—and we have prepared a separate proposal for your review that outlines the goals of this initiative and the benefits to the Senate. This is the same process this Subcommittee used in 1995, when it appropriated $5 million for a multi-year financial modernization effort. Although that appropriation ended in 2000, the Secretary's Office funded additional contracts each of the last two years from our salary and expense budget. A piecemeal approach to financial management modernization is less efficient and less cost effective than the kind of long term planned initiative that the Subcommittee put in place in 1995 and that we propose starting again next year.

These are the five strategic initiatives the Disbursing Office will implement if the $5 million request is granted:

—*Paperless Vouchers—Imaging of Supporting Documentation and Electronic Signatures*.—Beginning with a feasibility study and a pilot project, we will implement new technology, including imaging and electronic signatures, that will reduce the Senate's dependence on paper vouchers. This will enable continuation of voucher processing operations from any location, in any situation;

—*Web FMIS—Requests from Accounting Locations*.—We will respond to requests from the Senate's many accounting locations for additional functionality in Web FMIS. We have several specific requests from the Rules Committee; we anticipate additional requests from Senate offices for security management; and, we have requests from Senate Offices for a series of new monthly reports;

—*Payroll System—Requests from Accounting Locations*.—We will respond to requests from the Senate's accounting locations for on-line, real time access to payroll data, the capacity to project payroll more than twice a month, and the ability to submit payroll actions online;

—*Accounting Sub-system Integration*.—We will integrate Senate-specific accounting systems, improve internal controls, and eliminate errors caused by re-keying of data. This includes updates to the approval process, the ability to track not-to-exceed budget amounts, and contract tracking; and

—*CFO Financial Statement Development*.—We will provide the Senate with the capacity to produce auditable financial statements that will earn an unqualified opinion.

Each of these initiatives and the specific projects composing these initiatives is described more fully in the separate briefing book we have prepared for the Members of the Committee. The flexibility of multi-year funding assists the Secretary and the Disbursing Office in providing the long-range planning necessary to implement initiatives of this size and complexity. The previous similar FMIS funding strategy approved by this Committee was a key factor in its successful execution.

The Operating Budget

I am recommending an increase of $506,000 in the Secretary's departmental operating budget. Beginning with the fiscal year 1997 budget, the Secretary's departmental operating budget has remained static at $1,571,000, with a one-time exception in fiscal year 2001 when the Committee added approximately $506,000 for an FMIS contract. For at least six years the Secretary's office operational systems, the critical infrastructure of the legislative and administrative services provided by the Secretary, have had minimal or no upgrades, and, as we know, six years is more than a lifetime in information technology. I am recommending approximately $506,000 (the same amount as was spent on FMIS in fiscal year 2001) be available in fiscal year 2003.

The explanation of what needs to be done to bring the Secretary's departments the training, equipment and systems they need to do their jobs is detailed below. Having had static operating budgets since 1996 has actually meant that the resources available to support the infrastructure of the Secretary's legislative, financial and administrative responsibilities have dropped, year-by-year, in real terms. These funds will begin to pay for the new systems and upgrades we have identified as critical for the Senate.

The $506,000 in funds that I have recommended for the Secretary's operating budget include both recurring and non-recurring costs:

The recurring expenses are for the Secretary's annual COOP training and preparations, estimated to be approximately $20,000 each year.

The non-recurring expenses include the following:

—New software (with accompanying hardware) for the Gift Shop. The current software is so old it meets few, if any, of the current standards for a point-of-sale retail business. Inventory control, and therefore accountability, would be next to impossible except for the extraordinary efforts of dedicated staff. The Senate Gift Shop is a real business, supplying items for Senate offices and staff, as well as visiting constituents and the public. Senate offices, here and in the states, have requested the ability to purchase online, both from the Senate Gift Shop and the Stationary Store. The current systems in both places do not have the capacity to meet the demand. Approximate cost, including training, installation, integration of online sales capacity, and a year of support, is $240,000.

—The Stationary Room, like the Gift Shop, currently depends upon an outdated computer program and hardware. The Stationary Room, like the Gift Shop, should meet current sales, inventory and accounting standards. After we upgrade the Gift Shop, we will upgrade the Stationary Room software and hardware. By building on our evaluation of the Gift Shop and using the same vendors, we anticipate that the Stationary Room upgrade will cost less than the Gift Shop's new system, approximately $75,000 during the coming fiscal year.

—The Curator needs to create microfiches of collection records, to document not only the history and value of each object, but to authenticate ownership and meet our COOP obligations. Standard museum practices require archival copies for storage and preservation. We have a fiduciary duty to and should be taking the same care of the art and objects entrusted to the Senate, and meeting the same standards of care applicable in any modern museum. Approximate cost: $50,000.

—The Official Reporters need new flat computer screens, which we estimate will cost approximately $20,000.

—The Senate Library's catalog should be available online to all Senate offices. The current catalog program has this capability, but implementation was delayed pending release of new Oracle-based software and the scheduled replacement of the old operating system. Approximate cost: $25,000.

—The Senate's captioning system is now more than ten years old. The system software is outdated, the computerized stenotype machines are the original machines purchased in 1991, and are no longer manufactured. Replacement parts for the stenotype machines have become scarce and the present captioning system lends itself to possible errors that are mechanical in nature. There is a critical need to upgrade the Senate's captioning system. There are only a small number of companies designing and manufacturing equipment and software products for the industry. It is the intent of the Secretary's office this year to complete a study regarding the possible replacement of the current Senate captioning system with a next generation system and implement its recommendations. Approximate cost: $100,000.

We will search for the most efficient and cost effective ways to meet each of these needs. We have set high standards for ourselves, as we do with each of our departments. This office has been a good steward, as shown with the previous FMIS funding and with the current LIS funds, we will continue to be careful with the taxpayer's monies and mindful of the Committee's trust.

Members of the Subcommittee, this list is not exhaustive. Each department has been asked to review every system and process to determine what could be done better. This extensive review was delayed by September 11 and the anthrax incident, but we have continued the process. As this year progresses we may find more work that needs to be done to modernize those parts of the Senate's infrastructure for which the Secretary is responsible. We will not hesitate to bring that information to this Committee's attention, and seek the guidance of this Committee and the Committee on Rules and Administration.

LEGISLATIVE SERVICES

SEPTEMBER 11, 2001, EVACUATION AND OCTOBER 15 ANTHRAX ATTACK: CONTINUITY OF OPERATIONS PLANNING

Partnership with the Sergeant at Arms

Our response to September 11 and October 15, 2001, took the form of a direct, sustained and now permanent partnership between the Offices of the Secretary and the Sergeant at Arms. During and after the two biggest challenges of last year, the Senate's two principal officers have worked together, seamlessly, both in coordinating continuity of operations planning efforts after the September 11 attacks, and in managing Senate efforts to reopen the Hart Senate office building after the anthrax contamination.

Continuity of Operations Plans (COOP)

After the events in the fall of 2001, it was obvious to us, as newly sworn officers of the Senate, that more needed to be done by every office of the Senate to prepare for continuing government functions during an emergency. The Senate's officers have been working together since that time to accomplish an extensive list of projects. The Sergeant at Arms, as the lead officer, will brief the Committee more thoroughly in his testimony. I will, however, brief the Committee on the status of emergency planning in the Office of the Secretary.

Immediately after I took the oath of office, on July 12, 2001, I tasked the twenty-one individual departments within the Secretary of the Senate's operation to develop their Continuity of Operations Plans (COOP plans). A small emergency preparedness project was completed when I was Assistant Secretary and I have remained convinced of its importance. As Secretary, I wanted to ensure that each department had the ability to perform essential functions in the event of a disruption in normal business operations.

The Departments in the Secretary's Office have finished their COOP plans. We've met in and tested offsite facilities. We have ordered equipment that the Departments of the Secretary's Office will need to assist the Senate in session in any location. With the help of Senate Legal Counsel and the General Accounting Office, we are preparing a manual that will describe the state-by-state replacement of Senators, should that be necessary.

Each department has outlined a plan for the gradual restoration of operations which might be interrupted or postponed by an event, as well as identify requirements for operation at an alternative work site. The departments also were required to identify records, databases, equipment and supplies necessary to conduct essential functions and to make arrangements to duplicate and store essential items offsite or to make certain adequate arrangements were made to ensure timely replacement. COOP plans include maintenance schedules for records and databases, as well as a copy of the plan itself. The review of the departmental plans began in September, and every plan had been reviewed at least twice before the final departmental plan was approved.

Information from all final departmental plans was integrated into a Secretary of the Senate plan by mid-February 2002. Following the creation of this document, a comprehensive inventory of all space under the control of the Office of the Secretary was undertaken and a vital records program, a training and testing exercise program, and maintenance schedule were developed and included in the final, comprehensive Office of the Secretary COOP plan. In coordination with the Sergeant at Arms, we are also assisting the bipartisan Senate leadership, Senate committees, and the 100 Senate offices in the development of COOP plans.

Let me describe in detail some of the steps we have taken to put COOP training and plans in place:

Template/Standard Document

—Starting with the standard document that had been created for the use of the SAA and SOS COOP planning, a Senate leadership template, a committee specific template, and a personal office template were created for use in the development of office COOP plans.

Training

—Committee staff directors have been briefed on COOP goals and COOP plan author training has been provided for all committee staff. This training includes continuing validation and gap analysis of all plans, which is essential prior to final integration into the Senate-wide Operational Recovery Program. We are working with the Joint Office of Education and Training (JOET), to develop Senate wide COOP awareness and training capability.

Coordination

—Our goal is to complete the initial COOP process for all identified Senate entities prior to the Memorial Day Recess 2002. An August 2002 tabletop exercise has been scheduled to train staff of the Secretary and SAA.

Ongoing Projects

—COOP briefing materials will be provided for Senator-Elect Orientation for early December 2002.

LEGISLATIVE SERVICES—DEPARTMENT REPORTS

Duties of the Secretary of the Senate

As each of my predecessors has said in prior testimony before the Members of this Subcommittee, the Secretary's Office is directed by the Constitution, statutes, the rules, resolutions and precedents of the Senate, the directives of the Senate leadership, oversight and appropriating committees, and by the Office's own rich traditions and history. The Office, which began April 8, 1789, now employs approximately 230 employees in almost two-dozen departments.

Today, an analyst might describe the Secretary as the Chief Information Officer of the Senate, responsible for disseminating legislative and administrative information.

The Secretary also might be described as the Chief Operations Officer, responsible for the day to day financial and administrative operations of the Senate, from the parliamentarian to payroll, art in the Capitol to the Senate's Web site, the library to the historian, but always focused on the ability of the Senate and the Senators to carry out their constitutional duties.

But perhaps the most important function of the Secretary is as Chief Legislative Officer, responsible for everything necessary to support the legislative activities of Senators and the Senate, the activities that make this democracy work, and the work that makes this democracy a model for the world.

CHART ONE: YEARLY COMPARISON OF THE SENATE LEGISLATIVE ACTIVITIES

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Senate Convened	1/25	1/3	1/23	1/3	1/3	1/5	1/25	1/4	1/3	1/3	1/27	1/6	1/24	1/3
Senate Adjourned	10/21	11/21	10/28	1/3/92	10/9	11/26	12/01	1/3/96	10/4	11/13	10/21	11/19	12/15	12/20
Days in Session	137	136	138	158	129	153	138	211	132	153	143	162	141	173
Hours in Session	1,126′48″	1,003′19″	1,250′14″	1,200′44″	1,091′09″	1,269′41″	1,243′33″	1,839′10″	l,036′45″	1,093′07″	1,095′05″	1,183′57″	1,017′51″	1,236′15″
Average Hours per Day	8.2	7.4	9.1	7.6	8.5	8.3	9.0	8.7	7.8	7.1	7.7	7.3	7.2	7.1
Total Measures Passed	814	605	716	626	651	473	465	346	476	386	506	549	696	425
Roll Call Votes	379	312	326	280	270	395	329	613	306	298	314	374	298	380
Quorum Calls	26	11	3	3	5	2	6	3	2	6	4	7	6	3
Public Laws	473	240	244	243	347	210	255	88	245	153	241	170	410	136
Treaties Ratified	15	9	15	15	32	20	8	10	28	15	53	13	39	3
Nominations Confirmed	42,317	45,585	42,493	45,369	30,619	38,676	37,446	40,535	33,176	25,576	20,302	22,468	22,512	25,091
Average Voting Attendance	91.58	98.0	97.47	97.16	95.4	97.6	97.02	98.07	98.22	98.68	97.47	98.02	96.99	98.29
Sessions Convened Before 12 Noon	120	95	116	126	112	128	120	184	113	115	109	118	107	140
Sessions Convened at 12 Noon	12	14	4	9	6	9	2	15	12	31	17	25	10	12
Sessions Convened after 12 Noon	5	27	17	23	10	15	17	12	7	7	2	19	24	21
Sessions Continued after 6 p.m	37	88	100	102	91	100	100	158	88	96	93	113	94	108
Sessions Continued after 12 Midnight	7	9	13	6	4	9	7	3	1	....	....	....	....	2
Saturday Sessions	0	1	3	2	2	2	3	5	1	1	1	3	1	3
Sunday Sessions	....	....	2	....	....	....	....	3	....	1	....	....	1	....

Prepared by the Senate Daily Digest—Office of the Secretary.

Offices in the Legislative Department

The Legislative Department of the Office of the Secretary of the Senate provides the support essential to Senators in carrying out their daily chamber activities as well as the constitutional responsibilities of the Senate. The department consists of eight offices, the Bill Clerk, Captioning Services, Daily Digest, Enrolling Clerk, Executive Clerk, Journal Clerk, Legislative Clerk, and the Official Reporters of Debates. Today, the Legislative Clerk acts as supervisor for the department providing a single line of communication to the Assistant Secretary and Secretary, and is responsible for overall coordination, supervision, scheduling, and cross training.

The Legislative Department is fully staffed and employee morale is high. Each of the eight offices within the Legislative Department is supervised by experienced veterans of the Secretary's office. The average length of service in the Office of the Secretary of the Senate for legislative supervisors is 18 years. There is not one supervisor with less than 11 years of service. The experience of these senior professional staff is a great asset for the Senate.

In managing legislative personnel, emphasis is continually placed on training for succession and continuity of the Senate's legislative business. Whenever and wherever possible, cross training is implemented among staff. For example, members of the Bill Clerk's office are cross training on the Senate floor with the Legislative Clerks. Instead of having three clerks who can call the roll and so forth, there are now four employees capable of performing at least the basic responsibilities of the Legislative Clerk on the Senate floor. At a minimum eight staffers will be involved in cross training throughout the legislative department this year.

Legislative Information System (LIS).—The first session of the 107th Congress was the second operational year for the new Legislative Information System (LIS). LIS is a mandated system (2 U.S.C. 123e) with the objective of providing desktop access to the content and status of all Senate legislative information and supporting documents. LIS now provides Senate users with immediate access to accurate and timely legislative information from a single source. The legislative clerks, working with staff from the technical operations staff of the Sergeant at Arms, have helped plan, design, test, and implement phases of LIS. During the past year, the legislative staff continued to monitor and evaluate data input screens, and provide valuable feedback to the technical operations staff of the Sergeant at Arms. The Bill Clerk, Daily Digest Editor, Executive Clerk, and Legislative Clerk devoted many hours to documenting over 200 "Change Requests" to enhance the new system with the intent of providing accurate, precise, timely, and user-friendly information to the LIS users.

The excellent working relationship between the legislative clerks and the Sergeant at Arms' technical operations staff illustrates the working partnership we have developed with the Sergeant at Arms and contributes to the overall success of the project.

Continuity of Operations Planning.—An overall COOP plan involving every legislative office is complete. The objective of such planning is to provide the legislative support required for the Senate to carry out its constitutional responsibilities should it become necessary for the Senate to conduct business in a location other than the Senate Chamber, and if necessary, with a new legislative staff. The legislative staff, like every other department in the Secretary's Office, will continue to review and update these COOP plans on a regular, annual basis. In fact, we have made it a part of each manager's annual review.

Each legislative office has established and practiced emergency evacuation procedures. Each office has assembled emergency "Fly-Away Kits" containing materials that would allow for immediate continuity of Senate operations. Examples of some of the items contained in Fly-Away Kits are roll call tally sheets, forms for various types of legislation, stenotype machines, audio recorders, and electronic discs containing information pertinent to the operations of the Senate.

Vital Record Preservation.—The Secretary's overall COOP plan identifies data and information produced by the legislative staff as essential to the Senate's vital record preservation program. Today, data produced by each supervisor is included in a dual nightly replication process. The data is stored in two separate offsite facilities. Every two weeks a copy of the data is stored to a third offsite location. A major concern in developing a replication process was to secure engrossed and enrolled legislative data produced by the Senate Enrolling Clerk.

Bill Clerk

The Bill Clerk records the official actions of the Senate, keeps an authoritative historical record of Senate business, enters daily legislative activities and votes into the automated legislative status system, and prints all introduced, submitted and reported legislation. In addition, this office assigns numbers to all bills and resolutions.

The Bill Clerk's Office is generally regarded as the most timely and accurate source of legislative information in the Senate. The Bill Clerk's ledgers, or "Bill Books", contain information on the legislative activity of the Senate, recorded directly from the Senate floor within minutes of Senate action. The "Bill Books" are part of a continuous historic record of Senate business, dating back to the 3rd Congress. Currently, the Office of the Bill Clerk, in conjunction with the technical operations staff of the Sergeant at Arms and the GPO, is working to apply technology to modernize the "Bill Books" process by developing a touch screen electronic bill ledger that will improve data entry and retrieval, increase portability and information security, and facilitate the production of a bound archival volume at the end of a Congress.

Captioning Services

Real-time captioning began in the Senate in response to the Americans with Disabilities Act. The Office of the Secretary began providing real-time captioning of Senate proceedings in 1991, ahead of the January 1992 deadline of the ADA, and continues to do so today. The Senate is fortunate to have a staff of five of the best and most experienced captioners in the country. Senate captioners are all Registered Professional Reporters (RPR) and have been certified to write testimony at 225 words per minute with 97 percent accuracy. Currently, the Senate captioners have an office accuracy rate average of above 99 percent.

However, the Senate's captioning system itself is now more than ten years old. The system software is outdated, the computerized stenotype machines are the original machines purchased in 1991, and are no longer manufactured. Replacement parts for the stenotype machines have become scarce and the present captioning system lends itself to possible errors that are mechanical in nature. There is a need to begin the process of upgrading the Senate's captioning system. The captioning industry is very small. There are approximately 300 real-time captioners working in the United States. There are only a small number of companies designing and manufacturing equipment and software products for the industry. It is the intent of the Secretary's office this year to complete a study and begin implementing the recommendations of that study regarding the replacement of the current Senate captioning system with a next generation system.

Closed captioning gets that name because the caption text is "closed" or hidden within the broadcast signal. It is hidden and carried (encoded) on Line 21 of the Vertical Blanking Interval until it is detected and displayed for viewing by a closed caption decoder in the television set. The VBI is the black bar seen on older televisions when the picture would lose vertical hold. Beginning in 1994, television sets 13 inches and larger sold in the United States must have caption decoder technology built in. There are two basic ways a program is closed-captioned. Real-time, using specialized court-reporting technology for live, televised events, and Off-Line, a post-production method of captioning used for movies, documentaries, sit-coms and other pre-recorded programs.

Real-time is the method used to caption Senate Floor Debates. The Senators speak; the captioners listen with comprehension to understand what is being said contextually, and then write on a stenotype machine phonetic outlines of what they hear. The output of the stenotype machine is transmitted to a computer where the steno outlines are matched with a dictionary that outputs word parts, whole words or complete phrases that match the corresponding steno. This occurs with not only remarkable accuracy but with remarkable speed as well. Captions can be written, translated, inserted for broadcast, transmitted, decoded and displayed on a viewer's television set with a minimal delay, usually less than 1.5 seconds. Most of this delay is because the captioner is trying to understand what is being said so it can be written correctly in context.

Real-time captioning is now 20 years old. It is the primary method of captioning television news and sports programming. FCC requirements for broadcasters to caption most of their daily schedule will be fully in place in 2006. These requirements impact broadcasters in large markets. These requirements have been phased-in beginning January 2000. Even with the increased number of hours of real-time captioning, the number of captioners has not increased in any significant way. There are still only about 150 people who real-time caption full-time in the English-speaking world, compared to the 35,000 people who are court reporters in the United States alone.

Daily Digest

The Daily Digest section of the Congressional Record provides a concise accounting of all official actions taken by the Senate on a particular day. All Senate hearings and business meetings (including joint meetings and conferences) are scheduled through the Daily Digest office and published in the Congressional Record.

Enrolling Clerk

The Enrolling Clerk prepares, proofreads, corrects, and prints all Senate passed legislation prior to its transmittal to the House of Representatives, the National Archives, the Secretary of State, the United States Claims Court, and the White House.

Technology continues to change the work of the Enrolling Clerk. In 1998 new computers doubled the speed at which bill pages were composed. The data retrieval system was changed during that year so the office could (1) pull bill files from the Government Printing Office by FTP (File Transfer Protocol) via the Internet, and, (2) rather than going through GPO for Legislative Counsel files, retrieve bill files directly from the Legislative Counsel computer with a direct internet connection. For the past year, the Enrolling Clerk has been an active and important participant in the LISAP/XML team and in the current phase of the XML project, development of an XML-based authoring application. The team believes that the Senate Legislative Counsel and the Enrolling Clerk are the first two offices that will be actually using the new authoring language that is being developed.

Executive Clerk

The Executive Clerk prepares an accurate record of actions taken by the Senate during executive sessions (proceedings on nominations and treaties), which is published as the Executive Journal at the end of each session of Congress. The Executive Clerk also prepares the daily Executive Calendar as well as all nomination and treaty resolutions for transmittal to the President.

Journal Clerk

The Journal Clerk takes notes of the daily legislative proceedings of the Senate in the "Minute Book" and prepares a history of bills and resolutions for the printed Senate Journal as required by Article I, Section 5 of the Constitution. The Senate Journal is published each calendar year.

Legislative Clerk

The Legislative Clerk reads aloud bills, amendments, the Senate Journal, Presidential messages, and other materials when directed to do so by the Presiding Officer of the Senate. The Legislative Clerk calls the roll of members to establish the presence of a quorum and to record and tally all yea and nay votes. This office prepares the Senate Calendar of Business, published each day that the Senate is in session, and prepares additional publications relating to Senate class membership and committee and subcommittee assignments. The Legislative Clerk maintains the official copy of all measures pending before the Senate and must incorporate into those measures any amendments that are agreed upon by the Senate. This office retains custody of official messages received from the House of Representatives and conference reports awaiting action by the Senate.

Official Reporters of Debate

The Official Reporters of Debate prepare and edit for publication in the Congressional Record a substantially verbatim report of the proceedings of the Senate, and serve as liaison for all Senate personnel on matters relating to the content of the Record. The transcript of proceedings, submitted statements and legislation are transmitted, in hard copy and electronically, throughout the day to the Government Printing Office.

Parliamentarian

I am pleased to report that the Parliamentarian's Office is now fully staffed with four well-qualified employees.

Last year, with the assistance of the Information Systems/Computer support staff of the Secretary, the Office of the Parliamentarian completed a project to electronically scan more than 11,000 documents that record precedents of the Senate that had existed only in paper format. This year, at our request, the GPO scanned and put into an electronic PDF file Riddicks' Senate Procedures. This PDF file and the documents scanned the year before greatly enhance the Senate's ability to operate at another location in the event of an emergency.

The Parliamentarians advise the Chair, Senators and their staff as well as committee staff, House members and their staffs, administration officials, the media and members of the general public on all matters requiring an interpretation of the Standing Rules of the Senate, the precedents of the Senate, unanimous consent agreements, and the provisions of public law affecting the proceedings of the Senate. The Office of the Parliamentarian is responsible for the referral of all legislation introduced in the Senate, all legislation received from the House, as well as all communications received from the executive branch. The office works extensively with Senators and their staffs to advise them of the jurisdictional consequences of particular drafts of legislation, and evaluates the jurisdictional effect of proposed modifications in drafting.

The office continued to work with other Senate offices throughout the year in developing a COOP plan to guarantee that the work that the office provides to the Senate will continue under any circumstances. The essential materials on which the work of the office depends have been identified and duplicate sets are available to cover any future contingencies. The office has prepared material outlining how the Senate would operate if it had to meet in emergency session.

Counsel

The General Counsel advises the Office of the Secretary and its departmental directors on a diverse array of issues ranging from contracts and torts to legislation and appropriations. Additionally, the General Counsel currently serves as the Senate point of contact for issues related to the Capitol Visitor Center, including the Fund for the Capitol Visitor Center and the Capitol Visitor Center Commemorative Coin. Beginning in mid-May, Counsel also will take on the responsibility, along with the Secretary's Security Office, for COOP planning and implementation.

This past year, the General Counsel advised my office on the conduct of two GAO audits: one conducted on the Senate Gift Shop operations and another conducted on the Stationery Room operations. Both audits revealed generally good financial accounting, with some minor recommendations for improvements that have already been implemented.

Senate.gov

Overview: The Redesign Project.—One of the top priorities identified by the current Senate leadership is to redesign and greatly enhance the Senate's official Web site with the goal of making it the foremost site for educating the world about the Senate and its activities in our system of representative democracy. In September 2001 we entered into a contract with >design, Inc., to provide an action plan and cost estimate for redesigning the site. After considering the amount of current content on the Web site, and the anticipated addition of extensive educational content, the report recommended the installation of a Web Content Management System.

We have begun a major project, in partnership with the Sergeant at Arms, to implement the report's recommendations. This project can be considered part of the LISAP project; a major component of the upgrade will be the ability, through the Content Management System, of the site to read and search XML-tagged content, including the legislative documents that Senate offices will be creating with the new XML-based authoring tool under development. Senate.gov should be one of the best government Web sites in the world. Senate.gov should be the first stop the public makes when seeking information about the Senate. But just as important, Senate.gov should have information that every Senate office can use—to help constituents learn about legislation, the Senate, or plan their trip to Washington, D.C., contact their Senator, and eventually through video, experience the Senate.

The Webmaster for the Office of the Secretary designs, develops and maintains Senate.gov, our public site, the Secretary's pages on Webster, and the Secretary's intranet, to provide Senate staff, and to a lesser degree the general public, access to those administrative, legislative, and financial services that are the responsibility of the Secretary of the Senate. Senate.gov is already a key component of communication in the Senate and was one of the principal Senate staff communication tools post-September 11 and post-October 15, with continually updated Hart building information, medical updates, and meeting notices.

The Senate.gov Team.—A team of Senate staff led by the Office of the Secretary, in partnership with the Office of the Sergeant at Arms, and with the assistance of the Rules Committee, developed a Statement of Work to be used in a solicitation for a Web Content Management System. On December 10th, 2001, a Request for Proposals (RFP) was published in Commerce Business Daily. An evaluation team consisting of staff from the Office of the Secretary and the Sergeant at Arms spent four weeks evaluating the responses. Technical and managerial representatives read the top contenders and oral presentations were scheduled and held with vendors.

After an extensive procurement process, the Office of the Secretary has recommended to the Rules Committee that we enter into a contract with Headstrong

Public Sector, Inc. to build a Web Content Management System (WCMS) for the Senate Web site. Headstrong can build the WCMS using a Documentum product that meets our current requirements and will scale to accommodate future enhancements. Headstrong has extensive experience in the government sector and Documentum is a leader in providing content management solutions. The Senate's Legislative Information System (LIS) is based on Documentum.

The new Web Content Management System will allow content providers, primarily, but not exclusively, in the Office of the Secretary, to author and post content to the Web site with little or no knowledge of the Web formatting language, HTML. The Senate also included in the RFP a required option to have the vendor describe, analyze and price formatting or recognizing the structure of Senate Web content using XML. Headstrong's proposal included an excellent response to this option and that work has been included in the scope of the project. Having content in an XML format provides maximum flexibility; information can be posted to the Web site, printed in a brochure or report, or sent to a wireless device, without having to change the data for each event. Structured data, like XML-tagged data, is also easier to import or migrate to new systems if the need arises at a future time. Headstrong also will provide the Senate with graphical and navigational design assistance to create a new look and feel to the Senate Web site. Developing the Web site design requires conducting extensive usability testing and Headstrong can provide expertise in this area as well.

Using www.senate.gov As A Communication Tool

On October 17th, 2001, the Hart Senate Office Building was closed due to anthrax contamination. Thousands of Senate staff were displaced, many working from home or other off-the-"Hill" locations. Under these circumstances, the normal methods of Senate internal communication were no longer viable. www.senate.gov was identified as an acceptable means of communicating important medical and logistical information to staff. The first notice to Senators and staff was posted on October 17th. Almost 50 notices were posted over the following weeks assuring that Senate staff had important information they needed as soon as it was available.

Many areas of the Web site were updated and new information added as the 107th Congress unfolded. The public was very interested in following the decisions being made as the Senate organized based on a 50/50 party split. All existing Web pages in the Senate History section of Senate.gov were updated in January 2001, and then again in June 2001, to reflect the changing division of parties in the Senate. Several new statistical tables were added and the "Senate History News" feature was created and updated regularly to bring an historical context to current events, and to guide visitors to relevant pages on www.senate.gov. Finally, the Historical Office created a "Quick Reference" page to help visitors more rapidly locate the information they seek.

Additional Enhancements to www.senate.gov

Nearly all of the 1,864 Senate entries included in the *Biographical Directory of the U.S. Congress* now include a photo or other image of the member. A new photo exhibit—"Breaking New Ground: Women in the Senate"—chronicles key moments in the history of female senators, and accompanies the Arthur Scott photo exhibit. The transcripts of additional oral history interviews were included on the web site, bringing the total to fifteen (consisting of a total of 3,980 transcript pages). New features have been added as well, including the extensive Institutional Bibliography of the U.S. Senate, a compilation of more than six hundred citations of scholarly books and articles about the U.S. Senate, 1789 to the present. Improvements to the Roll Call Vote Feature were completed in April 2001. New procedures were developed to allow the generation of the Roll Call Vote menus and individual vote pages directly from the LIS/DMS for posting on www.senate.gov. Improvements also were needed in the formatting and descriptive information provided for the votes. The Roll Call Vote tables list votes in chronological order by vote number with links from the vote number to the tally for that vote. Users could not tell from the vote table or the vote tally page what the vote was about. Improvements were made to the individual vote tally pages by adding the "Measure Title" for Bills and the "Statement of Purpose" for Amendments and linking the measure number to the Thomas Bill Summary and Status File. In late 2001 development began to improve the information provided in the Vote Tables as well. Descriptions of the measure as well as links to the Bill Summary and Status file were added, and the formatting of the tables was changed to enhance readability.

E-Mail Statistics

Mail to the Webmaster has increased from 250 messages a month in previous years to an average of 450 messages a month. The majority of the mail to the Webmaster contains questions on where to find information on the web site and on search strategies for tracking legislation online. The number of queries from students continues to increase, as does the number of messages from outside the United States, particularly foreign students studying the United States Government.

Secretary Staff Intranet (Secretary's Office Only)

An intranet for the Office of the Secretary is being developed. The intranet will provide a secure place for disseminating information and services to all staff of the Office of the Secretary, as well as serve as a "meeting place" for staff to share information and ideas. Each Department will be able to "post" information. A prototype of the Secretary's intranet has been developed and content of interest to Secretary staff has been identified for initial deployment. This content includes: information on computer support and support staff contact information; training resources for Secretary employees; a link to the Library's collection catalog; an area for staff to post reports on conferences and seminars they've attended; job vacancy announcements; emergency planning information; links to reference materials; scheduling information; and, messages to staff from the Secretary. Most of this information is already in electronic format and therefore requires minimal development effort. Prior to web site deployment, policy guidelines on posting to the Web site will be written, approved and disseminated. The first release of the Secretary's intranet site will be available in April.

ADMINISTRATIVE SERVICES—DEPARTMENT REPORTS

Conservation and Preservation

The Conservation and Preservation office develops and coordinates programs directly related to the conservation and preservation of the Senate records and materials for which the Secretary of the Senate has statutory authority. Current initiatives include deacidification of paper and prints, phased conservation for books and documents, collection surveys, and exhibits. This office continues to assist Senate offices with conservation and preservation of documents, books, and various other items. As mandated in the 1990 *Senate Library Collection Condition Survey*, the Department continues to conduct an annual treatment of books identified by the survey as needing conservation or repair. In 2001 conservation treatments were completed for 110 volumes of a 7,000-volume collection of House Hearings. Specifically, treatment involved recasing each volume as required, using alkaline end sheets, replacing acidic tab sheets with alkaline paper, cleaning the cloth cases, and replacing black spine title labels of each volume as necessary. The office also assisted the Senate Library with five exhibits located in the Senate Russell building basement corridor.

The Department works on special projects in addition to ongoing conservation and preservation requirement. For example, the office fabricated speech holder boxes, leather notebooks and framed items for the Leader's Lecture Series, matted and framed items for the Inaugural Committee, and embossed more than 1,000 Impeachment Books. The office assisted the Senate Curator's Office with the measurement, custom fitting, and installation of heavy-gauge plastic for 10 Senate Chamber desks, in order to protect the historic signatures inscribed in each drawer. And for more than twenty-one years the office has bound a copy of Washington's Farewell Address for the annual Washington's Farewell Address ceremony, in 2001 a volume was bound and read by Senator George Allen; in 2002 a volume was bound and read by Senator Jon Corzine.

During 2002, the office will continue with the preservation work on the approximately 4,372 remaining volumes of the Senate Library collection of House Committee Hearings. They will also monitor the temperature and humidity in the Senate Library storage areas and other Senate collection storage areas. Beginning this year that latter task will be organized with written schedules and checklists. The Office is also working on preserving the Appropriation Bills from 1877–1943. Approximately 65 books are done; some 200 books remain to be repaired. We will finish this project this year. The office will also continue deacidifying the Office of the Senate Curator print collection.

Curator

The Office of Senate Curator, under the direction of the Senate Commission on Art, administers the museum programs of the Senate for the Capitol and Senate office buildings. The curator and staff suggest acquisitions, provide appropriate exhibits, engage in research, and write and edit publications. In addition, the office studies, identifies, arranges, protects, preserves, and records the historical collections of the Senate, including paintings, sculpture, and furnishings, and exercises supervisory responsibility for the chambers in the Capitol under the jurisdiction of the Senate Commission on Art. All records of research and documentation related to these areas of responsibility are available for use by Members' offices, the media, scholars, and the public. With the establishment of the United States Capitol Preservation Commission, the Senate Commission on Art has become the designated recipient of objects with Senate association received by the Preservation Commission. The Commission is tasked to "provide to the Capitol Preservation Commission such staff support and assistance as the Preservation Commission may request."

Collections: Commissions, Acquisitions, and Management

The Senate Commission on Art approved the commissioning of several significant portraits of Senators for the Senate Collection in 2000, and in 2001 artists were selected for four of these images: Senators Arthur Vandenberg (Republican-Michigan, 1928–1951) and Robert Wagner (Democrat-New York, 1927–1949) for the Senate Reception Room, and Senators Bob Dole and George Mitchell for the Senate Leadership Portrait Collection. Portraits of Senators Blanche Kelso Bruce and James Eastland, previously approved by the Commission, were completed and will be hung in the Senate wing of the Capitol. The portrait of Senator Margaret Chase Smith is scheduled to be completed in 2002.

In addition to these commissioned portraits, a number of significant works were acquired for the Senate Collection. These included eight prints for the Senate's collection of historical engravings and political cartoons. Among the most important works purchased was a rare 1848 engraving by Augustus Kollner of the Senate Chamber, and an 1852 engraving of Andrew Jackson by Thomas Welch related to the Thomas Sully painting in the Senate Collection. The Senate's study collection of nineteenth and early twentieth century images of the Senate and Capitol comprises over 1,260 prints; it is one of the most extensive collections on the subject in the country. In addition, the Senate acquired two historic cast iron urns for Room S–219, and two porcelain platters and a plate used by the Senate Restaurant around 1920. The 2001 Presidential Inauguration provided an opportunity to continue the active collecting of items from contemporary Senate events; the Curator's Office acquired copies of invitations, menus, official badges, glassware, and china from the inauguration. The Senate has preserved little from past inaugurations, and thus it is important to save such objects for future generations.

In the area of museum automation, all collections data was successfully migrated into a new collections management database system. Data clean up and reconciliation began in 2001, and continues. Additionally, the process of evaluating fields in the Senate Collection database was initiated in order to provide field definitions and data standards. Future database work will include creating reports and viewing screens for use by all staff in the office.

Renovations to the office's archival storage areas were completed. Staff worked with the Architect of the Capitol's Paint Shop and an outside contractor to prepare the floor and apply a durable epoxy floor paint; install and test a new fire suppression system; and purchase museum quality metal cabinets for the storage of objects not on permanent display. These items were placed in the cabinets using a systematic methodology so that location and retrieval is effortless. A complete inventory was conducted for these approximately 2,000 objects. The museum quality cabinets now installed in the rooms provide the proper environment for preservation and protection of the Senate collections.

Emergency Preparedness

In the area of emergency preparedness for the Senate's historic collections, the Curator's Office continued to work closely with the U.S. Capitol Police and has become an active participant in their Critical Incident Command Group. A preliminary draft for an Emergency Preparedness Plan for the collection was prepared and will be revised annually. The plan outlines a series of actions and regular monitoring to reduce the risk of a disaster and damage to the Senate collections in the Capitol and Senate Office Buildings, and establishes procedures for salvaging Senate art, historic objects, and significant materials damaged as the result of a disaster.

With the discovery of anthrax in October in the Hart Senate Office Building, the Curator's Office worked closely with EPA officials and museum curators from the

Smithsonian Institution, National Gallery of Art, and Library of Congress to determine the most appropriate care for cultural property located in the building during the chlorine dioxide gas remediation process. Many of these cultural artifacts were on loan from museums, public institutions, and private individuals and required a high standard of care, which included consideration of environmental conditions, security, and protection from all possible damaging materials. Tests were conducted by EPA using the chlorine dioxide gas on a variety of art and organic materials, and conservators carefully considered the issue. To protect and isolate the objects during remediation, some were carefully moved by members of the Secretary's Security Office and Coast Guard Strike Team.

The Curator's Office worked closely to train the team in museum standards for the handling of art. The objects underwent decontamination, cleaning, and testing before being placed in specially built storage spaces located in the Dirksen Senate Office Building for protection during the remediation process. Following the remediation and rehabilitation of the building, the objects were reinstalled by the Curator's Office. The Curator's staff also participated in training sessions for the Capitol Police regarding the care and protection of art in the Capitol. The staff continues to educate the housekeeping personnel on maintenance issues related to the fine and decorative arts collections.

Conservation and Restoration

A total of 23 objects received conservation treatment in 2001. These included two historic clocks, six 1909 Russell Senate Office Building chairs, and fifteen Senate Chamber desks. The treatment of the six historic chairs from the Russell Building is nearly complete. The chairs will serve as prototypes to demonstrate original finish and upholstery methods, and the refinishing process will produce a detailed protocol treatment for use by the Senate in restoring all 1909 Russell chairs to their historic appearance. The office continued with the Senate Chamber desk restoration program, which began in 1997, and 15 additional desks received conservation treatment. To date, nearly one half of the Chamber desks have been professionally restored.

Research continues on the furniture in the Old Supreme Court Chamber, now under the jurisdiction of the Curator. While the chamber was restored in 1975, new information and knowledge of period furnishings and decorative arts has led to a reevaluation of the restoration. Part of this five-year project is to review the current furnishings in the Court, undertake appropriate and necessary conservation of these objects, and locate any missing items. Approximately half of the furniture in the room is original to the 1837 period.

Historic Preservation

The addition of an Historic Preservation Officer to the staff in October 2000 allowed the Office of Senate Curator to make significant advancements in the development of a Senate Preservation Program. In order to initiate such a program, the Curator's Office contracted with an historical architect to develop a series of preservation program recommendations. His assessment was circulated along with a Preservation Program Development Plan, drafted by the Curator's Office. Many of the substantial, program-defining documents have been completed and the others are currently under review.

Publications and Exhibitions

The text for the Senate's extensive catalog entitled, *The U.S. Senate Fine Art Collection* was completed, and material for the conception and layout stages of the publication process was submitted to the graphic design section of the Government Printing Office. We expect to receive the preliminary design concept back from GPO this month (April). Several brochures were reprinted during 2001, including *The Old Senate Chamber*, *The Old Supreme Court Chamber*, *The Vice Presidential Bust Collection*, and *The Senate Vestibule*. In addition, the office published a new brochure, *The U.S. Senate Leadership Portrait Collection*. The Office of Senate Curator also continued to be a significant contributor to Unum, the Secretary of the Senate's newsletter.

In January the Office of Senate Curator installed *I Do Solemnly Swear*, an exhibition of presidential inauguration images. One half of the exhibit features images drawn from the Senate's collection of historic engravings, and illustrates the history of presidential inaugurations from the 1850s to the early twentieth century. The second half of the exhibit features a photographic diary of Inauguration Day 2001, and re-creates a table at the Inaugural luncheon using actual artifacts collected from the 2001 luncheon.

Policies and Procedures

Working in conjunction with the Secretary's General Counsel, the Office of Senate Curator developed rules governing the functions of the Senate Commission on Art. These rules, authorized by the Commission's enabling legislation, help to codify policies and streamline the functions of the Commission by establishing lines of authority and managerial practices. In addition to the Commission rules, the Commission's legislation was updated to properly reflect legislative history, and to place the Old Supreme Court Chamber officially under the jurisdiction of the Commission on Art. The legislation has been adopted as part of the Legislative Branch Appropriations bill in 2001.

A draft Collections Management Policy governing the museum practices of the Office of Senate Curator has been completed. Through the Collections Management Policy, existing procedures for acquisitions, preservation, documentation, loans, security, inventory, and access are incorporated into a cohesive structure will form the basis for the Office of Senate Curator's stewardship of the Senate collections under its care. The office also drafted and circulated a Preservation Policy, Preservation Plan, and Preservation Procedures. These documents were created in partnership with the Office of the Clerk of the House of Representatives and the Office of the Architect of the Capitol.

The Preservation Policy defines the stewardship role, responsibilities, and preservation philosophy regarding the preservation of the Capitol and Congressional Office Buildings. The policy applies to the decorative, historical, and architectural elements of those buildings. The Preservation Plan interprets the Preservation Policy and applies its philosophy and principles to individual spaces and objects. The Preservation Procedures document details the chain-of-command, decision-making authority, and responsibilities employed in all interventions at the Capitol and Congressional Office Buildings.

Senate Art on the Web

The Senate Art Web site was expanded to include a section on "recent acquisitions," and the site as a whole continued to be updated and improved. New efforts in 2001 focused on expanding office participation in providing content for the site. To this end, several additional staff members began training in HTML and Web posting. Work on the Senate Art Web site was facilitated by the installation of a new Macintosh G–4 workstation that upgraded the office's ability by providing for photonegative and transparency scanning. The Curator's office is also an active participant in the redesign efforts for the Senate Web site, www.senate.gov. Additionally, the Prints and Photographs section of the Senate Art Web site was redesigned to provide easier access, more flexible, systematic organization, and to prepare the information for efficient incorporation in the redesigned Senate.gov site.

Objectives for 2002

Projects in 2002 include continuing the restoration of the Senate Chamber desks, with an additional 15 desks to be completed during the August and fall recess periods, and survey and treatment recommendations for the historic over-mantel mirrors on the Senate side of the Capitol. The Office of Senate Curator will work to fully develop a *Collection and Historic Structures Care Manual*. The manual will provide basic, practical information needed to enable non-curatorial staff within the Capitol complex to plan and implement sound collections care and building maintenance programs. The primary purpose of the manual is to teach specialized handling practices, identify acceptable repair, maintenance, and care treatments, and establish necessary monitoring and maintenance schedules. Additionally, the office will work to update the Disaster Preparedness Plan. Together these two manuals will serve as a front-line defense against damage or misuse of collections objects and historic structures.

The registrar and associate registrar will continue efforts to reorganize and edit the collections management database so that the office will have a user-friendly database tailored for multiple users. In addition, digital images of objects in the collection will be added to the database for reproduction and reference purposes, which will in turn help protect and preserve the objects for posterity. A new system for registering all objects that come into the Curator's Office will be instituted to record and track objects regardless of their accession status. Work will continue on streamlining data collection during the inventory process and to implement a regular inventory schedule.

The Curator's Office will work toward the approval and implementation of the Preservation Policy and Preservation Procedures. This includes the establishment of an in-house Preservation Team and a Preservation Advisory Panel. The office will complete the final draft of the Preservation Plan, and outline a strategic plan for its implementation. The Curator's Office will continue to provide assistance with preservation issues related to several Architect of the Capitol Senate projects. The office will also develop a plan and approach for generating a comprehensive Historic Structures Report (to be completed in phases), and work to accomplish the top priorities identified in that plan. Work will continue on the re-examination of the restoration of the Old Supreme Court Chamber and, in conjunction with other policy-making efforts, a standard policy governing the use of the two historic chambers will be implemented.

Publications scheduled for 2002 include *The U.S. Senate Fine Art Collection*, and brochures on the history of the Democratic and Republican Leadership Suites, the Appropriations Committee, Room S–219, and Isaac Bassett, a nineteenth-century Senate employee who served for more than 60 years. Reprinting of publications scheduled for 2002 include *The Senate Vestibule*, *The Leadership Portrait Collection*, and *The United States Congress and Capitol, A Walking Tour Handbook, Volume I and II*. The upcoming year will also see the installation of the Constantino Brumidi exhibit in the Brumidi Corridors of the Capitol.

CHART TWO: OFFICE OF THE CURATOR PUBLICATION PRINTING SCHEDULE

(Revised: April 11, 2002)

PUBLICATIONS TO BE PRINTED	EXPECTED DELIVERY
Senate Leadership Portrait Collection	Delivered on February 15, 2002
The Senate Vestibule	Delivered on March 20, 2002
The United States Congress and Capitol, A Walking Tour Handbook, vol. 1	May 2002
The United States Congress and Capitol, A Walking Tour Handbook, vol. 2	May 2002
The Republican Leadership Suite	June 2002
Room S–219	June 2002
The Senate Appropriations Committee	August 2002
The Democratic Leadership Suite	August 2002
Isaac Bassett	September 2002
The U.S. Senate Fine Art Collection	October 2002

Education and Training Office

The Sergeant at Arms and the Secretary of the Senate share responsibility for the Joint Office of Education and Training. The Sergeant at Arms and I agree on the importance of ongoing training and education programs for our staff and for all Senate offices and I share his pride in the quality of the staff in our office. The Joint Office of Education and Training provides employee training and development opportunities for all 7,000 Senate staff both in Washington D.C. and in the states. There are three branches within the department. The technical training branch is responsible for providing technical training support for approved software packages used in either Washington or the state offices. The computer training staff provides instructor-led classes; one-on-one coaching sessions; specialized vendor provided training; computer based training; and informal training and support services. The professional training branch provides courses for all Senate staff in areas including: management and leadership development, human resource issues and staff benefits, legislative and staff information, new staff and intern information. In addition, the Health Promotion branch provides seminars, classes and screenings on health related and wellness issues. This branch also coordinates an annual Health Fair for all Senate employees and two blood drives each year.

Training Classes

The Joint Office of Education and Training offered 612 classes in 2001. More than 4,900 Senate employees participated in these classes. Of the above total, in the Technical Training area, 291 classes were held with a total attendance of 1,638 students. An additional 461 staff received coaching on various software packages and other computer related issues. In the professional development area 321 classes were held with a total attendance of 3,292 students. Individual managers and supervisors are also encouraged to request customized training for their offices on areas of need. The Office of Education and Training is available to work with Senate office teams on issues related to team performance, communication or conflict resolution. During 2001, the office filled 51 requests for special training or team building. These special sessions were attended by more than 500 Senate staff. Professional development staff traveled to seven State offices to conduct specialized training/team building during the year. Technical training staff also traveled to seven State offices to conduct computer training. In the Health Promotion area, more than 600 Senate staff participated in Health Promotion activities throughout the year. These activities included: cancer screening, bone density screening and seminars on health related topics. Additionally, 843 staff participated in the Annual Health Fair held in October. More than 300 Senate staff participated in two blood drives.

State Training

Since most of the classes that are offered are only practical for D.C.-based staff, the Office of Education and Training worked with the Office Manager's Council and selected State Directors to develop a curriculum for Senate staff from state offices. This training, entitled "State Fair", began in March 2000. This year's program was open to any staff member in a state office and the program was divided into four tracks: Casework, Outreach, Management Development and Computer Skills. Topics included: Public Speaking; Motivation; Managing Change; Ethics; Legalities of Casework; Letter and Report Writing; Delegation Skills; Stress Management; Myers-Briggs Type Indicator; Developing a High Performing Teams; Conflict Management and Performance Management. The program was expanded to four days in length in 2001. One hundred and sixty-four State office staff participated in the three State Fairs that were held in March, June and September of 2001.

Response to Special Events

As a result of the terrorist attack in September and the anthrax incident in October, the office provided Senate staff with special briefings and educational sessions. We coordinated 16 special briefings and educational programs during October and November of 2001 to answer the many questions staff had about personal safety and health. These sessions included medical briefings, individual coping skills briefings, sessions for managers to help their staff cope and safe mail handling sessions.

Employment Counsel

The Office of the Senate Chief Counsel for Employment (SCCE) is a non-partisan office established at the direction of the Joint Leadership of the Senate in 1993 after enactment of the Government Employee rights Act, which allowed Senate employees to file claims of employment discrimination against Senate offices. With the enactment of the Congressional Accountability Act in 1995, Senate offices are subject to the requirements, responsibilities and obligations of eleven employment laws. The SCCE is charged with the legal representation of Senate offices in all employment law matters at both the administrative and court levels. In addition, on a day-to-day basis, the SCCE provides legal advice to Senate offices about their obligations under the employment laws.

The SCCE has implemented two electronic systems that put the office at the forefront of electronic offices. First, the SCCE has installed and implemented a comprehensive document management system. The system profiles and indexes every document in the office, regardless of whether the document was created internally or received from an outside source. Thus, the office maintains all-electronic files. Documents can be quickly located by conducting searches by, e.g., date, author, or subject matter, as well as by conducting Boolean searches in full text. The system saves hours of time by eliminating electronic directory/folder-type searches, and filing cabinet searches. It also is instrumental in preserving institutional knowledge. Second, the SCCE is converting to a "paperless" office. It has completed Phase I and part of Phase II of the 3-phase process, which involves scanning and the use of an Optical Character Recognition system for every document the office receives from an outside source. The use of OCR technology allows for computerized searches of documents.

The reasons the SCCE is converting to a paperless office are fourfold. First, the SCCE saves a significant amount of office space and copying time because it no longer copies, distributes and stores numerous hard copies of documents for the use of a staff member. If an employee needs a document, he/she accesses it electronically. Second, documents can be located easily through a word search, which saves time. Third, staff members are able to access documents from remote locations, such as a courtroom. Fourth, staff members are able to file documents electronically with the courts, which several courts, including those in D.C., now require. In addition to these advantages, an unanticipated advantage of the system occurred during the closing of the Hart building, which is where the SCCE is located. Because the office maintains electronic files, staff was able to access all office files electronically, even though the staff could not physically enter the office. This allowed the office to remain fully operational during the Hart closing.

Gift Shop

I am pleased to inform this Committee that the Gift Shop has completed its first business plan. The business plan development process identified the immediate and critical need to upgrade the Gift Shop's automated retail systems. The plan also includes an analysis of the benefits of online sales which would be made available, first through an internal intranet, to staff and state offices, and, if authorized, via the Internet, on www.senate.gov, to the public.

The Gift Shop provides products and services to Senators, staff, constituents, and the many visitors to the U.S. Capitol complex. Products include a wide variety of souvenirs, collectibles, and fine gift items created exclusively for the U.S. Senate. Services include special ordering of personalized products and hard-to-find items, custom framing, gold embossing, engraving, and shipping. Additional special services include the distribution of educational materials to tourists and constituents visiting the Capitol Building and Senate Office Buildings.

The Senate Gift Shop was established under administrative direction and supervision of the Secretary of the Senate in October 1992, (U.S.C., Title 2—Chapter 4). The Administrative and Special Order Office is located in the Dirksen Building. The main Senate Gift Shop store is located near the Senate Subway. A smaller Gift Shop counter is located in the Capitol Building. The on-site warehouse and the engraving department are located in the Hart building. The Gift Shop warehouses much of its overstock in two off-site storage facilities. The Capitol Gift counter will relocate to a new site in the Capitol Visitor Center in 2005 and be renamed the Capitol Visitor Center Senate Gift Shop. This will not affect the Gift Shop outlet located in the basement of the Dirksen Building. The CVC Senate Gift Shop will be located on the main level of the CVC.

Replacing Aging Computer System

One of our primary goals is to purchase a system to replace the current software/hardware operating and retail systems used by the Gift Shop. Our current software application, Basic Four (shared with the Stationery Room) is more than 20 years old and no longer meets the increasingly complex needs of the Gift Shop. We are currently working with the Customer Support Division within the Office of Support Services under the Sergeant at Arms to identify the most appropriate "shelf package" available that can be tailored to meet the special technical requirements of Senate Gift Shop operations. This "shelf package system" not only will need to meet the Gift Shop's current and near-future requirements, but also will be capable of accommodating add-on features that could include sales activities at free-standing kiosks and from an E-Commerce Web site. I would like to thank the Sergeant at Arms for his support of this project. SAA staff is finding the software products that would be compatible with hardware the Senate already uses, setting up the demonstrations, and continues to provide invaluable expert advice.

A Summary of Gift Shop Accomplishments:

The 2001 Official Congressional Holiday Ornament.—The sale of the 2001 Official Congressional Holiday Ornament was a great success. This most recent addition to our unique set of collectibles features "The United States Capitol in Summer 2001," an original oil painting by artist Frank Morgan. As with Official Holiday Ornaments in years past, the authentic colors of the original oil painting were reproduced onto white porcelain stoneware and set with a brass frame finished in 24kt gold. "The United States Capitol in Summer 2001" was the final ornament in a four-year series (1998–2001) depicting Early Meeting Places of Congress. The four-piece collectible set is available for purchase, as are individually packaged ornaments from the set. Revenue from the sale of more than 35,000 individual 2001 Official Congressional Holiday Ornaments generated more than $40,000 in funding for the Senate Child Care scholarship program.

Minton Tiles/Trivets.—Reproductions of the "Minton Tiles" of the Capitol Building were created as trivets and made available for sale in the Senate Gift Shop and at the Gift Counter. These richly patterned and colored trivets are modeled after one of the most striking features of the United States Capitol, its tiled floors. The original encaustic tiles laid in the Capitol extensions were manufactured at Stoke-upon-Trent in England, by Minton, Hollins and Company. The hand-painted trivets carried by the Senate Gift Shop are manufactured in the United States by a small family-owned Company, Besheer Art Tile, located in Bedford, New Hampshire.

Publications.—The book entitled *The United States Capitol* is one of the Senate Gift Shop's best sellers. This book is an unparalleled volume of architectural photography revealing the majestic interiors, both public and private, and the breathtaking exterior of this American landmark building. With the cooperation of the author and his wife, Fred and Susie Maroon, we recently had 6,000 copies of a newly revised edition of this book published, all of which are in possession of the Senate Gift Shop. Work on the revised edition of this book began in Spring 2001. Each of the many photographs underwent a time-consuming process to enhance the colors—

making them more vibrant and closer to natural. Unfortunately, Fred was diagnosed with a critical illness in the Fall of 2001 and passed away within a few months. The final stages of preparing the book for publication were undertaken by Fred's widow, Susie Maroon. The book was completed in December 2001. It is gratifying to know that this great work, *The United States Capitol*, can and will be made available to the many visitors of the Capitol complex for years to come.

The Historian of the Office of the Architect of the Capitol, William C. Allen, completed his work on the book *History of the United States Capitol: A Chronicle of Design, Construction, and Politics*. This voluminous hardback book covers the construction of the Capitol building that George Washington approved in 1793 and follows the Capitol's architectural metamorphosis over the next 200 plus years. The book concludes with the mention of congressional approval for the construction of the Capitol Visitor Center, which, coincidentally, has just begun! The Gift Shop secured 3,000 copies of this book, thus ensuring that this beautiful volume chronicling the rich history of the architecture of the Capitol building can be made available to visitors for years to come.

Early in 2001 the Gift Shop developed an original concept for a children's book—*How American Citizens Elect Their Leaders*. Nancy Ann Van Wie, a noted author and publisher of children's educational books, agreed to write the book. The book was delivered to the Gift Shop April 9 and is now available for purchase. The receipt of this children's work is timely considering 2002 is an election year. The Gift Shop has secured 2,000 copies of the book, thus ensuring that this wonderful children's book can be made available to teachers and visitors for years to come. It should be noted that Ms. Van Wie authored and published an earlier book, *How a Bill Becomes a Law*. The concept for this work was developed at the Senate Gift Shop as well. This book, along with the accompanying teacher's planning guide (also published by the author), has proven to be an important educational tool used by many elementary school teachers. We look forward to making these publications available to educators and younger customers for years to come.

107th Congressional Plate.—Tiffany and Company completed the 107th Congressional Plate in late 2001. This plate was made available for sale in mid-December 2001. The elegant motifs selected for this plate pay tribute to the rich frescoes of the Brumidi Corridors, considered the decorative gem of the United States Capitol. A patriotic star motif, found in the center of the plate, is patterned after a design found throughout the Capitol in Brumidi's frescoed ceilings and walls, in his elaborately designed bronze staircases, and in the building's historic Minton Tile floors. A red, white and blue shield used in the parameter design of the plate is adapted directly from the roundels in the Patent Corridor at the east end of the Brumidi Corridors.

Patriotic Merchandise.—After the tragic events of September 11, 2001, the Senate Gift Shop immediately purchased and made available to its customers a countless number of patriotic materials. These items allowed many to display their American spirit and enthusiastic support for the country in these unsettling times. We were especially pleased to provide to the White House staff the flag pin that President George W. Bush wore on his lapel during his first post-9/11 addresses to the nation. We were informed by the President's staff that the thousands of pins that we had provided to them were distributed to many of the people with whom the President was meeting in the Oval Office, as the President kept a generous supply of these flag pins in a bowl prominently displayed on his desk.

CVC Gift Shop.—One of the most important projects in the works for this year is preparing the groundwork for the Senate Gift Shop's participation in the "soon-to-be-constructed" Capitol Visitor Center. As stated, the Gift Counter in the Capitol building will relocate to the CVC where the Senate Gift Shop has been allotted 2,150 square feet of retail space. This allotment of space is significant in that it will allow the Gift Shop the opportunity to showcase its ability to provide unique souvenirs, collectibles, and historic and educational products to the numerous visitors to the Capitol Building and, of course, the new CVC.

Online Sales.—The "E-Commerce Business Plan" for the Senate Gift Shop was developed and presented to the Secretary of the Senate in 2001. The plan addresses the Gift Shop's need to better serve its customers in this new era of retail. There is an ever-growing constituency of Gift Shop customers, most important of all Senate staff, here in D.C. and in the state offices, who expect and anticipate the eventuality of making purchases from the Senate Gift Shop online. We know that a strong multi-channel consumer retail strategy enhances growth in both online and offline commerce, promotes high levels of customer satisfaction, and increases operational efficiency

Warehousing.—Less-than-adequate warehousing is another issue to be addressed during 2002. Departments of the Secretary of the Senate are working closely with offices under the Sergeant at Arms to find better and additional shared off-site warehousing for the Gift Shop inventory. Current warehousing conditions in both Alexandria, Virginia, and Fort Meade, Maryland, lack basic environmental and security needs required for the types of products stored in them. It is our sincere hope that a solution for better off-site storage of product will be identified and implemented this year.

Other Projects.—

—*Tree Recovery Program*.—The Gift Shop has approval to recover usable wood from the felled trees on Capitol grounds to produce authentic and historic gift items made exclusively for sale in Senate Gift Shop retail locations. The cut wood has been recovered and is in the process of being milled.

—*Senate Children's Calendar*.—The Gift Shop is working on its proposal for a children's artwork contest. The winning selections will be showcased in the first annual Children's Congressional Calendar. A percentage of the proceeds may be set aside to benefit both the Capitol Preservation Commission and the CVC.

The Historical Office

I am most pleased to tell the Committee that the Society for History in the Federal Government selected the publication, *Capitol Builder: The Shorthand Journals of Montgomery Meigs*, 1853–1861, a project of the Senate Historian, for its "Pendleton Prize." This prize honors "the outstanding major publication on the federal government's history produced by or for a federal history program during the year 2001." This prize is well deserved by the Senate Historian, Dr. Richard Baker, and his staff, who conceived of and nurtured this project through to publication.

Serving as the Senate's institutional memory, the Historical Office collects and provides information on important events, precedents, dates, statistics, and historical comparisons of current and past Senate activities for use by members and staff, the media, scholars, and the general public. The Office advises Senators, officers, and committees on cost-effective disposition of their non-current office files and assists researchers in identifying Senate-related source materials. The Office keeps extensive biographical, bibliographical, photographic, and archival information on the more than 1,760 former senators. It edits for publication historically significant transcripts and minutes of selected Senate committees and party organizations, and conducts oral history interviews with key Senate staff. The Photo Historian maintains a collection of approximately 35,000 still pictures, slides, and negatives that includes photographs and illustrations of most former senators, as well as news photographs, editorial cartoons, photographs of committees in session, and other images documenting Senate history. The Office develops and maintains the historical sections of the Senate Web site.

A Summary of the Historical Office Accomplishments

Leader's Lecture Series.—The Lecture Series provides outstanding former Senate leaders and other distinguished Americans the chance to share their insights about the Senate's recent history and long-term practices. Beginning in 1998, the lectures have been held in the Capitol's historic Old Senate Chamber before an audience of current senators and specially invited guests from the executive branch, the diplomatic corps, the media, and private enterprise. The Historical Office, in coordination with other offices under the Secretary's jurisdiction, provided editorial and production support for the May 23, 2001, lecture of former President Gerald R. Ford. Text and streaming video of all eight lectures in the series are now available on the Senate's Web site.

Publication: The Journals of Montgomery Meigs, 1853–59.—Captain Montgomery Meigs (1816–1892), U.S. Army Corps of Engineers, supervised construction of the Capitol dome and the Senate and House wings from 1853 to 1859. During this period, he kept shorthand journals with detailed accounts about his work on the Capitol, congressional operations, and political and social life in Washington. In 1991 the Office arranged for the translation of the journals. This project concluded in September 2001 with the publication of a 900-page volume, which includes approximately 40 percent of the total manuscript. The selected text highlights portions of the journal most relevant to the Capitol and congressional history.

Editorial Project: Executive Session Transcripts of the Permanent Subcommittee on Investigations, 1953–1954.—The Office is editing the executive session hearing transcripts produced by the Senate Permanent Subcommittee on Investigations under the chairmanship of Senator Joseph R. McCarthy (1953–1954). The resulting multivolume edition will be available for release in 2003 and 2004 to coincide with the expiration of the fifty-year closure period for these hearings. This publication will allow researchers nationwide to have equal access to these highly sought historical documents. During 2001, staff scanned, converted, and edited 124 transcripts for

1953 and surveyed 400 witnesses to determine whether they subsequently testified in public and to develop relevant biographical information.

Editorial Project: Executive Session Transcripts of the Committee on Foreign Relations, Historical Series: 1967.—To assist the Senate Foreign Relations Committee in its efforts to identify, declassify, and publish its previously closed executive session transcripts for historical research, the Office provided the committee with an edited manuscript and corrected the galleys of the volume covering its 1967 proceedings, soon to be published. Editorial work on the volume for 1968 is in progress.

Editorial Project: The Documentary History of the United States Senate.—The Office is conducting an ongoing documentary publication program to bring together fundamental source materials to explain the development of the Senate's constitutional powers and institutional prerogatives. Currently in production are volumes on Senate impeachment trials, the Senate's consideration of controversial treaties, and the evolution of the Senate's standing rules. For the impeachment trial volume, working drafts have been prepared to summarize each case, with selection of key documents and writing of textual notes underway. For the controversial treaties volume, much of the research has been completed and several major chapters have been drafted. Work on the rules volume has proceeded to provide coverage from 1789 through the 1850s.

Editorial Project: Administrative History of the Senate.—During 2001, the assistant historian revised an earlier chapter structure and focused on the years 1789 to 1861 in this historical account of the Senate's administrative evolution. This study traces the development of the offices of the Secretary of the Senate and Sergeant at Arms, considers nineteenth and twentieth-century reform efforts that resulted in reorganization and professionalization of Senate staff, and looks at how the Senate's administrative structure has grown and diversified over the past two centuries.

Editorial Project/Data Base: Biographical Directory of the U.S. Congress, 1774-present.—Since the most recent printed edition of the *Biographical Directory of the United States Congress* appeared in 1989, the assistant historian has added dozens of new biographical sketches and has revised and updated a majority of the database's 1,864 Senate entries. A current version of the database is available online at http://bioguide.congress.gov. The photo historian completed a multi-year project of adding photographic images of former senators to this electronic database. Work is also proceeding on the next print edition, planned for publication in 2003.

Data Base: "Idea of the Senate" Project.—This project identifies spoken and written remarks encapsulating changing concepts of the Senate from the institution's inception through the mid-twentieth century. The initial survey of approximately one hundred primary and secondary sources for appropriate materials was completed in May. Notebooks contain quotations, articles, and chapters directly related to the Senate's institutional operations.

Data Base: "Origins of the Senate" Project.—This project examines state constitutions prior to 1787 to identify their influence on the framers of the Constitution as they shaped the Senate's structure and determined its functions. The project director has produced seventeen essays, each fully describing an essential feature of Senate operations.

Data Base: Senate Topical Bibliography.—Two years in preparation, this bibliography presents citations for approximately seven hundred major books and articles related to the Senate's institutional development and operations. The first of its kind, this comprehensive subject listing is now accessible on the Senate website and is updated periodically.

Oral History Program.—The Office concluded its series of interviews with staff involved with the 1999 presidential impeachment trial and continued life-review interviews with three key Senate observers. It also placed on the Senate website the complete transcripts of fifteen earlier interviews. The associate historian interviewed selected Senate floor staff to document the impact of the September 11, 2001, Pentagon and World Trade Center bombings on Senate legislative operations.

Member Services: Members' Records Management and Disposition Assistance.—The Senate archivist continued her program of assisting members' offices with planning for the preservation of their permanently valuable records, with special emphasis on archiving information from computer systems and transferring records to a home state repository. A team approach involving customer support service staff from the Sergeant at Arms was implemented with particular success. The archivist devised a "checklist of management goals" in setting up an office and updated the electronic records section of the *Records Management Handbook*. In August, she organized and conducted a session at the Capitol for eighty-five congressional archivists, representing thirty-eight states, who were attending the annual meeting of the Society of American Archivists. That session focused on recommendations related to the papers of members contained in the December 2000 report of the Advisory Committee on the Records of Congress.

Member Services: Committee Records Management and Disposition Assistance.—The Senate archivist provided each committee with staff briefings, record surveys, and guidance on preservation of information in electronic systems, and instructions for the transfer of permanently valuable records to the National Archives' Center for Legislative Archives. She oversaw the transfer to the Archives of three thousand feet of records. Despite the loss of the room used for processing committee records, the Office's archival staff continued to provide processing assistance to committees in need of basic help with noncurrent files from temporary quarters at the National Archives building on Pennsylvania Avenue. The archivist worked with the Senate's Legislative Information System's project team to develop archival applications for that system. She also initiated a review of records disposition guidelines for offices of the Secretary and assisted with compilation of a draft records disposition schedule for all offices of the Senate Sergeant at Arms.

Member Services/Educational Outreach: "Senate Historical Minutes".—At the request of the Senate Democratic Majority Leader, the Senate historian prepared and delivered a "Senate Historical Minute" at each of thirty-five Senate Democratic Conference weekly meetings during the first session of the 107th Congress. These four-hundred-word Minutes are designed to enlighten members about significant events and personalities associated with the Senate's institutional development, and with familiar objects and places within the Capitol The more than 175 Minutes prepared since 1997 are available as a feature on the Senate Web site.

Photographic Collections.—The photo historian continued to expand the Office's 35,000-item photograph collection by creating a photographic record of historically significant Senate events, including hearings of one-third of all Senate committees. She also actively sought images of former senators not represented in the collection. The photo historian catalogued approximately 3,000 35 mm negatives into an image database and completed a multi-year project to create digitized images of 1,800 current and former Senators for the on-line edition of the *Biographical Directory of the United States Congress*. She continued to create digital images of frequently used photographs to promote their use and safeguard the originals. A large portion of the Office's photographic collections can now be viewed in electronic format and transmitted via e-mail.

Educational Outreach: Senate Staff Lecture Series.—In coordination with the Senate Office of Education and Training, Historical Office staff provided seminars, both formal and informal, drawn from more than a dozen topics related to the Senate's constitutional role, institutional development, and internal administrative functions.

Advisory Committee on the Records of Congress.—This eleven-member permanent committee, established by Public Law 101–59, meets twice a year to advise Congress and the Archivist of the United States on the management and preservation of the records of Congress. Its Senate-related membership includes the Senate historian, appointees of the majority and minority leaders, and the Secretary of the Senate, who chairs the committee during the even-numbered sessions of Congress. The Senate Archivist complied, edited, and contributed to the Third Report of the Advisory Committee, which was distributed early in the year.

Capitol Visitor Center Exhibition Content Committee.—The Senate Historian assisted this committee in developing a mission statement and preparing detailed exhibit plans for this 20,000 square-foot facility, which is scheduled to open in January 2005.

Human Resources

The Office of Human Resources implements and coordinates human resources policies, procedures, and programs for the Office of the Secretary of the Senate, including hiring, training, performance, job analysis, compensation planning and administration, leave administration, records management, recruiting and staffing, employee handbooks and manuals, internal grievance procedures, and employee relations and services.

The Office of the Secretary worked on two legislative changes that were implemented in 2001: (1) lump-sum payments for unused, accrued annual leave upon termination of employment and (2) an increase in the amount of the Public Transportation Subsidy. The lump-sum payment authority not only promotes administrative economies and efficiencies but also gives employees equal access to unused annual leave even if transferred to another federal agency. We anticipate that the added financial encouragement for Senate employees to use public transportation will help reduce traffic congestion and pollution and improve Senate parking capacity. This new incentive should also help us attract and retain personnel in the highly competitive Metro Washington labor market. The Office also assisted in the implementation of the Senate Student Loan Repayment Program. We are confident that this new incentive, sponsored by key Members of the Appropriations Committee and mandated by Public Law 107–68, will complement and improve the Senate's recruiting and retention goals and have a positive impact on employee morale.

The Secretary's General Counsel and the Chief Counsel for Employment, in coordination with the Disbursing Office and the Rules Committee staff, crafted Senate Resolution 193, which was passed by the Senate on 18 December 2001. This resolution recognized a "leave without pay status" for those employees called to serve in the uniformed services. This status ensures that such employees retain the same benefits while serving in the uniformed services, as an employee from the executive branch who is called to serve in the uniformed services.

Merit Review

We conducted an in-depth merit review this past fall. A fair and balanced merit compensation system is a key management tool to improve work processes and reward top performers and will be even more important in the future as the competition for highly skilled employees continues to intensify. Funds have not been requested for a true merit raise program since 1996. We have requested funding this year and, after a complete review of our job classifications by the new Director of Human Resources, we plan to use these funds to reward high performing staff and encourage valuable employees to remain in the Senate. These are the people who help keep the Senate functioning and we want to keep them.

Automated Capabilities Improve

Employee information became easier to manage in 2001 with the implementation of a new data base system called People-Trak. The information available for management decision-making also became more plentiful and easier and faster to produce. Individual pay change notices for the merit review (discussed above) were produced in minutes versus hours under the previous system. A new upgrade to this economical and yet robust software package will soon give supervisors the capability of automatically accruing and tracking leave taken.

COOP Implementation

Even though the Human Resources office in the Hart building was closed, the office was able to perform all essential operations during the more than three months that the building was closed, including data base maintenance, appointments and other salary changes, time reporting, overtime calculations and payments, new employee orientation, transportation subsidy program administration, recruiting, and employee and management advisory services. Documents contained in the office's flyaway kit prepared for just such an emergency were used extensively. We have since fine-tuned information to be maintained in the HR flyaway kit and expanded our electronic capabilities.

Office of the Secretary Staff Intranet

Phase I of the Human Resources page for this intra-office Web site has been completed and will become operational this year. The goal of this initiative is to provide a mechanism for continuous on-line communication with employees and facilitate response to various personnel programs. The initial design includes a "vision-oriented" cover page and site index and a Job Opportunities section where employees will be able to complete a new Career Opportunities Application on-line and electronically transmit it to each level of review. We view this as a very important and critical process improvement for the Secretary's Office because it gives our employees equal access to job announcements and prompt feedback regarding eligibility. Plans for Phase II include a Benefits Summary page, Office Policies (from the Employee Handbook), and an interactive Management Development section.

Information Systems/Computer Support

The staff of the Secretary's Department of Information Systems provides technical hardware and software support, and computer related support for the all LAN-based servers for the Office of the Secretary of the Senate. Information Systems staff also interface closely with the application and network development groups within the SAA's office, the Government Printing Office, and outside vendors on technical issues and joint projects. Information Systems staff provides direct application support for all software installed workstations, evaluates new computer technologies, and continually implements next generation hardware and software solutions.

Although staffing levels remained unchanged, functional responsibilities for support in other departments were expanded. Information System staff responsibilities were expanded to backfill the retirement of Senate Library technical personnel. Improved procedures were adopted to stretch support across all Secretary departments.

The Disbursing, Office of Public Records, Chief Counsel for Employment, Page School, Senate Security, Stationery Room and Gift Shop have dedicated information technology staff. Information Systems personnel continue to provide first level escalated hardware and software support for these office staff members.

For information security reasons, Secretary departments implement isolated computer systems, unique applications, and isolated local area networks. The Secretary of the Senate network is a closed local area network within the Senate. Information Systems staff continue to provide a common level of hardware and software integration for these networks, and for the shared resources of inter-departmental networking. Information System staff continue to actively participate in all new project design and implementation within the Secretary of the Senate operations.

Improvements to the Secretary's LANs

The Senate chose Windows NT as the standard network operating system in 1997. The continuing support strategy is to enhance existing hardware and software support provided by the Information Systems Department, and augment that support with assistance from the Sergeant at Arms whenever required. The shaded area in Chart Three highlights the installation and upgrades for Office of the Secretary server installations. The Secretary's Network supports approximately 300 staff users and patron accounts in the Capitol, the Senate Hart, Russell, Dirksen, and the Page School locations.

CHART THREE: INFORMATION SYSTEMS INSTALLATION AND UPGRADES FOR SERVERS

Department	NT/PDC	NT/BDC	NT/Single	SNAP (*) Servers	Totals
Info Systems	1	4	4	2	11
Disbursing	1	2		1	4
Library	1		1	1	3
OPDS			1	1	2
Reporters	1				1
Gen Counsel	1			1	2
Page School	1	1			2
Stationery	1	1			2
Security	1				1
OPR	1		7	1	9
Totals	9	8	13	7	37

NT/PDC - Primary Domain Controllers
NT/BDC - Backup Domain Controllers

Dark Cells - Systems Changes in 2001

(*) ALL Novell Servers retired
(*) Quantum SNAP servers added in FY2001

The Information Systems Office:

—Installed Optical Character Recognition hardware/software solution in Enrolling Clerk's office. Some committees continue to provide the office of the Enrolling Clerk with hard copy legislation. The installation of network scanning techniques vastly improved the legislation process by reducing the amount of clerical work required to manually type the documents.

—Added Quantum Snap Server for Senate Library Oracle database.

—Designed and implemented Office of Public Records Lobby Web site hardware configuration. Installed (2) raid-compliant (redundant array of independent disks, a data security standard), redundant servers at PSQ (http://sopr.senate.gov). In accordance with the Lobbying Disclosure Act of 1995, the

Secretary of the Senate has initiated this program to allow the public to view filings received by the Office of Public Records.
—Retired and replaced DOS-based applications with Windows-compliant Client/Server hardware and stenograph software for Official Reporters; Migrated the Official Reporters of Debate "out of the Dark Ages into the Information Age."
—Replaced and Upgraded NT Server and all Page workstations In Webster Hall.
—Relocated the original server to the Capitol for use as a Backup Domain controller.
—Replaced older Senate Security servers and added OCR scanning capability for archiving certain documents.
—Installed redundant off-site backup servers (for our COOP plans) for the Secretary's LAN at Postal Square and in Hart Office Locations. This facilitates smaller, lighter-weight storage units that can be transported at a moments notice.

Continuity of Operations Plan (COOP)

The Office of Information Systems began disaster planning for the Secretary's office in June of 1998. In January of 2001, this planning process had evolved to include other working groups within the Senate. Working with the Office of Senate Security, SAA, GSA, and GAO personnel, the initial Information Systems COOP plan was developed in March 2001. Initial emphasis was placed on the continuation of legislative and financial functions within the Senate. In retrospect after the September 11th 2001 events, early evaluation and pre-September 11 implementation of redundant server storage arrays dramatically reduced the risk of data loss within the Secretary's Office. Three of the six Secretary domains were affected with the Hart incident, yet no data loss occurred.

Let me emphasize these two points: We were ready for September 11. We transformed the backup capacity and portability of the Secretary's computer infrastructure, the critical infrastructure that supports the Secretary's offices and departments.

COOP Planning/Data Migration

Beginning in January 2001, new technology was implemented to migrate and store legislative data off-line. This success of the initial pilot project was used to facilitate solutions in other Secretary offices. The same technology was applied to provide the department of Public Records with off-line storage capabilities in July 2001. Near-line server storage solutions augment the normal tape archival process. Individual server data continues to be backed up each night. The implemented solution utilizes a product manufactured by Quantum, and is a fault-tolerant, raid storage server, with a small footprint. The reduced size makes the product attractive when a major evacuation is required. At present there are three Secretary-of-the-Senate Snap Servers deployed in key locations on the Capitol complex. Two smaller units are located off-site and rotated on a bi-monthly basis. In early November this office demonstrated the near-line storage solution for staff of the Sergeant at Arms. Their response was immediately positive, and our understanding is that SAA is making available smaller Snap server products for personal and committee offices.

Interparliamentary Services

The Office of Interparliamentary Services (IPS) has completed its 20th year of operation as a department of the Secretary of the Senate. IPS is responsible for administrative, financial, and protocol functions for all interparliamentary conferences in which the Senate participates by statute, for interparliamentary conferences in which the Senate participates on an ad hoc basis, and for special delegations authorized by the Majority and/or Minority Leaders. The office also provides appropriate assistance as requested by other Senate delegations.

The statutory interparliamentary conferences are: NATO Parliamentary Assembly; Mexico-United States Interparliamentary Group; Canada-United States Interparliamentary Group; and British-American Parliamentary Group.

Foreign travel authorized by the Leadership is arranged by the IPS staff. In addition to delegation trips, IPS provided assistance to individual foreign trips as requested. Several trips were scheduled, but canceled or postponed after most of the advance work had been completed. Also, Senators and staff authorized by committees for foreign travel continue to call upon this office for assistance with passports, visas, travel arrangements, and reporting requirements. IPS has purchased currency converters for use on overseas trips.

Known by many in the Senate as the "protocol office", Interparliamentary Services maintains regular contact with the Office of the Chief of Protocol, Department of State, and with foreign embassy officials. Official foreign visitors are frequently received in this office and assistance is given to individuals as well as to groups by the IPS staff. The staff continues to work closely with other offices of the Secretary of the Senate and the Sergeant at Arms in arranging programs for foreign visitors. In addition, individual Senators' offices frequently consult IPS on a broad range of protocol questions. On behalf of the Leadership, the staff arranges receptions in the Senate for Heads of State, Heads of Government, Heads of Parliaments, and parliamentary delegations.

Planning is underway for the 43rd Annual Meeting of the Canada-U.S. Interparliamentary Group to be held in the United States in 2002. Advance work, including site inspection, will be undertaken for the 42nd Annual Mexico-U.S. Interparliamentary Group Meeting, to be held in the United States in 2003. Preparations are also underway for the spring and fall sessions of the NATO Parliamentary Assembly. This year, IPS has begun the process of converting to a paperless office system.

The Senate Library

The Senate Library provides legislative, legal, business, and general reference services to the United States Senate. The comprehensive legislative collection consists of congressional documents dating from the Continental Congress. In addition, the Library maintains executive and judicial branch materials and an extensive book collection on politics, history, and biography. These sources plus a wide array of online systems assist the Library staff in providing nonpartisan, confidential, timely, and accurate information services to the Senate.

Summary of Senate Library Achievements:

—*Presidential Vetoes, 1989–2000* published
—*Senate Library Brochure* published
—*Information Resources in the United States Senate Library* published
—Librarians served as Legislative Information Service (LIS) training instructors
—*United States Serial Set* inventory completed
—*UNUM* published by Library staff
—Significant portions of the book collection reclassified
—Government document collection reviewed and 4,715 items removed
—Budget review returned significant saving

Patron Services

The Library's Information Services responded to 38,596 requests during 2001, a 4 percent increase from 2000. This total included 27,472 phone, fax, and e-mail requests and 11,124 Senate staff who used resources in the Library. The Senate Library's request totals have remained fairly constant for the past three years while other information centers and libraries, including those serving the Congress, have witnessed declines in request levels. A reason for the decline is the increased availability of Internet resources to Senate staff, particularly Lexis-Nexis and Westlaw. The Senate Library responded to this trend by offering the Senate staff new services and products. These new offerings include providing training on commercial and congressional databases, publishing resources tailored to Senate research needs, creating a Web site focused on core reference sources, and continuing a very active public support program.

CHART FOUR: SENATE LIBRARY 2001 INFORMATION STATISTICS

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Phone, FAX, E-Mail Inquiries	2,689	2,094	2,552	2,139	2,489	2,506	2,643	2,205	2,164	2,130	2,038	1,823
Walk-in Inquiries	982	922	1,079	833	970	1,179	968	743	693	804	1,111	840
Monthly Totals	3,671	3,016	3,631	2,972	3,459	3,685	3,611	2,948	2,857	2,934	3,149	2,663
Total Inquiries (Includes 27,472 telephone, fax, e-mail and 11,124 walk-in inquiries)	338,596											

Most other activity indicators also reflect increases: 4,791 items delivered (+11.4 percent); 2,148 items loaned (+44.7 percent); 477 new patrons; 4,552 faxes sent (−1 percent); and 168,769 photocopies produced (+9.2 percent). In addition, Senate staff used the Micrographics Center to reproduce 7,810 pages from congressional documents and news articles. These favorable statistics are impressive, particularly when considering the curtailed October to December work schedule for many Library patrons due to the anthrax situation.

The Library's 125-year presence in the Capitol ended when the Reading Room, S–333, was transferred to the Secretary's personal staff. The Library's February 1999 Russell Building relocation limited the practicality of a Capitol site and permitted the reassignment. This change was accomplished without comprising information services to the Capitol offices.

CHART FIVE: SENATE LIBRARY STATISTICS DOCUMENT DELIVERY

	Volumes Loaned	Materials Delivered	Facsimiles	Micrographics Center Pages Printed	Photocopiers Pages Printed
January	139	459	480	838	18,296
February	120	523	380	550	10,067
March	169	584	346	835	12,530
1st Quarter	428	1,566	1,206	2,223	40,893
April	246	360	395	632	16,594
May	236	456	511	461	12,184
June	284	357	588	797	18,725
2nd Quarter	766	1,173	1,494	1,890	47,503
July	204	376	433	832	17,251
August	102	366	298	711	15,813
September	187	337	329	487	11,747
3rd Quarter	493	1,079	1,060	2,030	44,811
October	127	286	307	614	12,941
November	185	431	262	448	12,006
December	149	256	223	605	10,615
4th Quarter	461	973	792	1,667	35,562
2001 Total	2,148	4,791	4,552	7,810	16,8769
2000 Total	1,485	4,299	4,600	4,391	15,4554
Percent Change	44.65	11.44	−1.04	77.86	9.20

News, Legal, and Legislative Systems

The Library provides a critical link between the Legislative Information System (LIS) and Senate staff. Two recent roles assumed by the Library include being the official LIS telephone Help Line and teaming with the Senate Computer Center as LIS training instructors. In both roles, Senate staff greatly benefit from the Library's unmatched online searching skills and extensive legislative experience. Previously, the Senate Computer Center was solely responsible for training functions, but the Library requested the transfer and the training programs have significantly improved.

The Library's online training responsibilities also include Lexis-Nexis and Westlaw, the primary news and legal databases provided to all Senate staff. The commercial database instruction is provided by telephone or through training sessions in the Library. The high number of new Senate staff makes effective training programs, particularly database training, a critical responsibility. The goal is to ensure that the transition of new and inexperienced Senate staff into productive staff is accomplished as quickly as possible. In addition, Library staff participated in several LIS user groups and committees. Currently, the Library is testing a proposed LIS e-mail alert system. The alert is triggered when legislative activity occurs on pre-selected legislation and the subscribing Senate office is notified via e-mail. Electronic notification of legislative activity will significantly improve accuracy, timeliness, and efficiency.

The ability to fax news articles and legal materials directly from personal computers is an added service to Senate staff. PC faxing significantly reduces response time as needed materials are received virtually instantaneously. At this time, only a limited number of commercial databases offer the fax function, but the initial response from Senate staff has been favorable.

Public Support and Services

Library staff conducted more than 50 tours and demonstrations on Library services during 2001. Services of the Senate Library Seminars are offered quarterly and staff receives a personalized Library tour and database demonstrations. The two State Fairs and five District-State Seminars offered presentations on the wide variety of Senate services available to state office staff, including Library services. In addition, the Library participated in eight New Staff Seminars and also held special seminars for office managers and the Senate Page School.

The corridor display cases remain very popular with staff and Capitol Hill visitors and during 2001 four new cases were installed: Capitol Visitor Center Coins, Women in the Senate, History of the Capitol Police, and the Burning of the Capitol. Black History Month was honored with a Dirksen cafeteria book display highlighting African American history, biography, literature, and poetry. The displays would not be possible without the guidance and artistic talents of Carl Fritter and Steve Rye, Office of Conservation and Preservation.

This last point is an important one: the various departments of the Secretary's Office continue to support each other, just as they provide support for the broader Senate community.

Publications

The Library documents the histories of cloture motions and presidential vetoes. In 2001, we compiled and distributed *Presidential Vetoes, 1989–2000* (Sen. Pub. 107–10), which supplements *Presidential Vetoes, 1789–1988* (S. Pub. 102–12). The two volumes provide the definitive documentary history for every veto from the First Congress through the 106th Congress. Vetoes was distributed to congressional offices and to the 1,350 libraries in the government depository library program.

We have reformatted the *Hot Bills List*, the Library's most popular publication. *Hot Bills* is updated several times a week and lists current legislation that is of concern to Senate staff, important to constituents, and the subject of press reports. The value of *Hot Bills* is in its timeliness and that it captures the legislation of vital interest to Senate staff. The quick guide is available through Webster and is sent electronically to every Senate office and to the Congressional Research Service, Library of Congress. The *Hot Bills List* will be available to all Capitol Hill offices when it is added to the LIS main page during 2002.

One of the Senate librarians authored the *Annotated Bibliography of Selected Resources on Government and Politics*, which describes more than 200 essential reference and research sources. The *Annotated Bibliography* benefits from years of research and editing experience and is specifically tailored to Senate staff needs. We have also revised the informative Library brochure. The tri-fold brochure profiles Library services, describes the collections, and includes a laminated bookmark and telephone card. We also compile the monthly *New Books* list, which details new acquisitions and is distributed to Senate offices.

Library's Intranet Site on Webster (http:webster/library)

The Library's Web page on Webster contains an electronic reference collection of valuable research tools and the 2001 improvements and enhancements include: *Presidential Vetoes, 1989–2000* by Zoe Davis, *Hot Bills List* by Jennifer Casey, *Books by Sitting Senators* by Jean Keleher, *Information Resources in the U.S. Senate Library* by Nancy Kervin, *Appropriations Table, Fiscal Year 1988 to Fiscal Year 2002* by Brian McLaughlin, *Presidential Cabinet Nominations: President Carter to President George W. Bush* by Meghan Dunn, *Congressional Committee Bibliography of Public Law Compilations*, by Lauren Gluckman, *Works Progress Administration State Guides, A Bibliography*, by former Reference Librarian Rick Ramponi, and *Hornbook Series and Other Legal Works* by Lauren Gluckman.

Web site innovations also allow Senate staff to schedule a Library tour, order books, and place reference requests. Book ordering is linked our *New Books* page, where reviews accompany the latest acquisitions. New hyperlinks were also added that access the roll call votes provided on www.senate.gov and the wealth of information located on FirstGov.gov.

Acquisitions

The Library received 9,465 new books, government documents, and microforms during 2001. This included 347 books and reference volumes; 4,963 congressional documents; and 4,155 executive branch publications in paper or microfiche. Significant additions of older congressional materials were received from the Senate Governmental Affairs Committee, Senate Budget Committee, Towson State University, and a local law firm library. The two major purchases from Congressional Information Service were *Presidential Executive Orders and Proclamations, 1789–1921*, which provides more than 35,000 executive documents; and *Unpublished House Committee Hearings, 1965–1968*, which includes 1,950 hearing transcripts. These microfiche collections with accompanying indexes provide invaluable resource materials previously unavailable in the Library.

CHART SIX: SENATE LIBRARY STATISTICS ACQUISITIONS

	Books		Government Documents		Congressional Publications				Total
	Ordered	Received	Paper	Fiche	Hearings	Prints	Bylaw	Reports/ Docs	
January	38	41	397	117	290	20	18	104	987
February	20	30	423	28	312	24	22	58	897
March	34	24	434	112	351	26	52	59	1,058
1st Quarter	92	95	1,254	257	953	70	92	221	2,942
April	25	43	361	12	209	33	24	95	777
May	30	27	292	8	234	51	27	107	746
June	22	42	375	56	288	38	46	142	987
2nd Quarter	77	112	1,028	76	731	122	97	344	2,510
July	46	31	244	38	261	23	39	109	745
August	23	46	259	44	263	34	30	182	858
September	11	15	253	246	255	22	30	129	950
3rd Quarter	80	92	756	328	779	79	99	420	2,553
October	28	12	174	33	265	11	37	77	609
November	16	20	179	13	258	11	37	123	641
December	28	16	40	17	68	0	29	40	210
4th Quarter	72	48	393	63	591	22	103	240	1,460
2001 Total	321	347	3,431	724	3,054	293	391	1,225	9,465
2000 Total	341	426	4,971	4,589	3,642	241	211	1,441	15,521
Percent Change	−5.87	−18.54	−30.98	−84.22	−16.15	21.58	85.31	−14.99	−39.02

Cataloging

Cataloging staff added a total 5,825 bibliographic records to the online catalog in 2001. They continued to focus their considerable skills on the Senate's exceptional collection of historic committee hearings. This ambitious retrospective project is significantly increasing access to these unique congressional publications. Their work will be available not only to the Senate, but also to libraries worldwide through an international database. Our cataloging of contemporary hearings produced a total of 3,668 hearing records. In addition, we added 942 bibliographic records of federal agency documents to the catalog and reclassified major portions of the international law and literature sections to comply with the Library of Congress's revised classification schedules.

CHART SEVEN: SENATE LIBRARY STATISTICS CATALOGING

	Hearing Numbers Added to LIS	OCLC Records Produced						Total New Records Cataloged
		Books	Government Documents		Congressional Publications			
			Paper	Fiche	Hearings	Prints	Docs./Pubs.	
January	25	145	51	149	539	8	23	915
February	22	312	44	85	293	2	6	742
March	0	49	77	130	273	9	1	539
1st Quarter	47	506	172	364	1,105	19	30	2,196
April	0	62	29	50	448	14	43	646
May	12	29	33	11	386	74	1	534
June	0	23	28	4	358	45	11	469
2nd Quarter	12	114	90	65	1,192	133	55	1,649
July	6	34	43	32	264	0	0	373
August	0	21	32	42	211	3	30	339
September	0	48	24	24	208	18	61	383
3rd Quarter	6	103	99	98	683	21	91	1,095
October	8	22	26	2	230	13	9	302
November	5	18	11	1	261	13	10	314
December	25	9	13	1	197	37	12	269
4th Quarter	38	49	50	4	688	63	31	885
2001 Total	103	772	411	531	3,668	236	207	5,825
2000 Total	387	750	703	1,982	6,476	96	89	10,096
Percent Change	−73.39	+2.93	−41.54	−73.21	−43.36	+145.83	+132.58	−42.30

Library.Solution, the Library's Integrated Library System

The Library's integrated library system, Library.Solution, which facilitates control over acquisitions, cataloging, check-in, and circulation of the Library's collections, was purchased from The Library Corporation (TLC) and installed in January 2000. Library.Solution is the Library's third catalog and with each generation the sophistication and functionality has significantly increased. However, the Senate Library's 97,000 cataloged titles and 148,000 associated volumes still present challenges to system designers in terms of collection size, complexity, and our demanding technical requirements. After completely rebuilding the local authority files and the installing an updated national authority database, the catalog performance improved to permit the loading of more than 8,000 bibliographic records from back files and the standardization of local subject headings.

A major Library goal is to provide the online catalog to the entire Senate community. The current catalog provides this capability, but action was delayed due to the estimated $25,000 cost, the pending release of new Oracle-based software, and the 2003 replacement of the current operating system. Access to library catalogs is a standard patron service and the Library will continue to work to make the catalog available to every Senate office.

Collection Maintenance, Preservation, and Binding.—Maintenance and preservation projects produced a better-organized and environmentally protected collection. The historic collection of more than 125,000 volumes requires constant monitoring of the critical environmental conditions. Mold is prevented by maintaining temperatures below 70 degrees and humidity levels below 50 percent. However, these levels can be very difficult to achieve in the Russell Building location. Dehumidifiers operate 24 hours a day and satisfactorily control the humidity, but the ventilation system is not always capable of maintaining acceptable air quality and temperature levels. Another major concern is the crisscrossing maze of century-old water pipes hovering just a few feet above the historic collection.

At some point, the Secretary's Office may be faced with a major water incident that will compromise and possibly destroy thousands of these irreplaceable volumes. We have already taken the pro-active step of contacting two different document [resurrection] companies, each of which would be in effect on call.

Two major collection maintenance projects were undertaken during the year. The Reference Librarians reviewed the 25,000 volumes in the book collection and removed duplicates and dated materials. The second project is ongoing and is a comprehensive review of the government documents collection and the Library's depository library selections. The Library joins more than 1,350 libraries nationwide in the Depository Library Program and automatically receives preselected documents from the Government Printing Office.

The Library's *United States Serial Set* is recognized as the most complete in existence, surpassing the collections in the Library of Congress and the National Archives. The *Serial Set* is the nation's most important document collection and contains more than 350,000 congressional documents that trace America's history from 1817 to the present. The Library conducted a comprehensive inventory of the first 13,000 volumes (1817–1969), and it revealed that only 41 volumes were missing. Fortunately, 14 of the missing 41 volumes were acquired from rare book dealers and the search will continue for the remaining volumes.

Library Budget.—The fifth year of aggressive budget reviews delivered reductions totaling $7,051.04. The targeted expenditure categories were newspaper and journal subscriptions ($2,572.74) and online service contracts ($4,000.00). A review of the microform collection resulted in the cancellation of twelve magazine subscriptions received on microfiche. Restructuring database contracts garnered a $4,000.00 savings. The Senate's ever-changing information needs require a comprehensive annual collection and expenditure review. The reductions for the past five years total $46,693.82 and these efforts have been critical in offsetting continuing cost increases for core materials.

Senate Hart Building Closing.—The Senate Library provided temporary office space to three offices under the Secretary following the anthrax contamination at the Senate Hart Office Building. The three displaced offices were the Office of Public Records, Senate Historical Office, and Human Resources. The displaced offices arrived October 25 and were provided with workspace, telephones, terminals with printers, office supplies, and access to fax machines and photocopiers. The accommodations were not spacious, but all of the offices were able to conduct their daily activities. After three months, the offices returned to the Hart Building on January 22, 2002. Throughout the three months of physical and work flow disruption, the cooperation, patience, and professionalism displayed by all those involved was a tribute to all the employees of the Secretary's Office.

UNUM, Newsletter of the Office of the Secretary of the Senate.—*UNUM, Newsletter* of the Office of the Secretary of the Senate was published six times during 2001. Chief Editor Kimberly Ferguson continued to lead the team of talented volunteers. She is joined by two experienced co-editors, Senior Reference Librarian Nancy Kervin and Reference Librarian Jennifer Casey. Head of Technical Services Leona Faust continued to author profiles of offices and individuals within the Secretary's Office in her series titled UNUM Focus. These excellent articles are often the first institutional histories for many of the offices under the Secretary. Coping with constant deadlines, revised text, and printing delays, they have created a superb newsletter that is informative, educational, and entertaining.

Friends of Tyler School.—The Library developed a cooperative relationship with the Friends of Tyler School, a tutoring program from Capitol Hill's Tyler Elementary School. Many of the tutors and volunteers are congressional staff. The Library sends unneeded magazines and also donated a superseded encyclopedia set. These donations provide basic educational resources that would otherwise be unavailable to the children.

Major Goals of the Library for Calendar Year 2002

Answer 40,000 Reference Requests.—This has been a long-term goal that will require a 4 percent increase over 2001 requests totals.

Cross-Training Program.—The Library's ongoing cross-training program will focus on improving the reference skills of the Library Technicians. They will be instructed on basic reference skills to aid them in their front-desk duties.

Reduce Fiscal Year 2002 Purchases by 5 percent ($7,500).—Fiscal year 2002 will be the Library's sixth year of aggressively reviewing expenditures. Total reductions in purchases through fiscal year 2001 were $46,693.82, and these efforts have offset cost increases in core materials.

Micrographics Center Reorganization.—The Library's collection of over 1,000,000 microfiche and 8,000 microfilm reels will be completely reorganized. This major project will improve accessibility and accommodate future growth.

Document Recovery Program.—To ensure that all materials under the Secretary of the Senate are adequately protected from the lasting effects of fire and water damage, the Library has established working relationships with two document recovery firms.

Retrospective Hearing Project.—The ten year project of cataloging the Library's 18,000 House and Senate committee hearings is in its sixth year. The collection is matched and dates to the 1880s. Once completed the detailed bibliographic records will be available for the first time to libraries nationwide. The database will provide an exceptional and historic look into the work of the Congress.

Office of Public Records

The Office of Public Records receives, processes, and maintains records, reports, and other documents filed with the Secretary of the Senate involving the Federal Election Campaign Act, as amended; the Lobbying Disclosure Act of 1995; the Senate Code of Official Conduct: Rule 34, Public Financial Disclosure; Rule 35, Senate Gift Rule filings; Rule 40, Registration of Mass Mailing; Rule 41, Political Fund Designees; and Rule 41(6), Supervisor's Reports on Individuals Performing Senate Services; and Foreign Travel Reports.

The Office provides for the inspection, review, and reproduction of these documents. From October, 2000, through September, 2001, the Public Records Office staff assisted more than 3,100 individuals seeking information from reports filed with the Office. This figure does not include assistance provided by telephone, nor help given to lobbyists attempting to comply with the provisions of the Lobbying Disclosure Act of 1995. A total of 116,747 photocopies and 25 rolls of microfilm were sold in the period. In addition, the Office works closely with the Federal Election Commission, the Senate Select Committee on Ethics and the Clerk of the House of Representatives concerning the filing requirements of the aforementioned Acts and Senate rules.

Achievements in 2001

The Office established the first governmental Web site allowing the public to examine federal lobbying documents from their own home or office. The site has received many commendatory comments from the public since inception; and compares very favorably with other similar sites, even as an initial offering. A survey was conducted on behalf of the Council on Governmental Ethics Laws of 58 Canadian and American entities that receive lobbying disclosure reports at the federal, state, provincial, and local levels. Of the 42 responders, 7 American (including the Senate) and 2 Canadian jurisdictions reported having Internet public access to the documents. In comparing the other 8 sites, the Public Records site is easy to access, easy to use and brings the researcher to the source documents as filed by the registrants (see below in Automation Activities).

The electronic filing pilot for lobbying documents substantially expanded as the staff tutored those registrants who indicated interest in e-filing. The Office worked throughout the year to enhance the program by making it easier to use and by training those responsible for filing lobbying documents. Over 350 lobbying filers attended two "How to E-file" seminars that were held in November of 2000. By the end of fiscal year 2001, 9 percent of all lobbying reports and registrations were e-filings.

The Public Records Office also prepared a disaster recovery plan in fiscal year 2001. We had an opportunity to compare our template with the plan of the New York City Campaign Finance Board, which was displaced for seven weeks after 9/11. Our templates were very similar and validated our preparations. Based upon the review of that plan and our own "look backward" to see how the plans worked well or less well, we have identified some enhancements to allow us to be even better prepared the next time disaster strikes.

Plans for 2002

The Public Records Office plans to enhance the new lobbying web site by increasing the selection criteria to enable it to be even more widely used, and by allowing the printing of documents from the site in alternative formats. The Office also is working to make the e-filing site even more user-friendly by resolving some navigating and data base construction issues that will allow a more intuitive approach by the user. Additionally, there are plans to offer more seminars to increase the percentage of e-filing. With respect to our disaster recovery planning, the Office is proceeding to establish an off-site scanning station in order to fully implement the plan, and not to be without essential hardware in the event of another evacuation.

Automation Activities.—The Senate took a significant step toward the goal of making the work of the Senate more accessible and applying the resources of technology in ways that benefit the American people. As of September 6, 2001, documents filed under the Lobbying Disclosure Act may be researched on the Internet. The site allows researchers to search the Public Records database using five selection criteria chosen based upon public inquiries received by the office over the last five years. The researcher may then select the document that he or she wishes to view. The Public Records Office staff is delighted with the public comments on the site and will be working with interested parties in making any improvements that allow for greater public access. This achievement fulfills the initial commitment made by the Office of the Secretary, which has been highlighted in the Secretary's testimony before this Committee each year since 1997. Also during fiscal year 2001, the Public Records office expanded participation in the electronic filing pilot program. In fiscal year 2001, the office received 2,561 electronic documents, as compared to 300 the previous fiscal year.

Federal Election Campaign Act, as Amended.—The Act required Senate candidates to file semi-annual reports in a non-election year. Filings totaled 3,656 documents containing 104,418 pages.

Lobbying Disclosure Act of 1995.—The Act requires semi-annual financial and lobbying activity reports. As of September 30, 2001, 5,160 registrants represented 15,941 clients and employed 18,854 individuals who met the statutory definition of "lobbyist." The total number of lobbying registrations and reports were 21,192.

Public Financial Disclosure.—The filing date for Public Financial Disclosure Reports was May 15, 2001. The reports were available to the public and press by Thursday, June 14th. Copies were provided to the Select Committee on Ethics and the appropriate State officials. A total of 2,500 reports and amendments were filed containing 13,579 pages.

Senate Rule 35 (Gift Rule).—The Senate Office of Public Records received over 1,180 reports during fiscal year 2001.

Page School

The United States Senate Page School exists to provide a smooth transition from and to the page students' home schools, providing those students with as sound a program, both academically and experientially, as possible during their stay in the nation's capital, within the limits of the constraints imposed by the work situation.

I am very proud to tell this Subcommittee that Accreditation has been continued until December 31, 2008. The Middle States Commission on Secondary Schools reviewed the progress report filed By the U.S. Senate Page School and notified the school that no further reports are required before the next evaluation year.

Summary of accomplishments:

—Evacuation of pages was successful. Effects of the tragic events that occurred on September 11, 2001, were significant but controlled. School and residential staff immediately evacuated pages to a Maryland shore location. Pages were lodged in a hotel overnight and returned for work by 7:00 A.M. on September 12, 2001. Parents were immediately notified of the location and safety of their children via telephone calls made by the principal. Pages were allowed to use the telephone to speak with family members as often as they felt the need to do so. Telephone updates continued throughout September and October in the aftermath of the contaminated mail. Sessions were conducted by psychologists from the APA and attended by both staff and pages. Mail sent to pages was addressed to the principal's home and delivered each morning. Staff exercised vigilance to monitor any negative reaction by pages. An evacuation plan and COOP have been completed.

—Extended educational experiences were provided to pages. Seventeen field trips, eight guest speakers, opportunities to compete in writing contests, to play musical instruments, and to continue foreign language study with the aid of tutors were all afforded pages. National tests were administered for qualification in scholarship programs as well.

—Pages and staff embraced a community Service project. LTC Brian Birdwell, a burn victim of the Pentagon tragedy was "adopted" and various forms of support to Col. Birdwell and his family were supplied. Forms of support included visits to the hospital, sending cards and letters, creating and delivering a gift basket with an item from every state, and taking his son with the pages to the Army/Navy football game. The Birdwell family was invited to and attended the Closing Ceremony as guests of honor.
—Purchases have been made to update materials. These included calculators, new history and government texts and support materials, and Advanced Placement manuals for Calculus AB and BC, as well as Advanced Placement Calculus software. Replacement copies of paperback novels for English classes were purchased as well as the MLA Handbook (style manual).
—Faculty has pursued learning opportunities. Math and science staff members attended Advanced Placement seminars in calculus, chemistry, and physics.
—Pages successfully completed the semester curriculum. Closing Ceremony was conducted on January 18, 2002, the last day of school for the semester.
—Orientation and course scheduling for the second semester pages was conducted on Tuesday, January 22, 2002. Classes began on Wednesday, January 23, 2002. The needs of the incoming students determined the second semester schedule.

Summary of future goals:

—Extended day schedules, tutoring by teachers on an as-needed basis, and individualized small group instruction will be offered.
—Foreign language tutors will provide instruction in French, Spanish, German, and Latin.
—The focus of field trips will be historically and politically significant sites and events. We will add trips to the National Building Museum, the National Postal Museum, Gettysburg and the Eisenhower National Historic Site.
—Staff development opportunities for 2002 include the option of additional computer training for all staff, as well as seminars conducted by Education and Training. Subject matter conferences conducted by national organizations supporting the various academic disciplines will be considered.
—A new chemistry text and supporting software to provide students the ability to conduct simulated experiments will be purchased for use in the Fall, 2002. Additionally, a telescope will be purchased for use in the physics course.
—Evacuation procedures and safety seminars will be planned for all tutors.
—Coordination of communication among SAA, SOS, Page Program, Page School, and Cloakrooms will be worked into written procedure, as will be emergency protocol for psychiatric/psychological care for pages.
—Creation of curriculum to support a summer academic session will be completed.

Printing and Documents

The Office of Printing and Document Services is responsible for managing the printing and/or distribution of the Senate's official Title 44, U.S. Code printing requirements. The office manages Senate Printing expenses, and functions as the Government Printing Office liaison to schedule and/or distribute Senate bills and reports to the Senate Chamber, staff, and the public. The department provides page counts of Senate hearings to commercial reporting companies and Senate committees; orders and tracks all paper and envelopes provided to the Senate; provides general printing services for Senate offices; and assures that all Senate printing is in compliance with Title 44, U.S. Code, as it relates to Senate documents, hearings, committee prints, and other official publications.

In the previous two years the OPDS staff was downsized by 25 percent. During this time, the office has also implemented efforts to consolidate duties and cross-train personnel. In 2000, the office began a "cross-working" program in an effort to maintain office continuity through unforeseen events. A staff member from the printing department would spend a certain amount of time each week performing the duties of a document specialist, including "counter time" and/or answering legislative inquiries. A document specialist, on the other hand, would process printing and binding requisitions—completing a given number per week to fulfill a minimum "cross-working" requirement. The advantages to having this multi-trained staff are (1) quick response capability to changes within the department and (2) the flexibility to reduce overall staffing through better human resource management.

During 2001, OPDS provided commercial reporting companies and corresponding Senate committees a total of 1,004 billing verifications of Senate hearings and business meetings. Billing verifications are how the reporting committees request payment from a Senate committee for transcription services. Although some hearings are cancelled or postponed, they still require payment to the reporting company.

This is an average of 48 hearings/meetings per committee, and a 10.3 percent increase over 2000.

The OPDS utilizes a program developed in conjunction with the Sergeant at Arms Computer Division that provides more billing accuracy and greater information gathering capacity, while adhering to the guidelines established by the Senate Committee on Rules and Administration for commercial reporting companies to bill the Senate for transcription services.

CHART EIGHT: HEARING TRANSCRIPT AND BILLING VERIFICATIONS

	1999	2000	2001	PERCENT CHANGE 2001/2000
Billing Verifications	1,214	910	1,004	10.3
Average per Committee	58	43	48	11.6
Total Transcribed Pages	80,228	61,898	72,799	17.6
Average Pages/Committee	3,820	2,814	3,467	23.2
Transcribed Pages Cost	$508,815	$401,231	$479,921	19.6
Average Cost/Committee	$24,229	$18,238	$22,853	25.3

During fiscal year 2001, the OPDS prepared 5,359 printing and binding requisitions authorizing the GPO to print and bind the Senate's work, exclusive of legislation and the Congressional Record. This is an increase of 9.1 percent over the number of requisitions processed during fiscal year 2000. In addition to processing requisitions, the OPDS also coordinates job scheduling, proof handling and job tracking for stationery products, Senate hearings, Senate publications and other miscellaneous printed products.

The Service Center within the OPDS is staffed by experienced GPO detailees that provide Senate committees and the Secretary of the Senate's Office with complete publishing services for hearings, committee prints, and the preparation of the Congressional Record. These services include keyboarding, proofreading, scanning, and composition. The Service Center provides the best management of funds available through the Congressional Printing and Binding Appropriation because committees have been able to decrease or eliminate additional overtime costs associated with the preparation of hearings.

The Document Services Section coordinates requests for printed legislation and miscellaneous publications with other departments within the Secretary's Office, Senate committees, and the GPO. This section ensures that the most current version of all material is available, and that sufficient quantities are available to meet projected demands.

In 2001, a total of 25,051 pages were printed in the Congressional Record. Of this total, 14,084 pages were printed for the Senate, and 10,967 pages were printed for the House of Representatives. These page counts are comprised of the Proceedings of the Senate and the House of Representatives, Extension of Remarks, Digest and miscellaneous pages. A total of approximately 1.3 million copies of the Congressional Record were printed and distributed in 2001. The Senate received 318,572 copies, the House 459,477, with the remaining 492,915 delivered to the Executive Branch agencies and the public at large.

CHART NINE: DOCUMENT SERVICES—CONGRESSIONAL RECORD

	1999	2000	2001
Total Pages Printed	32,184	28,232	25,051
For the Senate	15,867	12,469	14,084
For the House	16,317	15,763	10,967
Total Copies Printed & Distributed	1,500,000	1,300,000	1,300,000
To the Senate	340,709	450,842	318,572
To the House	483,034	308,842	459,477
To the Executive Branch and the Public	629,787	540,316	492,915
Total Production Costs	$17,400,000	$14,966,755	$15,428,530
Senate Costs	$8,100,000	$6,364,265	$7,452,933
House Costs	$8,300,000	$7,920,490	$7,333,134
Others' Costs	$1,000,000	$682,000	$642,462
Per Copy Cost	$11.63	$11.51	$12.14

The OPDS continually tracks demand for all classifications of Congressional legislation. Twice a year the office adjusts the number of documents ordered by classification (example: Introduced in the Senate). The goal is to adjust numbers ordered in each classification to closely match demand and thereby reduce waste. In recent years, OPDS has taken a more aggressive approach to reducing waste of less requested legislation. The office supplements depleted legislation where needed by producing additional copies on the DocuTech machine located in the OPDS office. While OPDS curtails waste, at the same time the office pledges never to run out of copies of legislation.

The primary responsibility of the Documents Services Section is to provide services to the Senate. However, the responsibility to the general public, the press, and other government agencies is virtually indistinguishable from those services provided to the Senate. Requests for material are received at the walk-in counter, through the mail, by fax, by telephone, and email. Recorded messages, fax, and email operate around the clock and are processed as they are received, as are mail requests.

CHART TEN: SUMMARY OF ANNUAL STATISTICS

CALENDAR YEAR	CONGRESS/ SESSION	CALLS RECEIVED	PUBLIC MAIL	FAX REQUEST	EMAIL	COUNTER REQUEST
1997	105/1st	60,926	12,739	7,261	N/A	N/A
1998	105/2nd	35,116	8,131	5,162	N/A	113,862
1999	106/1st	27,570	6,872	4,036	N/A	156,454
2000	106/2nd	17,356	4,066	3,129	112	95,186
2001 [1]	107/1st	16,186	3,449	2,093	621	88,769

[1] From October 17, 2001 until January 22, 2002 the Document Room was displaced to the Capitol (Room S–333 and operated with one telephone and one computer, thereby limiting capabilities.

The OPDS Response to the Events of September 11, 2001

The events of October 15, 2001 compelled the OPDS to be relocated to the Capitol building. The OPDS began operations in Room S–333 of the Capitol on Monday, October 22, 2001, and returned to the Hart Building (Room SH–B04) Tuesday, January 22, 2002.

Despite space limitations and having the access to just one telephone and one computer, the OPDS managed to fulfill all its obligations to the Senate Chamber, staff, committees, and the public with minimal delays. OPDS processed 979 printing and binding requisitions (an average of 17.18/day) during this time. This was actually 19 more than for the same period last year. Also, during the period from November 15th, when a computer with duplicate programs from OPDS was installed in S–333, OPDS processed 201 Hearing Billing Verifications—this was about 20 percent of the total for the entire year.

On November 28th, the GPO delivered the Report of the Secretary of the Senate (April 1, 2001 through September 30, 2001) to the Senate Library, where it was met by OPDS staff. The report was then packaged, labeled, and delivered on time.

With space at a premium, OPDS stored only the documents that were to be taken up on the Senate floor, reported on the Senate Calendar or, any appropriation conference reports. The balance of Bills, Public Laws, Resolutions were held at the GPO. Documents of all types, and from various Congresses, were requested by both the Senate staff and the public. Efforts were made to have the staff or public utilize the Webster or Thomas Web site to obtain a given document. Generally, the better response came from the public. At least once during the day, a list would be faxed to GPO and they would fulfill requests. GPO delivered most of the documents directly to the requesting offices, and the balance to S–333. OPDS would then either mail them or package them for public pick up at the Appointment Desk on the first floor of the Capitol. SAA employees at the Appointments Desk in the Capitol provided invaluable assistance during this time which we wish to recognize.

Despite being removed from its normal location for a period of time, the OPDS met its obligations. Printing requests from Senate offices were processed and delivered, and documents were delivered to the Senate Chamber and were made available to Senate staff and the public. Daily Legislative and Executive Calendars were delivered with the morning newspapers.

Online Ordering

The OPDS is constantly seeking new ways to use technology to assist Members and staff with added services and enhancements to current methods. Beginning in late 2000, Senate offices, by way of a link to the Secretary of the Senate's home Web page, could order legislative documents online. Via the same link, a Legislative Hot List Link was launched shortly afterwards. At this site, Members and staff can confirm arrival of printed copies of the most sought after legislative documents. The site is updated several times daily—each time new documents arrive from GPO in the Document Room. And OPDS has implemented a new "Printed Legislative Inventory System", or PLIS. This system tracks all legislation as to its location and availability.

Stationery Room

The Senate Stationery Room's principal functions are: (1) to sell stationery items for use by Senate offices and other authorized legislative organizations, (2) to select a variety of stationery items to meet the needs of the Senate on a daily basis and maintain a sufficient inventory of these items, (3) to purchase supplies utilizing open market procurement, competitive bid and/or GSA Federal Supply Schedules, (4) to maintain individual official stationery expense accounts for Senators, Committees, and Officers of the Senate, (5) to render monthly expense statements, (6) to insure receipt of all reimbursements for all purchases by the client base via direct payments or through the certification process, (7) to make payments to all vendors of record for supplies and services in a timely manner and certify receipt of all supplies and services, and (8) to provide the deliver of all purchased supplies to the requesting offices.

CHART ELEVEN: STATIONARY ROOM 2001 AND 2000 OPERATIONS

	Fiscal Year 2001 Statistical Operations	Fiscal Year 2000 Statistical Operations
Gross Sales	$3,610,804	$3,227,951
Sales Transactions	62,970	56,972
Purchase Orders Issued	6,770	6,132
Vouchers Processed	7,951	6,412
Metro Fare Media Sold	19,621	17,232

The Stationery Room provided each Senator-elect participating in the Senators Orientation Program in December 2000 with a Welcome Package. This package contained useful information relating to the operation of the Stationery Room, its services and products and suggestions to help each new office become operational. The Stationery Room assisted the Senators-elect staff by providing them with initial supplies, stationery letterheads, business cards and helped them transition from the election to a Senate employee on January 3, 2001.

The accounts receivable interface between the Stationary Room and the Disbursing Office was finalized after development and testing. Initially started in fiscal year 2000, the interface imports expenditure information from each customer account that is certified for reimbursement in a Disbursing Office system format. It is then transmitted via e-mail to the Disbursing Office system for reimbursement to the Stationery Room Revolving Fund. This process has eliminated the need for issuing paper checks, a labor-intensive process for all offices involved.

At the request of the Secretary of the Senate, the General Accounting Office was requested to conduct a Financial Audit of the Stationery Room during fiscal year 2001. This audit consumed approximately twenty-five percent of the Stationery Room staff and resources, in order to provide the GAO with the necessary information and documents to conduct their audit of the operation. The GAO findings were finalized and published in January 2002.

During last quarter of fiscal year 2001, the Stationery Room implemented a new interface with the Disbursing Office to improve the workflow of vouchers submitted to the Disbursing Office for processing. This process allows for the Stationery Room to submit electronically via e-mail, spreadsheet files that have information imported into it from the Stationery Room system to a format that is then uploaded to the Disbursing Office system. This has eliminated the need for Disbursing Office staff to manually enter the data for payment generation. The finalization of this project, which will involve the Disbursing Office returning this electronic file with their data included for reconciliation of the Revolving Fund, should be concluded in the 3rd quarter of fiscal year 2002. The last month of fiscal year 2001 was extremely demanding on the Stationery Room operation and its staff. This period is always the busiest because of heavy year-end purchases by Senators, Committees and Leadership offices. During this period, sales activity generated was five-fold in comparison to prior months.

The Stationery Room is investigating the feasibility of creating an on-line intranet desktop ordering system for Senate users. We are currently analyzing cost, security, confidentiality, interface obstacles, the type of products that might be included, user friendliness, definitions of who the users would be, and possible staffing requirements. Our goal is to have this in place by the end of fiscal year 2003. The Web FMIS access for the Stationery Room was installed for testing during March 2002. This project allows for key Stationery Room staff to access the Disbursing Office via the Web to perform a number of management operations.

Effects of the Hart Building Closure

The Stationery Room operation adjusted its methods of operation when the Hart building was closed. All inbound mail, including invoices, destined for the Stationery Room was halted along with all other offices. Mail was then and now continues to be hand-delivered by vendors, e-mailed and faxed to the Stationery Room so that prompt payment for goods and future shipments of product can continue in a timely manner.

The Hart-Dirksen loading dock was closed to all delivery traffic. Deliveries were met on the street by Stationery Room staff. Merchandise was then moved utilizing borrowed equipment. During the loading dock closure, a staff member was permanently stationed on the street, to insure deliveries were not turned away or missed.

Since all of the Stationery Room material handling equipment was sequestered in the Hart Building, staff had to constantly borrow equipment that was in short supply to move pallets of product from and to various locations. On one specific occasion, we had a forty-foot tractor-trailer containing twenty-seven pallets of flags to be delivered to the Stationery Room. Stationery Room staff had to manually unload the tractor trailer carton by carton, and re-palletize the cartons on the street. Staff relied on some of our vendor sales representatives to hand carry product to our location, or to an office in critical need. Stationery Room staff met vendors at various locations to take possession of critical products to insure timeliness of deliveries to the customer. Stationery Room staff also were dispatched to various vendor locations in the metropolitan area to pick up products. In addition, with the closing of the Hart Building and, in notably our warehouse, the Stationery Room was faced with the dilemma of where to store products. We solved this problem by developing a plan to institute JIT (Just In Time) ordering and delivery capabilities.

As yet another example of the Secretary's departments helping each other, office space, supplies and equipment were provided by the Stationery Room to the Disbursing Office during this period to help them provide services to Senators and their staffs. This arrangement created substantial traffic in the administrative offices of the Stationery Room due to the Open Enrollment of Health Plans and the TSP Plan open seasons managed by the Disbursing Office staff.

Student Loan Program

The new student loan repayment program is operational. The Office of the Secretary was tasked with drawing up the required documents, which has been done. We have also held a series of briefings, first for Office Managers and staff responsible for implementing the program in each office, and more recently for any staff interested in learning more about the program. We have also arranged with the joint Office of Education and Training to build in a segment about the new program for all new staff orientation. And the Disbursing Office has designated a lead person to handle staff calls to provide consistent answers and schedule additional briefings as necessary. The first information we have from the Disbursing, as of April 12, 2002, shows 25 staff from 10 different Senate offices are now enrolled in the program.

MANDATED SYSTEMS AND FINANCIAL SERVICES

Legislative Information System Augmentation (LISAP) and the XML Authoring Application

We are in the midst of an historic transformation of how legislation is authored in the Senate. The Appropriations Committee dedicated $7 million in fiscal year 2002 so that development of our own authoring language, based on the new XML data standard, could begin. We have contracted for the beginning of the project, but of more importance, we have hired our own staff, as has the Sergeant at Arms, so that the Senate is building its own internal XML expertise. This is cost effective, and it builds an infrastructure that will benefit the Senate for years to come.

Mr. Chairman, I am very proud of this project and very proud of the LIS/XML team and the productive partnership we have formed with the Sergeant at Arms. The team includes, in addition to staff from the Sergeant at Arms, employees of the Library of Congress and the GPO. Our two most important clients during the current phase are the Senate's Legislative Counsel and our own Enrolling Clerk. By the beginning of the next Congress, the 108th, we will produce our very first Resolution using the new tool.

History and Background: LIS

The Legislative Information System (LIS) is a mandated system (Section 8 of the 1997 Legislative Branch Appropriations Act, 2 U.S.C. 123e) that provides desktop access to the content and status of all Senate legislative information and supporting documents. The 1997 Legislative Branch Appropriations Act (2 U.S.C. 181) also established a program for providing the widest possible exchange of information among legislative branch agencies.

The long-range goal of the LIS Project is to provide a "comprehensive Senate Legislative Information System" to capture, store, manage, and distribute Senate documents. Several components of the LIS have been implemented, and the project is currently focused on a Senate-wide implementation and transition to a system for the authoring and exchange of legislative documents. The authoring and exchange systems will create standard authoring processes and document exchange formats that will greatly enhance the availability and re-use of legislative documents within the Senate and with other legislative branch agencies. The LIS Project Office manages the project and oversees the Senate's current contractor.

An April 1997, joint Senate and House report recommended establishment of a data standards program using the Standard Generalized Markup Language (SGML) as "an appropriate technology on which to base the preparation of legislative information and document management systems." The report further noted that ". . . standards will evolve over time as technology and the capacity of offices and agencies to adopt these technologies evolves." Since that time, as anticipated, a subset of SGML known as the eXtensible Markup Language (XML) became an industry standard, and in December 2000, the Senate Committee on Rules and Administration and the Committee on House Administration jointly accepted XML as the primary data standard to be used for the exchange of legislative documents and information.

Following the January 2000 implementation of the Legislative Information System (LIS) in January 2000 and the transfer of operations and maintenance of the LIS to the Office of the Sergeant at Arms (SAA) in March 2000, the LIS Project Office shifted its focus to procuring system development services in support of an LIS Augmentation Project (LISAP). In July 2000, the Committee on Rules and Administration directed that the scope for the LISAP procurement should include the data standards project, a document management system for the Senate Legislative Counsel (SLC), and an LIS security assessment. On October 25, 2000, the procurement under a General Services Administration schedule was awarded to IBM Global Services to provide the LISAP System Requirements Specification for the following:

—A Senate-wide implementation and transition to the XML data standard for the authoring and exchange of legislative documents
—A document management system (DMS) for the Office of the Legislative Counsel
—A development facility for implementation of the above
—A security assessment of the LIS.

The XML data standard component focuses on providing a Senate-wide implementation and transition to XML for the authoring and exchange of legislative documents. This component of the LISAP also includes the review and update of existing document type definitions (DTD), development of new DTDs, the conversion of legacy documents to XML formats, and conversion of documents in other formats to XML.

LISAP: First Phase 2001

The first phase of the LISAP identified the stakeholders, documented the processes, and defined the system requirements for the authoring and exchange components. The phase concluded in August 2001 with the contractor delivering the following: (1) the operational concept document, (2) the system requirements specification, (3) system test and deployment plan, (4) user interface prototype, (5) systems requirements review, and (6) the security assessment report. Project activities and progress were reported to project participants in a bi-weekly status meeting. The system requirements review, conducted over two days in mid August for all stakeholders, provided an opportunity for a question and answer session with IBM as they reviewed the events and deliverables of the first phase.

LISAP project activities included interviews with the Senate Office of the Legislative Counsel, House Office of the Legislative Counsel, committees who draft their own legislation, committees who use Legislative Counsel for drafting services, clerks in the Office of the Secretary of the Senate, staff of the Senate Sergeant of Arms, Library of Congress and the Congressional Research Service, Government Printing Office, and Office of the Clerk of the House. Interview questions focused on legislative document types and the processes for authoring/editing, exchange, storage and retrieval, printing and distribution and also inquired about the use of legacy documents, workflow, archiving, and reports. The information gathered in the interviews was documented and used as input in producing the deliverables for this phase.

With the exception of the LIS Information Security Review Report, which had a select distribution, all of the LISAP deliverable documents can be found on the LISAP website at http://156.33.247.66/lisap/basedocuments.html. The products from the first phase will be used in later phases to develop the detailed requirements, overall system design, and implementation strategy for building the Senate-wide XML authoring and exchange capability.

A database of documents created in the XML format and an improved exchange process will result in quicker and better access to legislative information and will provide documents that can be more easily shared, re-used, and re-purposed. Parts of one XML document can be re-used in another XML document because the document structure is similar and the format of the data (XML) is standard. As more and more documents are created in the XML format, the necessity for re-keying or converting from one type of format to another (HTML to WordPerfect or XyWrite locator to Word or Word to WordPerfect, et cetera) will disappear.

Midway through the first phase, at the request of the Committee on Rules and Administration, the scope for subsequent phases of the project was narrowed to concentrate on the XML solution for those offices currently using XyWrite to author legislative documents. The Office of the Legislative Counsel and the Office of the Enrolling Clerk produce approximately 90 percent of bills, resolutions, and amendments, and our effort is now concentrated on these offices.

A Description of XML

For many years, the Legislative Counsels, Enrolling Clerks, several Committees, and the Government Printing Office have been using a proprietary, DOS-based system (Xywrite) for legislative drafting. Xywrite provides a workspace to enter text and the typesetting codes (referred to as locator or bell codes) that drive GPO's Microcomp composition software. Other offices that draft legislation use various word processing software, and these documents must be re-keyed or re-coded into the present Xywrite system in order to be used, printed, and exchanged. The embedded typesetting codes are specific to paper output only and provide minimal information for formatting documents for the Web or for building useful searchable databases. The Xywrite/Microcomp system has been customized by GPO and the Senate and House Legislative Counsels.

Although the present Xywrite system is reasonably efficient for long-time users, for new users it is a cumbersome, difficult-to-learn system that runs on an unfamiliar, out-of-date DOS platform. The XyWrite system also presents file size and memory problems that inhibit production and occasionally cause system failures.

XML also uses embedded codes (called tags) in the document, but these codes describe the content of the document, not how it should be formatted. For example, in an introduced bill prepared with "bell" codes, the Congress, session, sponsor and all co-sponsors are preceded by the same code that indicates that the text should be printed in a large and small caps font. The data looks something like this (codes are bold):

🔔**I41**107🔔**T4**th CONGRESS

🔔**I42**1🔔**T4**st Session

🔔**I47**Mr. 🔔**T4**BYRD🔔**T1** (for himself and Mr. 🔔**T4**STEVENS🔔**T1**) introduced the following bill

This same data, tagged in XML, looks like this (tags are bold):

<congress>107th Congress**</congress>**

<session>1st Session**</session>** **<action><sponsor>**Mr. Byrd**</sponsor>** (for himself and **<cosponsor>**Mr. Stevens**</cosponsor>**) introduced the following bill**</action>**

The XML tags and the text of the document are stored together as an ASCII text file; however, the tags can be hidden from view and the text can be formatted for display on the screen. The XML tags in the document are read by computer software that formats the text (changing fonts, indentation, etc.) for printing to paper or displaying to the screen. XML tags also provide more precise information for search and retrieval. For example, the XML tagging above would provide a way for a computer search to distinguish between the bills sponsored by Senator Byrd and those co-sponsored by him. XML uses a document type description (DTD) to specify the rules concerning the content and structure of the document. A DTD would describe the hierarchical structure of section, subsection, paragraph, subparagraph, clause, subclause, item and specifies that a bill may contain only one sponsor, but may have multiple cosponsors. This "rules-based" authoring/editing provides many potential benefits for automating drafting functions. The DTD enforces the rules during document creation, which provides a consistent document structure.

Framework, Timetable, Deliverables of the LIS Project

In October 2001, the Secretary's LIS Project Office added a software engineer and provided oversight for two consultants from IBM to conduct an 8-week evaluation of an XML authoring application being built by the Office of the Clerk for the House Office of the Legislative Counsel and the House Enrolling Clerk. The application, which is built in XMetaL, is in limited use for House simple resolutions, and the Senate contract looked at its applicability for Senate simple resolutions, as well as its potential for use for larger, more complex documents.

Progress and findings were reported to representatives from the Senate Legislative Counsel, the Offices of the Secretary and the Sergeant at Arms, the Government Printing Office, and the Library of Congress in bi-weekly status meetings. In addition to the evaluation, this contract phase produced a comprehensive list of requirements for the SLC editorial system, an examination of the feasibility of developing an automated conversion from GPO locator codes to XML tags for legacy data, and a review of the resolution DTD in use by the House.

Although the House application proved to be a very ambitious, well-conceived effort that provided most of the high priority requirements identified by the SLC, it did not support the general editing activities of the Senate Legislative Counsel in an easy, straightforward manner. Two different XML editors and alternative application approaches were considered. The abbreviated evaluation of alternatives concluded that no product has a decisive advantage in resolving all of the issues. Following a briefing for the Clerk and House developers, the Senate chose to move forward with XMetaL as the XML editor on which the authoring/editing application for bills is to be built.

In February 2002, an additional systems analyst from the Office of the Sergeant of Arms was added to the project team. Under a new contract with the outside contractor, two consultants returned to assist in the creation of use cases and the design and development of several functions within the editor to address the general editing requirements. Use case analysis is a software engineering technique for codifying the behavior of computer systems in order to make explicit the expectations from all parties. Use cases define a sequence of interaction between those people and other entities that interact with the system and the responses that the system should make. This serves to define the external interfaces of the system and provides functional acceptance tests to verify that the functions have been developed correctly.

An XML authoring application will begin to emerge from this phase and several SLC users will be recruited to participate in demonstrations, provide feedback, and assist in the development of training materials and classes. A select number of SLC users could begin testing a beta version of the software by mid-summer. Development, implementation and training will continue through the end of the year. We have targeted the beginning of the 108th Congress for the first rollout and use of the application by the Senate Legislative Counsel and the Senate Enrolling Clerk. During this time the Office of the Secretary will work closely with the Senate Sergeant at Arms, the Office of the Clerk, the Government Printing Office, and the Library of Congress to establish a technical working group and a coordinated development effort for the authoring, printing, and exchange of XML documents.

Completion of the XML authoring application for bills, resolutions, and amendments will establish a framework on which to build applications for other legislative documents. Bills are the first document type to be implemented because many elements in bills are common to other legislative document types including resolutions, amendments, conference reports, compilations, committee reports, the U.S. Code, and the Congressional Record.

Financial Services: The Disbursing Office

The Senate paid its bills in a timely and thorough manner following the events of September 11 and October 15, 2001. We did not miss a payroll. Senate invoices were paid by creating a duplicate system, paying particular attention to smaller vendors who may have been more dependent upon timely payments.

The Financial Management Information System (FMIS) Strategic Initiative

We have requested $5 million to continue the modernization of the Senate's Financial Management Information System. With these funds the Secretary will pursue the following five strategic initiatives within the Disbursing Office:

—*Paperless Vouchers—Imaging of Supporting Documentation and Electronic Signatures*.—Beginning with a feasibility study and a pilot project, we will implement new technology, including imaging and electronic signatures, that will reduce the Senate's dependence on paper vouchers. This will enable voucher processing operations from any location, in any situation;
—*Web FMIS—Requests from Accounting Locations*.—We will respond to requests from the Senate's Accounting Locations for additional functionality in Web FMIS. We have several specific requests from the Rules Committee, we anticipate additional requests from Senate offices for security management, and we have requests from Senate Offices for a series of new monthly reports;
—*Payroll System—Requests from Accounting Locations*.—We will respond to requests from the Senate's Accounting Locations for on-line real time access to payroll data, the capacity to project payroll more than twice a month, and the ability to submit payroll actions online;
—*Accounting Sub-system Integration*.—We will integrate Senate-specific accounting systems, improve internal controls, and eliminate errors caused by re-keying of data. This includes updates to the approval process, the ability to track not-to-exceed budget amounts, and contract tracking; and,
—*CFO Financial Statement Development*.—We will provide the Senate with the capacity to produce auditable financial statements that will obtain an unqualified opinion.

Each of these initiatives and the specific projects composing these initiatives is described more fully in the separate briefing book on the Strategic Initiative. The flexibility of no year funding assists the Secretary and the Disbursing Office in implementing initiatives of this size and complexity. The previous FMIS funding of $7 million in multi-year funding was a key factor in successful execution of the long-term initiatives proposed when that funding was requested and granted.

Background and Report of the Disbursing Office

The mission of the Senate Disbursing Office is to provide efficient and effective central financial and human resource data management, information and advice to the distributed, individually managed offices, and to Members and employees of the United States Senate. To accomplish this mission, the Senate Disbursing Office manages the collection of information from the distributed accounting locations in the Senate to formulate and consolidate the agency level budget, disburse the payroll, pay the Senate's bills, prepare auditable financial statements, and provide appropriate counseling and advice. The Senate Disbursing Office collects information from Members and employees that is necessary to maintain and administer the retirement, health insurance, life insurance, and other central human resource programs to provide responsive, personal attention to Members and employees on a non-biased and confidential basis. The Senate Disbursing Office also manages the distribution of central financial and human resource information to the individual Member Offices, Committees, and Administrative and Leadership offices in the Senate while maintaining the appropriate control of information for the protection of individual Members and Senate employees.

To support the mission of the Senate, the Disbursing Office is structured to provide quality work, maintain a high level of custom service, promote good internal controls, efficiency and teamwork, and provide for the appropriate levels of supervision and management. The long-term financial needs of the Senate are best served by an organization staffed with comprehensive institutional knowledge, sound judgment, and interpersonal skills that reflect the unique nature of the United States Senate.

Deputy for Benefits and Financial Services.—This Deputy serves as the Senate's expert on Federal retirement and benefits as well as payroll and front office processes and coordinates the interaction between the Financial Services, Employee Benefits and Payroll sections. Ensuring that job processes are efficient and up to date, modifying computer support systems, planning and project management of new computer systems, implementing regulatory and legislated changes, designing and producing up to date forms for use in all three sections are additional areas of responsibility.

Front Counter—Administrative and Financial Services.—The Front Counter is the main service area for all general Senate business and financial activity. And maintains the Senate's internal accountability of funds used in daily operations. Training is provided to newly authorized payroll contacts along with continuing guidance to all contacts in the execution of business operations. It is the receiving point for most incoming expense vouchers, payroll actions, and employee benefits related forms, and is the initial verification point to ensure that paperwork received in the Disbursing Office conforms to all applicable Senate rules, regulations, and statutes. The

Front Counter is also the first line of service provided to Senate Members, Officers, and employees. All new Senate employees (permanent and temporary) who will be working in the Capitol Hill Senate offices are administered the required oath of office and personnel affidavit and provided verbal and written detailed information regarding their pay and benefits. Authorization is certified to new and state employees for issuance of their Senate I.D. card.

During the Hart Building closure, Front Office operations were continuously maintained. At first, operations were move to the Office of the Assistant Secretary of the Senate in S–319. After six weeks, the need for limited computer access and the increased number of Senate staff conducting official business prompted a move to the Keeper of the Stationery's offices in SDB–42. Both the FEHB and TSP Open Seasons overlapped the closure period. Inconveniences to all Senate staff were kept to a minimum while maintaining a high level of customer service.

Payroll Section.—The Payroll Section maintains the Human Resources Management System and is responsible for the following: processing, verifying, and warehousing all payroll information submitted to the Disbursing Office by Senators for their personal staff, by Chairmen for their committee staff, and by other elected officials for their staff; issuing salary payments to the above employees; maintaining the Automated Clearing House (ACH) FEDLINE facilities for the normal transmittal of payroll deposits to the Federal Reserve; distributing the appropriate payroll expenditure and allowance reports to the individual offices; issuing the proper withholding and agency contributions reports to the Accounting Department; and transmitting the proper Thrift Savings Plan (TSP) information to the National Finance Center (NFC), while maintaining earnings records for distribution to the Social Security Administration, and maintaining employees' taxable earnings records for W–2 statements, prepared by this section. The Payroll Section is also responsible for the payroll portion of the Report of the Secretary of the Senate.

The events of September 11, 2001 set in process the review of our Payroll Disaster Recovery Processing. Before the review could be completed, the closing of the Hart Building forced the implementation of the existing plan. Following the evacuation of the Hart Building on October 17, 2001, the Payroll Section successfully procured an ACH processing agreement with a local financial institution; arrangements were made with other Government institutions to have reports, computer tapes and paper checks sent to Disbursing Office Managers' homes to ensure the proper delivery of information to the Disbursing Office; and ACH transmittal procedures were set up and tested with the surrogate bank. The Payroll Section processed and checked all transactions received at the remote site using creative methods of receiving the information. With the processing procedures in place, the Section was able to process six payrolls at the remote site.

Employee Benefits Section.—The primary responsibilities of the Employee Benefits Section (EBS) are administration of health insurance, life insurance and all retirement programs for Members and employees of the Senate. This includes counseling, processing of paperwork, research, dissemination of information and interpretation of benefits laws and regulations. In addition, the section's work includes research and verification of all prior federal service and prior Senate service for new and returning appointees. EBS provides this information for payroll input and once Official Personnel Folders and Transcripts of Service are received, verifies the accuracy of the information provided and reconciles as necessary. Transcripts of Service including all official retirement and benefits documentation are provided to other federal agencies when Senate Members and staffers are hired elsewhere in the government. EBS processes employment verifications for loans, the Bar Exam, the FBI, OPM, and the Department of Defense, among others. Unemployment claim forms are completed, and employees are counseled on their eligibility.

The primary challenges EBS faced this year were a result of the terrorist activities in September and October. As a result of 9/11 and the subsequent call-up of military reservists, EBS worked with the Office of Personnel Management (OPM) and other Senate entities to evaluate and interpret the rights of reservists and the responsibilities of the Senate under the provisions of USERRA in conjunction with their Senate employment, retirement and benefits. EBS counseled and educated office administrators and Senate employee reservists on their entitlements and options and assisted in providing a smooth transition to active duty. EBS assisted the Senate in developing legislation to provide a "leave without pay" status. Implementation of this new legislation is in progress.

The closure of the Hart Building forced EBS to set up shop in a small space in Postal Square. EBS worked together to establish procedures for accepting and processing all the various benefits' forms, requests and retirement claims to provide information in a timely manner and maintain records while without most of our resources. Extensive access to information and forms were made available to Senate employees via the Intranet and Internet. The Disbursing Office Webster site was modified and publicized. DO established database access and continued to modify procedures and established flexible solutions so that there was no interruption to employee benefits or the ability to meet employee needs. Working with OPM, temporary procedures were established and implemented so that employees wishing to retire could do so and receive benefits without additional waiting time even though many of their records were locked in the Hart Building. While working in extremely limited space and with very limited resources, EBS continued to respond to employees, office and outside inquiries with their usual speed and effectiveness.

Retirement case processing was heavy in 2001 due to the retirement of 11 Senators and the Vice President and the dissolution of their staffs as well as the resulting changes to committee staffs. Unique committee changes occurred due to the Senate's 50/50 make-up and subsequent midyear change of Senate majority. Retirement planning and counseling including extensive research and calculation of tentative retirement computations were at our normal level for the year.

EBS worked with the Payroll Section and the Computer Center to develop and implement new procedures for the processing and reporting of health insurance enrollments and changes. Implementation occurred just prior to the October displacement, and proved to be extremely effective during the displacement. Reporting time has been significantly decreased, resulting in a higher level of enrollee satisfaction and a reduction in related phone inquiries. The annual FEHB Open Season was held during the displacement from Hart. Despite the inability to receive usual deliveries of Open Season materials, alternate means were developed to provide information and notify staff of their Open Season options. The Senate FEHB Open Season Health Fair was "merged" with the House of Representatives Health Fair due to the closure of the Hart Building. The successful merged Health Fair was attended by over 500 Senate employees in addition to employees of the House, Capitol Police, Architect of the Capitol and Senate Restaurant. The continued development of the Disbursing Office Webster site was essential as the usage and employee awareness greatly increased during the Open Season. A great number of FEHB plans changed or ceased participation. These required additional notifications and computer support.

There were two TSP Open Seasons in 2001. Extensive changes to the TSP program required major computer modifications and education that were implemented from May to July 2001. This new information was disseminated to staff during the midyear TSP Open Season. The result was an excessively high number of inquiries as well as an extremely high volume of enrollments/changes. The second TSP Open Season occurred during the displacement. Two detailed retirement seminars on CSRS and FERS were conducted for interested Senate staff. The seminars were well attended and well received. Additionally, EBS staff regularly provided a panel participant for the monthly New Staff Orientation seminars and quarterly Senate Services Fairs held by the Office of Education and Training.

Disbursing Office Financial Management.—Directed by the Deputy for Financial Management, the mission of Disbursing Office Financial Management (DOFM) is to coordinate all central financial policies, procedures, and activities to produce an auditable consolidated financial statement for the Senate and to provide professional customer service, training and confidential financial guidance to all Senate accounting locations. DOFM is segmented into three functional departments: Accounting, Accounts Payable, and Budget. The Deputy coordinates the activities of the three functional departments, establishes central financial policies and procedures, acts as the primary liaison to the HR Administrator, and carries out the directives of the Financial Clerk of the Senate.

Financial Reporting Requirements—External.—Monthly financial reporting requirements to the Department of the Treasury include a Statement of Accountability that details all increases and decreases to the accountability of the Secretary of the Senate, such as checks issued during the month and deposits received, as well as a detailed listing of cash on hand. All activity by appropriation account is reconciled with the Department of the Treasury on a monthly and annual basis. The annual reconciliation of the Treasury Combined Statement is also used in the reporting to the Office of Management and Budget as part of the submission of the annual operating budget of the Senate.

The Accounting Department also transmits all Federal tax payments on a monthly basis for Federal, Social Security, and Medicare taxes withheld from payroll expenditures, as well as the Senate's matching contribution for Social Security and Medicare to the Federal Reserve Bank on a monthly basis. The Department also performs quarterly reporting to the Internal Revenue Service (IRS) and annual reporting and reconciliation with the IRS and the Social Security Administration. Payments for Senate employees withholding for state income taxes are reported and paid on a quarterly basis to each state with applicable state income taxes withheld. Monthly reconciliations are performed with the National Finance Center regarding the Senate's employee withholding and agency matching contributions for the Thrift Savings Plan. All employee withholdings and agency contributions for life and health insurance, and federal retirement programs are transmitted to the Office of Personnel Management on a monthly basis. Any adjustment to employee contributions for any of the health, life, and retirement plans from previous accounting periods are also processed by the Accounting Department.

Financial Reporting Requirements—Internal.—The Accounting Department prepares and transmits ledger statements monthly to all Member offices and all other offices with payroll and non-payroll expenditures. These ledger statements detail all of the financial activity for the appropriate accounting period with regards to official expenditures in detail and summary form. Substantial effort has been done in reformatting the monthly ledgers to comply with the requests and requirements of the Senate Offices.

Report of the Secretary of the Senate.—On a semiannual basis, the Accounting Department prepares necessary reports and information to be included in the *Report of the Secretary of the Senate*. During this past year the *Report of the Secretary of the Senate* was redesigned. The Detailed and Summary of Statement of Expenditures section was modified to summarize information, based on OMB object code classification, and sort by voucher number within object code class, conforming more appropriately with the reporting requirements of the rest of the federal government. The *Report of the Secretary*, which has a statutory requirement to be made available to the public 60 days after the close of the reporting period, was published and delivered within the prescribed time even though the anthrax attack required that the work had to be done from the Postal Square facility.

Financial management policies and procedures.—The Accounting Department has completed documenting the accounting policies and is preparing a procedures manual which will consist of detailed documentation of key procedures and flowcharts of system transactions. The customized documentation provides a good mechanism for staff training and identifies any information gaps in the day-to-day operations of the Disbursing Office.

Accounts Payable.—The Accounts Payable Audit Section of the Accounting Department is responsible for auditing vouchers and answering questions regarding voucher preparation, answering questions concerning the permissibility of the expense, providing advice and recommendations on the discretionary use of funds by distributed accounting locations, identifying duplicate payments vouchered by offices, monitoring payments related to contracts, training new Office Managers and Chief Clerks about Senate financial practices, training Office Managers in the use of the Senate's Financial Management Information System, and assists in the production of the *Report of the Secretary of the Senate*. The Section also maintains the Senate's central vendor file that includes the addition of approximately 2,000–3,000 new vendors per year to an existing vendor file of over 30,000 vendors added and the collection of information to provide for EFT payments to them. Accounts Payable Disbursements is responsible for the receipt of over 124,000 individual expense vouchers and the writing and delivery of the resulting 60,000 checks. This office also prepared the monthly ledger statements for delivery to the 160 accounting locations throughout the Senate.

Budget Department.—A key component of the continued restructuring of DOFM is the development of a Budget Department. The primary responsibility of the Budget Department is to compile the annual operating budget of the United States Senate for presentation to the Committee on Appropriations. The development of specialists in the budget area has allowed current staff with dual responsibilities in Accounting to focus their efforts on general ledger activity.

Policy and Procedures Manual.—The objective of this project was to prepare an accounting policy and procedures manual to document the current policies and related processes that are part of the DO's Financial Management Group. The project started in December of 2000 and was completed in March 2001 with the final copies of all manuals delivered to the DO during June 2001 in hardcopy and electronic format. The manual documents the methodology used in the processing of vouchers and other accounting transactions and documents in the Accounts Payable Audit and Disbursement Sections as well as in the Accounting Department. The creation of this manual was the first step the DO has taken toward the documentation of information that would be necessary to engage in a financial statement review. Now the policy and procedures manual is maintained and updated by DO's Accounting Department.

Fiscal year-end Closing.—After all activity for the fiscal year has been processed, a year-end close must be performed in the FMIS system. This process has to be completed every year after the *Report of the Secretary* for the period end September 30th is issued. The year-end closing process is tested during December and completed in the production region in January. The FMIS system has the capability of performing the year-end closing rules in an automated format.

Disaster Recovery.—The Senate Sergeant at Arms currently maintains a contract for backup services in case of a disaster affecting the Senate's main data center. Every night, data and software from the Senate's mainframe computer systems are backed up to a magnetic cartridge and taken to a secure, off-site facility. This contract and back-up activities have been in effect since 1995. In the event of a disaster in the Sergeant at Arms' computing facilities at Postal Square, the technical staff would immediately arrange to have the data, software, and appropriate operating instructions forwarded from the off-site facilities. All software and data would be restored to the contractor's computer facilities. The restoration of all facilities can be completed within 24 hours of starting the jobs and the systems would be available to users at that time.

Since the contract's inception, the Senate has tested its ability to restore systems and perform normal activities at least once, and often twice a year. Two systems for the Secretary of the Senate that are included in this recovery process, including regular testing, are the Senate's Payroll System and the Senate's Financial Management Information System. During 2002, there are two tests planned: one which occurred in late February and one scheduled for the fall. Disbursing Office staff and Sergeant at Arms functional staff are active participants in the planning and execution of these tests.

The Disbursing Office has participated in disaster recovery testing of mainframe FMIS facilities since the system was implemented in October 1998. After being notified that the system has been restored, Disbursing Office and SAA Procurement staff tested the various modules of the mainframe application to ensure they were functioning correctly at the back-up site. Using workstations connected to the Senate's fiber network as well as laptop computers dialing into the site, users have tested various types of document preparation, printing, and posting to the financial system. In addition, system inquiries into both the procurement and financial modules have been tested. Finally, various batch-processing tasks have been tested to ensure that they perform as expected.

Financial Statement Development.—One of the initial strategic objectives of FMIS is to provide the Senate with the capacity to produce an annual financial statement. In line with 1998 FMIS Project strategic plan, a contract was initiated in 2001 to develop the capacity for the first U.S. Senate-wide consolidated financial statement. Our proposed strategic initiative will complete the project.

The initiative is based on the desire to adopt to the extent possible the financial reporting requirements of the Government Management Reform Act of 1996 (GMRA), the Chief Financial Officers (CFO) Act of 1990 and comply with the Statements of Federal Financial Accounting Standards (SFFAS) promulgated by the Federal Accounting Standard Advisory Board (FASAB). It should be noted that the U.S. Senate is not subject to the requirements of these Acts.

The main objectives of this FMIS initiative were to:

—Develop pro-forma financial statements of the United States Senate as required by the Executive Branch in OMB Bulletin No. 01–09, "Form and Content of Agency Financial Statements". The statements prepared will consist of the management discussion and analysis and principle statements that includes the following: Balance Sheet; Statement of Net Cost; Statement of Changes in Net Position; Statement of Budgetary Resources; Statement of Financing; Notes to the Financial Statements; Required Supplementary Stewardship Information (RSSI); and Required Supplementary Information (RSI)

—Develop a crosswalk table between the U.S. Senate's trial balances and the consolidating statements and document the procedures used to compile the consolidating statements, footnotes and supporting schedules to serve as documentation for the development of future statements.

—Provide recommendations on how to further automate the process and provide suggestions for corrections actions and improvements based on feasibility and cost effectiveness.

—Assess the staffing levels needed to prepare the annual financial statements and maintain the financial information required for the statements and,

—Adopt the financial reporting requirements of the Federal Managers' Financial Integrity Act of 1982 (FMFIA) and the Federal Financial Management Improvement Act of 1996 (FFMIA) to the extent they are applicable.

This exercise requires a great deal of coordination with various departments within the Secretary's Office as well as the Office of the Sergeant at Arms. It also needs the compilation of financial information from all the Senates' revolving funds. This project did not include a review of internal control procedures or an assessment of the Senate's compliance with laws and regulations. These last two aspects of a full financial statement audit will be performed at a later date as part of the future FMIS strategic initiative described in this testimony.

Disbursing Office Information Technology Office

The Disbursing Office Information Technology staff provides both functional and technical assistance for all Senate Financial Management activities. This includes production support for the entire Senate community of users, system administration and support, application development oversight and support, as well as support for the Senate's contracting office and Project Manager for the Senate's Financial Management Information Systems (FMIS). The staff also provides the liaison between the users, both in the DO and the Senate Offices, and the technical staff in the Sergeant at Arms offices, as well as the contracting staff from KPMG. Furthermore, the staff perform the system administration activities on the DO's LAN.

A research and query capability was defined and implemented for use by DO Information Technology staff that allows the generation of special one-time and/or ongoing ad hoc queries to respond to specific requests for information or research data. This project continued the development of reports for various users in the Disbursing Office and the Office of the Sergeant at Arms which will be generated on a regular production or ad hoc basis.

Imaging and Digital Authentication

One of the initial FMIS objectives was to advance the Senate into a paperless or reduced paper environment in which accounting items and supporting documentation are stored and transmitted in digitally authenticated image format. Through the implementation of Web FMIS and the interface to mainframe FMIS, the Senate is well positioned to utilize this technology. Products for reliable, secure digital authentication that is based upon industry standards are also now available. Once documents are scanned the workflow and security profile for the images could be similar to that which is performed in today's paper-based environment. Retrieval and research tasks would require far less effort than that required in a paper-based operation.

Office Administrative Functions on the Web

The Senate may desire to move some procurement, requisitioning and other activities that are currently performed by the SAA in ADPICS to the Web. These requirements will have to be analyzed and prioritized. It is envisioned that the additional requested functionality will be provided in multiple releases, similar to the development and deployment methodology that was used during the first phase of the project. Each of these releases will require design, development, testing and implementation tasks. Depending on the functionality provided in a given release, training also may be required.

Date Storage

Long-term data archival storage is required to maintain the capability to retrieve historical data for accounting documents no longer maintained at a detailed level in storage. In addition to the transaction processing data, the Senate maintains several data marts to support various reporting requirements. Data for monthly reports are supported through a data mart that was initially created for the ledger reports. The Web FMIS data mart is refreshed on a nightly basis.

Web FMIS

FMIS celebrated another major milestone toward the Senate's goal of using an integrated paperless financial management system. In July 2001, offices began using the "submit" feature of Web FMIS, which allows offices, with the press of a single button, to send voucher data electronically to the Disbursing Office (DO), thus eliminating the need for the DO to rekey the data into the Senate's Financial Management Information System. The submit feature enables offices to interact with the Senate's general ledger system, FAMIS, and thereby receive immediate feedback on whether the office has a sufficient fund balance to pay the voucher, whether the voucher is a duplicate payment, and whether the office is using an expired expense category or vendor. Additionally, the submit process enables the DO to review the voucher electronically and communicate changes to the voucher electronically to the offices.

To minimize burdens on the offices displaced from the Hart building, three original releases planned for Web FMIS were restructured. Under the new plan, one "update" was done in December 2001 to address additional functionality and problems affecting office users that could be easily added or fixed. A similar "update" was done in February 2002 to address additional functionality and problems affecting DO users that could be easily added or fixed.

The March 2002 release addressed new functionality requested by the Office Managers and Chief Clerks including reports that show all documents, including documents created in the last minute (current reports include data as of COB the prior night), a variety of ease-of-use features for creating vouchers, a pilot of importing (rather than retyping) ESR-Travel information, the ability to unsubmit vouchers before the DO has acted on them, the ability to create records that void other records, and features to improve management of the inbox (i.e., communication with the DO regarding voucher changes).

The June/July 2002 release will address additional new functionality requested by the Office Managers and Chief Clerks including reports that show travel advances, the ability to submit travel advance documents, including the obligation of advances, and credit documents, and enhanced record search capabilities. Additionally, this release will provide additional functionality for DO users including inboxes to consolidate voucher changes authorized by the office and awaiting additional action by A/P staff. As these releases are completed, we will begin investigating additional projects planned as part of the integrated paperless financial system, including imaging of supporting documentation and electronic signatures, adding functionality required to bring on offices, adding additional reports as requested by users, and develop interfaces to/from other systems such as the Asset Management System.

The Office of the Secretary and the Disbursing Office will continue to build upon the technical improvements made during the FMIS implementation to date and will continue to work directly with the Senate community, particularly the Senate's Office Managers, to enhance FMIS functionality and accountability. Concurrent with the March 2002 release, the Disbursing Office staff demonstrated the new functions at a meeting of the Joint Office Managers and Chief Clerks, and offered one hands-on class and one seminar for those Web FMIS users who wanted to learn more about the new functions.

As these releases are completed, we will begin investigating additional projects planned as part of the integrated paperless financial system articulated in the FMS Conceptual Design document, approved by the Committee on Rules and Administration. These projects include imaging of supporting documentation and electronic signatures, adding functionality required to bring on offices such as the Secretary's Office onto Web FMIS, adding additional reports as requested by users, and develop interfaces to/from other systems such as the Asset Management System.

THE CAPITOL VISITOR CENTER

Officers Jacob Chestnut and John Gibson died during the summer of 1998. Their tragic deaths focused attention on Capitol security and the need for a Capitol Visitor Center. The 105th Congress appropriated $100,000,000 for a Capitol Visitor Center and directed that the remaining required funds be raised by the private sector. The Fund for the Capitol Visitor Center was formed and successfully raised $35,000,000 for this project before the events of September 11 and the anthrax bio-terrorism incident that resulted in the closing of the Hart Senate Office Building for over three months. I would like to commend Chairman Marilyn Ware and the Board of the Fund for the Capitol Visitor Center for their essential contributions and their individual dedication in helping the Nation build a visitor center which will improve security while providing a significantly better educational opportunity for students and others who visit the Capitol Building.

To assist in funding the Visitor Center, Congress authorized the Capitol Visitor Center commemorative coins. Over 360,000 coins have been sold and over $3.3 million was raised for the purpose of constructing the Capitol Visitor Center.

For nearly 200 years, the Capitol has stood as the greatest visible symbol of our representative democracy. It is, and will remain, the workplace of our elected representatives as well as a museum and a major tourist attraction. Since 1859, when the present House and Senate wings were completed, our country has undergone tremendous growth. Citizens of the United States and the world visit the Capitol in increasing numbers and even though the events of the Fall of 2001 resulted in a decrease in visitors, we already see that visitors will soon be at their highest levels once again.

The 19th century design of the Capitol Building does not easily lend itself to tours and cannot safely accommodate the numbers of visitors we are again expecting to experience. The Capitol Visitor Center will provide a safe, comfortable and educational introduction to the Capitol Building and will allow management of the tour experience to enhance the safety of all visitors and those who work in the Capitol Building.

Following the World Trade Center and Pentagon tragedies, Congress appropriated sufficient funds to fully finance construction of the Capitol Visitor Center. The Fund for the Capitol Visitor Center has ceased operation. With full funding, the Capitol Preservation Commission has authorized construction. Pre-construction activities have been underway for several months. Excavation of the East Front site will begin in mid-June 2002. The Capitol Visitor Center is expected to be completed by January 2005.

The Clerk of the House and the Secretary of the Senate continue to chair weekly meeting of leadership staff who are informally charged on behalf of the Joint Leadership of Congress with overseeing this project. Project staff, representatives of the Architect of the Capitol, the Capitol Police, contractors, and others as appropriate attend these meetings. While constructing the Visitor Center will be disruptive, dirty, and noisy, we are confident that the American public, visitors, and the Congress will be proud of the new facility and pleased with the educational opportunities it will provide, the enhanced security, and the amenities it will offer all visitors to the Nation's Capitol Building.

PREPARED STATEMENT OF TIMOTHY S. WINEMAN

Mr. Chairman, I appreciate the opportunity to present to your Committee, the Budget of the United States Senate for fiscal year 2003.

Mr. Chairman, the fiscal year 2003 budget estimates for the Senate have been included in the Budget of the United States Government for Fiscal Year 2003. This Budget has been developed in accordance with requests and proposals submitted by the various offices and functions of the Senate. The total budget estimates for the Senate are $802,244,145 which reflect an increase of $67,518,145 or 9.19 percent over the amount appropriated for fiscal year 2002 and does not reflect any adjustments to these estimates which may be presented to your Committee during these hearings. The total appropriations for the Senate for fiscal year 2002 are $734,726,000. An individual analysis of the budget estimates for all functions and offices has been included in the Senate Budget Book, previously provided to your Committee.

The budget estimates for fiscal year 2003 are divided into three major categories as follows:

Senate Items	$130,331,000
Senate Contingent Expense Items	576,398,000
Senate Joint Items	95,515,145
TOTAL	802,244,145

Specifically, Mr. Chairman, the fiscal year 2003 budget estimates reflect increases over the fiscal year 2002 enacted levels as a result of: (1) the anticipated 4.3 percent cost-of-living adjustment for fiscal year 2003, and the annualization costs of the fiscal year 2002 4.77 percent cost-of-living adjustment; (2) the cumulative under funding of previous fiscal years in the Senators' Official Personnel and Office Expense Account due mainly to increases in population categories of various states and increases in the Administrative and Clerical Assistance Allowance authorized by the Legislative Branch Appropriations Acts, 1999, 2000, and 2002; (3) personnel adjustments, other than the cost-of-living, attributable primarily to the budget request of the Capitol Police; (4) increases in agency contributions applicable to the cost-of-living adjustments and other personnel increase requests; (5) the OMB proposed CSRS full cost accrual and FEHB costs; and (6) other miscellaneous and administrative expense increases.

Mr. Chairman, I submit, for the consideration of your Committee, the Budget of the United States Senate for fiscal year 2003.

PREPAREDNESS FOR EMERGENCIES

Senator DURBIN. Thank you very much, Ms. Thomson. We have talked a lot about the response and the recovery from September 11 and October 15. I would like to address the issue of preparedness, not to analyze what happened on that day and what we could have done better, but to look forward. We were fortunate in this respect, on September 11, the operations of the Senate were closed down for all but 1 day, perhaps. And you have addressed the Capitol Visitor Center, which I will get to in a minute.

But in terms of the actual operations of the Senate, without disclosing anything that may be of a sensitive nature, would we be prepared if another emergency were to arise that would force the closure of the Senate Building, the Senate Chamber, for more than 1 day? Would we be prepared with an alternate site to maintain the business of the Senate?

Ms. THOMSON. The short answer is yes. And even on September 11, not only could we have operated the Senate in another location, but we would have. And that is largely because of the dedication of the staff, both in the Secretary's Office and the Sergeant at Arms' office. And that dedication was really illustrated when we closed the Hart Building, because we were able to relocate 50 Senators and several committees and subcommittees essentially over a 3-day period.

In the Secretary's Office, as I said earlier, we had our COOP plans done. And we knew what we needed to do. So we could have set up a Senate chamber anywhere. Could we do a better job today? Yes.

Senator DURBIN. In terms of preparedness, looking back to September 11, aside from an alternate site, are there things now that we are doing or need to be doing to prepare ourselves for some other eventuality that is currently unforeseen?

Ms. THOMSON. The breadth and scope of the planning that is underway is comprehensive and inclusive of almost any scenario that you could come up with. If you think of COG COOP planning as a pyramid, the top part of that pyramid is the Secretary of the Senate. And the three essential responsibilities of the Secretary are, first, to determine the membership of the Senate at the moment and make whatever arrangements are necessary to ensure that we have 100 Senators as quickly as possible.

The second responsibility is to make sure that the Senate can pass legislation. The third responsibility is financial management. The Secretary of the Senate cannot do any of these things without all the rest of that pyramid. And the rest of the pyramid is the Sergeant at Arms responsibility: communications, transportation, offsite facility setup, et cetera. Plans are well underway and we would be happy to brief this committee on the details at your convenience.

Senator DURBIN. On September 11—I do not know Senator Bennett's experience—but I was rushed out of the Capitol and stood on the grass outside. And as I reflect on that, I do not know what I was waiting for. But I was standing there with a large crowd of people, Members of the Senate and the House, a lot of staff people, and a lot of tourists and visitors, waiting for the all clear, the next set of instructions, when I suppose what we heard next was a sonic boom. I guess now—we thought it was an explosion. It was probably a sonic boom and everybody was told to leave the grounds as quickly as you can.

That was the moment when it suddenly dawned on me, as I walked past a lot of people, tourists and families who were in the Capitol, that there was nowhere to go. There was no place to turn to. There was an elderly couple and they asked me, "Where are we supposed to go? Is the Metro running? What's the next thing we should do here?" I did not know the answers.

CAPITOL VISITOR CENTER

I did know, after reflecting on it, that the idea of a Capitol Visitor Center was even more urgent and critical after that experience, not only for the security and safety of the building and people that work there, but also so that there might be someplace to turn when an emergency arises.

Now I know there are other offices like the Architect of the Capitol that are uniquely involved in this. But I also know that you have taken a personal interest in monitoring the progress of this project. You said something which bears repeating. There are a lot of people working around the Capitol and visiting the Capitol who do not know what we are in for when they start digging the hole in June. To put it in simple parlance, it is going to be a mess.

But it is going to be worth it because by 2005 we will have probably the largest investment on Capitol Hill in 30 or 40 years in terms of construction and one that will serve us well for decades to come.

Tell me, if you can, what your role has been in monitoring the progress on this Capitol Visitor Center?

Ms. THOMSON. When Congress appropriated the first $100 million for this project, an advisory group representing the joint leadership was formed. I have been a part of that group since the beginning, initially representing Senator Daschle and now, as Secretary of the Senate, informally co-chairing this group with the Clerk of the House. We have worked very closely with the Architect and the membership and staff who represent the membership of the Capitol Preservation Commission.

The Capitol Preservation Commission has the oversight responsibility for the project. And we have, I think it is fair to say, shepherded this through as a team, a bipartisan and bicameral team, that has worked very effectively together.

You are correct when you say it is going to be a mess. We are going to need the indulgence of the members of the Senate so that we do not delay the project. We cannot afford delays. We must have the project completed by January 2005. The construction schedule has been adjusted so that we can accommodate certain Senate schedules. But it will be noisy, and there will be inconvenience to members.

Senator DURBIN. But ultimately what we will have in place is a staging area for visitors to the Capitol——

Ms. THOMSON. Right.

Senator DURBIN [continuing]. Which is secure.

Ms. THOMSON. Right.

Senator DURBIN. Currently, or at least before September 11, people would literally walk into the building, at which point someone would search their backpacks.

Ms. THOMSON. Right.

Senator DURBIN. From a security viewpoint, that is totally unacceptable. What we are trying to do is to have a staging area where people can be, if not searched, at least monitored as they visit the Capitol, a place where they can gather and perhaps see a movie about the building itself and the history of Congress.

Ms. THOMSON. The educational opportunities will be extensive. And this team has been working closely with the Smithsonian, the National Archives, and the Library of Congress, to catalog documents and other materials that should be displayed. The Architect can better address the consultant, Ralph Applebaum, who has been hired to oversee the development of the exhibitry. We think members will be pleased with it.

The security issue should best be addressed by the Sergeant at Arms. But you are correct in stating that the initial screening of visitors will be away from the building. And that will make everyone safer, including those who are visiting.

STUDENT LOAN REPAYMENT PROGRAM

Senator DURBIN. Good. Let me talk to you about an issue near and dear to me, which we have conversed about, and that is the question about student loan repayment. The Executive Branch has had the authority to forgive student loans in an effort to retain good employees, maintain morale, and to recruit new employees with special skills.

We have now put in your lap a law that gives that opportunity to Senate employees. Can you tell me in this, the first year, what the experience has been with that program?

Ms. THOMSON. Well, the Assistant Secretary really led this effort. The law directed, gave me an administrative directive to see that the program was implemented. The Secretary's Office has drafted the service agreements and prepared all of the other documentation required. We have briefed all the offices, Senators' offices, as well as committees. The program is underway. We have something more than 15 offices participating at this point.

It appears to us in this early stage that it is going to be a very effective recruitment and retention tool. We look forward to reporting back to the committee, as we get a little bit more experience. We are pretty early in the game on this. But I think the team, which included the Senate chief employment counsel and the Senate financial clerk, did an outstanding job. We have had a very positive response from Senate offices.

Senator DURBIN. I think that we are going to find that different offices have come at this a little differently. At the end of 1 year or so, I would like to ask Senator Bennett to join me and the subcommittee to review how each office has dealt with this, what they have achieved, and to see if we need to address any changes in the law. This is a big experiment. I think it is along the right lines, but we may modify it as time passes.

SENATE WEB SITE

Address for a minute the Senate Web site. You have told me of your feelings about that. I wish for the record, particularly since C-SPAN is covering this, if you could tell people where they can find it and when they log on what they are likely to find, and what your hope is for the development of this Web site.

Ms. THOMSON. The Senate's Web site is senate.gov, and one can just go into www.senate.gov and find it. When the site was first put up in 1998, it won some awards for its graphics display. It is a good site. It has good content. We think it can be better. We have a wonderful team of people working on this. And I am very excited about it.

My challenge to them was to make senate.gov the best Web site in the world. That may sound odd, but this is the United States Senate and we should have the best Web site in the world. It should be the go-to site to find out information about representative democracy, about what the Senate is and how it was formed, about what the Senate is doing now, about the Senate's history.

You should be able to get a tour of the Capitol Building and the Senate Chamber. You should be able to find out information on what Senators have served when. Students all across this country and all around the world should be able to go to this site to find information to write their reports and be able to use it as a major research and resource tool.

So, that is our goal. We are in the process right now of recommending to the Rules Committee a new content management system. We expect to have the prototype up in September, and we would love to show it to you.

Senator DURBIN. Thank you.

Senator Bennett?

Senator BENNETT. Thank you, Mr. Chairman. You have covered all of the issues that I had in mind. So I have no additional questions.

INCREASE IN EXPENSES

But I will give you the opportunity to talk about the increase in expenses, $500,000 above a budget that has been constant for many years, at $1.6 million. $500,000 is not a big item here, but there may be some that would question it. Give us a quick explanation on that one.

Ms. THOMSON. Well, let me run back through what we are hoping to do here. The first item is that we need new software and hardware for the Senate gift shop. And the current software is——

Senator BENNETT. I am sorry. This is in the disbursing office.

Ms. THOMSON. Oh, the disbursing office. I thought you were talking about operating expenses.

Senator BENNETT. I apologize. I did not make that clear.

Ms. THOMSON. In the disbursing office, let me run through those details. We are, beginning with the feasibility study and a pilot project, we are going to implement new technology, which includes imaging and electronic signatures, so that we can move to a paperless voucher processing system. And we need to reduce our dependence on paper vouchers. This is part of the COOP effort to make sure that we can continue paying bills under almost any circumstance.

The second major item is Web FMIS improvements. We want to respond to requests that we have in hand right now from the Senate's many accounting locations for additional functionality. That includes being able to develop a whole new series of monthly reports. We have some very specific requests from the Rules Committee that we need to respond to. And we anticipate that we are going to get some additional requests from Senate offices on security management and other issues.

On the payroll improvements piece, we want to respond to requests that we have from Senate offices right now for online, real-time access to payroll data and the ability to submit payroll actions online. Again, this is part of COOP planning. We want to make sure that we can continue payroll operations from any location under almost any circumstances.

On the accounting subsystem integration, this is within the disbursing office itself, but we still need to integrate some Senate-specific accounting systems and improve some internal controls and eliminate the errors that are inevitably caused by rekeying of data, including updating the approval process, the ability to track not-to-exceed allowances, contract tracking, those kinds of things.

And the final item is the CFO financial statement development. We are going to provide the Senate the capacity to produce financial statements, which can be successfully audited. So those are the five principal components.

Senator BENNETT. Fine. Thank you very much.

Mr. Chairman, I find myself in the inevitable conflict in the Senate. I take my duties as ranking member here very seriously. But I also take my duties as ranking member on the JEC very seriously. The Joint Economic Committee is listening to Mr. Greenspan at this very moment talk about the future of the world. He is in charge of that.

I will have to ask your indulgence, and that of the other witnesses, to go to my other assignment. But I do not want other witnesses to think I am flagging in my interest in what they are doing.

I have sufficient confidence in your ability to ask all the right questions that I am happy to turn whatever responsibilities I have over to you temporarily.

Senator DURBIN. Well, Senator Bennett, your absence will be certainly excused. I will try to press on with this responsibility, if you will promise to turn the economy around and——

Senator BENNETT. I will mention that to the Chairman.

Senator DURBIN. Thank you very much.

Thank you, Ms. Thomson, for your testimony and your service to the Senate.

Ms. THOMSON. Thank you.

ARCHITECT OF THE CAPITOL

STATEMENT OF HON. ALAN M. HANTMAN, ARCHITECT OF THE CAPITOL

ACCOMPANIED BY:

AMITA POOLE, ADMINISTRATIVE ASSISTANT
LARRY STOFFEL, SUPERINTENDENT, SENATE OFFICE BUILDINGS
MICHAEL G. TURNBULL, ASSISTANT ARCHITECT OF THE CAPITOL
GARY GLOVINSKY, CHIEF FINANCIAL OFFICER

OPENING STATEMENT

Senator DURBIN. We will now turn to Mr. Alan Hantman, Architect of the Capitol, who is accompanied by the Assistant Architect Michael Turnbull, the Administrative Assistant Amita Poole, Chief Financial Officer Gary Glovinsky, and the Senate Superintendent Larry Stoffel.

The Architect of the Capitol's fiscal year 2003 budget proposal totals $395.6 million, $30.4 million below the current year budget. The decrease is attributable to $106 million in supplemental spending for security projects approved in December of last year. This budget includes seven major projects totaling close to $150 million, the largest being almost $82 million for the Capitol Power Plant modernization.

In addition, the budget proposes 43 additional full-time equivalent employees.

Mr. Hantman, as you are aware, the General Accounting Office has been reviewing your agency's operations as part of a general management review, which this committee requested. We asked them to look specifically at worker safety and the recycling program as illustrations of management issues. We have asked that they provide testimony for the record today on their findings to date.

[The information follows:]

ARCHITECT OF THE CAPITOL—MANAGEMENT AND ACCOUNTABILITY FRAMEWORK NEEDED TO LEAD AND EXECUTE CHANGE

(GAO REPORT GAO–02–632T)

Mr. Chairman and Members of the Subcommittee: We are pleased to respond to your request that we provide preliminary observations from our ongoing general management review of the Architect of the Capitol (AOC). As you know, the Senate and House Appropriations Committees mandated this review for completion in November 2002. At that time we will provide our final observations and recommendations. Upon completion of our review, AOC is to develop a management improvement plan to address our recommendations. You asked us to focus on certain management shortcomings at AOC that needed attention—strategic planning, organizational alignment, strategic human capital management, financial management, and information technology (IT) management. You also asked us to assess two key program areas—worker safety and recycling—both to illustrate the management issues we are addressing and to help AOC identify best practices and areas for improvement in these important programs. We plan to explore project management and budgeting, among other issues, in greater depth in the next phase of our review. We have briefed AOC on the preliminary observations in this statement and the accompanying appendix, which provides additional details on the results of our work.

We have been working constructively with AOC managers to understand their complex operating environment and the long-standing challenges they must address. Our observations today are based on a review of AOC's legislative authority and internal AOC documents, including policies and procedures, AOC consultant reports and internal studies on AOC management issues, as well as GAO and other reports on best practices for management functions and worker safety and health and recycling programs. We also interviewed senior- and mid-level AOC managers for each of the management functions and programs we reviewed.

AOC has demonstrated a commitment to change through the management improvements it has planned and under way. For example, AOC has

—established routine management meetings to help improve communication across organizational boundaries;
—established and implemented basic policies and procedures in human capital, such as a performance evaluation system for non-union AOC employees up to GS–15;
—recently drafted a senior executive performance evaluation system—informed by our human capital policies and flexibilities—and established an employee awards program;
—added to its professional workforce ranks by hiring new jurisdictional superintendents and deputy superintendents and budget and accounting officers and creating and filling new positions, such as chief financial officer (CFO), facilities manager, worker safety specialists, and a facilities planning and development manager;
—reorganized and took actions to improve worker and fire safety programs; and
—upgraded and filled key recycling program positions.

AOC is also revisiting its strategic planning efforts, working with a consultant to implement best practices for project management, and implementing a new financial management system.

AOC recognizes that because of the nature of the challenges and demands it faces, change will not come quickly or easily. AOC therefore must ensure that it has the policies, procedures, and people in place to effectively implement the needed changes. That is, to serve the Congress, central AOC management needs the capability to define goals, set priorities, ensure follow through, monitor progress, and establish accountability. Our observations today all focus on this basic issue—building the capability to lead and execute change. Therefore, we believe that as a first priority, AOC should establish a management and accountability framework by

—demonstrating top leadership commitment to change;
—identifying long-term, mission-critical goals through a re-invigorated strategic planning process tied to serving the Congress;
—developing annual goals and a system for measuring progress; and
—establishing individual accountability and commensurate authority for achieving results.

We recognize that this statement outlines a large and complex agenda for change at AOC, and that AOC cannot possibly tackle all these changes at once. Nonetheless, this agenda provides the broad landscape of issues confronting AOC and is therefore important to crafting a comprehensive and integrated approach to addressing AOC's challenges and setting appropriate priorities, even though by necessity it will have to be phased in over time. By drawing on the full potential of its management team, AOC can begin to take immediate steps on a number of actions, although we recognize that AOC will be able to implement some of these actions more quickly than others. Key actions that AOC can consider are highlighted in the following sections and detailed in appendix I.

AOC-WIDE COMMUNICATIONS STRATEGY IS NEEDED TO ACHIEVE MISSION-CRITICAL GOALS

AOC must develop a communications strategy as an integral part of its strategic planning and change management initiatives. Such a strategy will be important to providing AOC with the customer and employee information and perspective it needs to strike a balance between the competing priorities it faces and the results it seeks to achieve. In building a communications strategy AOC should consider taking the following actions:

—Provide opportunities for routine employee feedback.
—Develop congressional protocols.
—Publicize the impact of highly visible projects.

—Improve accountability reporting.
—Measure customer satisfaction.

STRATEGIC HUMAN CAPITAL MANAGEMENT CAN IMPROVE ORGANIZATIONAL ACCOUNTABILITY TO MISSION-CRITICAL GOALS

Strategic human capital management can transform AOC into a results-oriented organization by aligning employee performance with AOC goals and by providing the tools to better plan its workforce needs. In 1994 we reported that AOC's personnel management system did not follow many generally accepted principles of modern personnel management.[1] In our current review, we found that AOC has made progress in establishing a modern personnel system that is meeting the guidelines set forth by the AOC Human Resources Act of 1994 and the Congressional Accountability Act of 1995.[2] AOC has developed basic personnel policies and procedures and streamlined certain human resource processes, and has continued to add to its professional workforce ranks. These efforts are helping AOC to construct a sound foundation on which to build a high-performing organization. As AOC moves forward with its human capital efforts, it has opportunities to make additional important improvements:
—Develop capacity to collect and analyze workforce data.
—Identify current and future workforce needs and develop strategies to fill gaps.
—Establish agencywide core and technical competencies.
—Link proposed senior executive and existing employee performance management systems to mission-critical goals.

AOC NEEDS TO CONTINUE AND EXPAND EFFORTS TO IMPROVE FINANCIAL MANAGEMENT

In recognition of the critical role a chief financial officer (CFO) plays in achieving financial accountability and control, AOC established a CFO position and, in January 2002, filled the position. The new CFO is a member of the Architect's executive council and reports directly to the Architect. Organizationally, the CFO is responsible for the activities of AOC's Budget Office, Accounting Office, and Financial Systems Office. Included among the many challenges facing the new CFO are his responsibilities for (1) implementing AOC's new financial management system (Momentum), (2) implementing applicable accounting and operational policies and procedures, and (3) preparing a complete and auditable set of AOC financial statements.

Among his first actions, the new CFO recently hired staff members to fill key budget and accounting officer positions, including additional accounting staff members with the general ledger accounting experience needed to maintain AOC's new general ledger. He has also focused his efforts on bringing AOC's new financial management system on-line. While these steps are critical and represent the initial steps to improving AOC's financial management and budget functions, much work remains to be done. The CFO has also recognized or started work on other key issues that need to be addressed in the near term. Building on the progress already under way, the new CFO needs to take the following actions:
—Ensure effective implementation of new financial management system.
—Continue and expand ongoing efforts aimed at strengthening AOC's budget formulation and execution and financial accounting and reporting across AOC.
—Model AOC efforts on established best practices of leading organizations.

AOC NEEDS TO ADOPT AN AGENCYWIDE APPROACH TO IT MANAGEMENT

Our research of private and public sector organizations that have effectively leveraged IT shows that these organizations' executives have embraced the central role of IT to mission performance. As such, they have adopted a corporate or agencywide approach to managing IT under the leadership and control of a chief information officer (CIO), who is a full participant in senior executive decision making. Additionally, these organizations have implemented certain corporate IT management controls such as using a portfolio-based approach to IT investment decision making, using an enterprise architecture or blueprint to guide and constrain IT investments, following disciplined IT system acquisition and development management processes, and proactively managing the security of IT assets.

Our preliminary work shows that AOC has yet to adopt such an approach. AOC could greatly benefit from an agencywide approach to managing IT under the leadership and control of an empowered CIO. Such an approach should, at a minimum,

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[1] U.S. General Accounting Office, *Federal Personnel: Architect of the Capitol's Personnel System Needs Improvement*, GAO/GGD–94–121BR (Washington, D.C.: Apr. 29, 1994).
[2] See Public Law 103–283, Sec. 312, Architect of the Capitol Human Resources Act.

include each of the above IT management controls as defined in relevant federal guidance and proven best practices. AOC's top leadership will need to consider carefully its environment and the scope of its IT investments to determine how best to apply this guidance and the best practices to its specific situation. The following are the key steps that AOC needs to consider as it seeks to more effectively leverage use of IT to improve mission performance:

—Appoint a CIO to manage IT across the agency.
—Establish and implement a portfolio-based approach to IT investment management.
—Develop, maintain, and use an enterprise architecture consistent with federal guidance and recognized best practices.
—Establish and implement disciplined processes for managing the development and acquisition of information systems.
—Establish and implement an information security program.

AOC COULD MAKE WORKER SAFETY PROGRAM IMPROVEMENTS MORE EFFECTIVE BY ADOPTING CERTAIN BEST PRACTICES

Because of the concerns that the Congress and others raised about worker safety at AOC, in 2001, the Architect issued a statement that safety is his highest organizational priority. To effectively implement the Architect's commitment to safety, and consistent with best practices for health and safety programs as described in the Occupational Safety and Health Administration's guidance and our work, AOC must develop comprehensive and reliable data, provide a clear understanding of what the program is trying to accomplish, and how it will evaluate results. AOC also needs to examine strengthening the accountability relationships between the various safety program officials. Best practices also indicate that standardized and agencywide policies and procedures must be in place—such as procedures that encourage employees to report incidents, accidents and unsafe conditions (often called hazards), and procedures to investigate causes of accidents to identify why accidents occurred. By gathering more comprehensive and reliable data, and developing and consistently applying policies and procedures for reporting and investigating accidents, injuries, and illnesses, AOC can begin to take a more strategic approach to addressing safety issues. For example, better information about the type and frequency of injuries and the hazards that contribute to them could help AOC establish a risk-based approach for addressing the most significant worker safety issues that are occurring and for allocating resources. Key actions that AOC should consider on worker health and safety can be summarized as follows:

—Develop more comprehensive and reliable data to set goals and to track program improvements.
—Assess accountability relationships of the safety specialists at the central and jurisdictional levels to carry out their work.
—Establish agencywide policies and procedures for reporting, investigating, and tracking worker safety incidents, accidents, and hazards.

AOC NEEDS TO BUILD ON CURRENT EFFORTS BY ADOPTING A STRATEGIC APPROACH TO RECYCLING

Programs that separate and collect recyclable materials from the waste stream produce numerous benefits. It is estimated that recycling 1 ton of paper saves 17 mature trees, 3.3 cubic yards of landfill space, 7,000 gallons of water, 380 gallons of oil, 4,100 kilowatt hours of energy, and 60 pounds of air pollutants. AOC is responsible for operating recycling programs for much of the Capitol complex.[3] In recent years, AOC, both centrally and at the jurisdiction level, has taken steps to improve the overall effectiveness of its recycling programs. To maximize the benefits derived from its recycling program, AOC must build on the steps it has taken to improve the effectiveness of its programs by taking a more strategic approach:

—Revisit and clarify recycling mission and goals.
—Develop a performance measurement, monitoring, and evaluation system that supports accomplishing recycling mission and goals.
—Reexamine roles and responsibilities of AOC recycling program staff members.

[3] AOC operates all aspects of the recycling programs in the House and Senate Office Buildings, except for the Ford building, which is operated by a custodial contractor. In addition, the House jurisdiction picks up recyclable materials collected by the House side of the Capitol building, the Botanic Garden, the page dorm (501 1st St.), and, most recently, the Capitol Power Plant. On the Senate side of the Capitol building, the Senate Sergeant-at-Arms operates the recycling program, and AOC transports the materials to its collection site in the Hart Office Building. The Supreme Court and the Library of Congress operate their own recycling programs.

—Implement best practices to improve performance.

KEY MANAGEMENT OPTIONS REQUIRE FURTHER EXPLORATION

Adopting a vigorous approach to strategic planning and holding managers and employees accountable for achieving organizationwide goals will go a long way toward helping AOC become a high-performing organization. However, further measures may be needed; we plan to explore other options with AOC and its key congressional customers in the next stage of our management review. To strengthen AOC's executive decision-making capacity and accountability, we are exploring options to better define the roles and responsibilities for certain key functions and to clarify some accountability relationships. For example, a chief operating officer could be responsible for major long-term management, cultural transformation, and stewardship responsibilities within AOC. Additional options are discussed in appendix I.

We look forward to continuing our constructive relationship with AOC. In the worker safety and recycling areas, we will continue to provide on-the-spot advice on safety hazards and recycling practices observed on our site visits. For example, we identified several safety hazards at the Capitol Power Plant. We brought these potential hazards to the attention of the acting chief engineer of the plant, who said that he would act upon our advice. We also suggested to him that the power plant could start a recycling program for its office waste consistent with the Botanic Garden's program, which the plant is starting to implement. To support management improvements that we are recommending or options we plan to explore, we have provided best practices guidance and we will, at the invitation of AOC, brief AOC's senior managers on best management practices in the public as well as private sectors.

In summary, we recognize that AOC faces long-standing management challenges to becoming a high-performing organization, and that it has many initiatives under way for improvement. As a first step in addressing these challenges, AOC must create a management and accountability framework that provides a foundation of mission-critical goals from which other efforts can flow, and clarifies organizational lines of authority and accountability. We will continue to work constructively with AOC, this subcommittee, the House Committee on Appropriations and its Subcommittee on Legislative, and other congressional stakeholders to support this framework, as well as to help AOC identify other priorities for improvement.

APPENDIX I.—MANAGEMENT AND ACCOUNTABILITY FRAMEWORK NEEDED TO LEAD AND EXECUTE CHANGE

This appendix discusses our preliminary observations on strategic planning, organizational alignment, strategic human capital management, financial management, and information technology (IT) management. It also discusses two key program areas—worker safety and recycling—both to illustrate the management issues we are addressing and to help AOC identify best practices and areas for improvement in these important programs.

AOC FACING LONG-STANDING MANAGEMENT CHALLENGES IN COMPLEX OPERATING ENVIRONMENT

AOC's general mission is to maintain and care for the buildings and grounds located in the Capitol Hill complex. The historic nature and high-profile use of many of these buildings create a complex environment in which to carry out this mission. For example, the U.S. Capitol building is, at once, a national capitol, museum, office building, ceremonial site, meeting center, media base, and tourist attraction. In making structural or other physical changes, AOC must consider the historical significance and the effect on each of these many uses. Further, AOC must perform its duties in an environment that requires balancing the divergent needs of congressional leadership, committees, individual members of the Congress, congressional staffs, and the visiting public. The challenges of operating in this environment are compounded by the events of September 11, 2001, and their aftermath, especially the October 2001 discovery of anthrax bacteria on Capitol Hill, and the resulting need for increased security and safety.

In fiscal year 2002, AOC operated with a budget of $426 million, which included $237 million for capital expenditures. Organizationally, AOC has a centralized staff that performs administrative functions; what AOC refers to as "jurisdictions" handle their own day-to-day operations. These jurisdictions include the Senate Office Buildings, the House Office Buildings, the U.S. Capitol Buildings, the Library of Congress Buildings and Grounds, the Supreme Court Buildings and Grounds, the Capitol Grounds, the Capitol Power Plant, and the U.S. Botanic Garden. There are over

2,300 employees in AOC; nearly one out of every three employees is a member of a union.

New requirements to meet long-standing labor and safety laws have added to the complexity of AOC operations. For example, the Congressional Accountability Act of 1995 (CAA) applied 11 civil rights, labor, and workplace laws to AOC as well as other legislative branch agencies. In particular, meeting the obligations of labor laws, such as the Fair Labor Standards Act of 1938 and the Federal Service Labor-Management Relations Statute, while overcoming a history of poor labor-management relations has been a struggle. CAA also requires AOC to meet standards set by the Occupational Safety and Health Act of 1970, which applied new life and fire safety codes, as well as other building codes, to the agency. CAA established the Office of Compliance (OOC) to enforce the provisions of the act through inspections, investigations, and prosecution of potential violations. In addition, OOC provides education to employees and employing offices, and administers dispute resolution procedures if violations are found.

AOC HAS TAKEN STEPS TO BEGIN ADDRESSING CHALLENGES

AOC has a number of initiatives completed and under way to begin addressing its challenges and improving its performance and customer and client satisfaction. The following points highlight some of these initiatives. For example, AOC has

—established routine management meetings to help improve communication across organizational boundaries;

—established and implemented basic policies and procedures in human capital, such as a performance evaluation system for AOC's non-union employees up to GS–15;

—recently drafted a senior executive performance evaluation system—informed by our human capital policies and flexibilities—and established an employee awards program;

—added to its professional workforce ranks by hiring new jurisdictional superintendents and deputy superintendents and budget and accounting officers and creating and filling new positions, such as chief financial officer (CFO), facilities manager, worker safety specialists, and a facilities planning and development manager;

—reorganized and took actions to improve worker and fire safety programs; and

—upgraded and filled key recycling program positions.

AOC is also in the process of

—revisiting its strategic planning efforts,

—working with a consultant to implement best practices for project management, and

—implementing a new financial management system.

The initiatives provide important aspects of a needed foundation for AOC to address its current and emerging challenges. To be successful, AOC needs to continue these efforts and take a number of other steps to become a high-performing organization committed to results, service quality, and customer satisfaction.

BUILDING MANAGEMENT AND ACCOUNTABILITY FRAMEWORK TO LEAD AND EXECUTE CHANGE

AOC needs to build on its current efforts to create a management and accountability framework and establish priorities for action. This framework involves (1) continuing to demonstrate top leadership commitment to change, (2) integrating and building on existing strategic planning efforts to identify and communicate AOC's long-term, mission-critical goals to external as well as internal stakeholders, (3) developing annual goals and measuring performance, and (4) creating clear lines of accountability for achieving results, including satisfying customers. AOC performs its activities without the guidance of an agencywide strategic plan for serving the Congress or means to hold individuals accountable for accomplishing its mission-critical goals. AOC also operates without written standards or policies and procedures in critical areas, such as financial management, IT management, and facilities management. The absence of clearly defined goals and performance measures at AOC hampers the Architect's efforts to send clear and consistent messages throughout the organization about his priorities and performance expectations. Likewise, it hinders the Architect's ability to communicate in a transparent way to the Congress what the agency is doing, how well it is performing, and where it can improve.

Demonstrate Top Leadership Commitment to Change

One of the most important elements of successful management improvement initiatives is the demonstrated, sustained commitment of top leaders to change.[4] Top leadership involvement and clear lines of accountability for making management improvements are critical to ensuring that the difficult changes that need to be made are effectively implemented throughout the organization.

In looking at the experiences of leading organizations that were successfully pursuing management reforms, we found that top leadership practices were critical to making needed changes. For example, successful leaders create a set of mission-related processes and systems within which to operate, but they give their managers extensive authority to pursue organizational goals while using those processes and systems. They also integrate the implementation of separate organizational improvement efforts into a coherent unified effort. The unwavering commitment of top leadership in an agency is especially important to overcoming natural resistance to change, marshaling the resources needed in many cases to improve management, and building and maintaining an organizationwide commitment to new ways of doing business.

Refocus and Integrate Strategic Planning Efforts to Identify and Implement Mission-Critical Goals for Key Results

Since 1997, AOC and a number of its subsidiary offices and jurisdictions have attempted to implement strategic planning processes. In 1997, the Architect led the first effort to produce an AOC-wide strategic plan that laid out AOC's mission, vision, core values, strategic priorities, and goals and objectives. According to AOC officials, turnover in key staff and inability to reach agreement on how to measure performance led AOC management to discontinue that effort. More recently AOC has shifted to a scaled-back approach that focuses on tasks to be completed in a number of key priority areas: (1) develop a process and establish realistic goals and priorities, (2) improving employee support by, for example, improving communications, (3) safety, (4) project delivery, and (5) quality assurance. Similarly, a number of business units within AOC, such as the human resources division, the inspector general, and the House Office Buildings jurisdiction have developed their own strategic plans, and the Capitol Buildings jurisdiction is developing a new master plan for the Capitol, but these plans do not flow directly from an AOC-wide plan. According to senior AOC managers, AOC plans to place renewed emphasis on organizationwide strategic planning beginning immediately.

We strongly endorse AOC's renewed emphasis on strategic planning. However, in revisiting strategic planning, it is crucial that AOC move beyond a focus on actions to be completed to a broader focus on the mission-critical, long-term goals needed to serve the Congress. These long-term goals should also provide the starting point and serve as a unifying framework for AOC's various business unit and jurisdictional planning efforts. Such an effort would position AOC to answer questions such as what fundamental results does AOC want to achieve, what are its long-term goals, and what strategies will it employ to achieve those goals.

Because a major focus of AOC's mission is the stewardship of existing Capitol complex facilities and the design and construction of new ones, another important planning initiative that should flow from a strategic plan is a strategic facilities plan, which is the standard industry best practice. A strategic facilities plan would capture in one document all the preventive maintenance, renovation, and construction activities needed to accomplish AOC's facilities goals. The document would also show the timetable, staffing, and budget needed to implement the plan. In addition, a strategic facilities plan would provide AOC an important tool for communicating to its congressional stakeholders and others the resources needed to accomplish its facilities goals and better illustrate, for example, the effect of undertaking new projects on the accomplishment of the goals.

Although a variety of management activities, such as project management and budgeting, are needed to develop and support a strategic facilities plan, an important first step is to perform a condition assessment of all facilities maintained by AOC. According to industry guidance,[5] organizations use condition assessments to identify existing deficiencies they need to address. Although AOC has begun to assess the condition of the Capitol building, we encourage AOC to complete this assessment and then to begin assessments of the remaining buildings as soon as re-

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[4] U.S. General Accounting Office, *Management Reform: Using the Results Act and Quality Management to Improve Federal Performance*, GAO/T–GGD–99–151 (Washington, D.C.: July 29, 1999).

[5] Harvey H. Kaiser, Ph.D., *The Facilities Manager's Reference* (Kingston Mass.: R.S. Means, 1989).

sources are available. We plan to explore project management and budgeting in greater depth in the next phase of our review.

Develop Annual Goals and Measure Performance

Another key action AOC needs to take is developing annual performance goals that provide a connection between the long-term strategic goals in the strategic plan and the day-to-day activities of managers and staff. Measuring performance allows an organization to track the progress it is making toward its goals, gives managers crucial information on which to base their organizational and management decisions, and creates powerful incentives to influence organizational and individual behavior.

Leading organizations we have studied that were successful in measuring their performance generally had applied two practices.[6] First, they developed measures that were (1) tied to program goals and demonstrated the degree to which the desired results were achieved, (2) limited to the vital few that were considered essential to producing data for decision making, (3) responsive to multiple priorities, and (4) responsibility-linked to establish accountability for results. Second, the agencies recognized the cost and effort involved in gathering and analyzing data and made sure that the data they did collect were sufficiently complete, accurate, and consistent to be useful in decision making.

Developing measures that respond to multiple priorities is of particular importance for programs operating in dynamic environments where mission requirements must be carefully balanced. This is the case for AOC where the role of protecting and preserving the historic facilities under its control may occasionally conflict with its role of providing maintenance and renovation services to occupants who use the facilities to conduct congressional business. For example, according to AOC officials, following elections, new members of the Congress may ask AOC to modify office suites containing historic, architectural features. In those cases, AOC must balance the members' needs for functional office design with its responsibility for protecting the architectural integrity of the rooms. Consequently, organizations must weigh their mission requirements and priorities against each other to avoid distorting program performance. AOC could better gauge its success in this environment by first employing a balanced set of measures that encompasses its diverse roles, such as maintaining historic facilities and satisfying customers and then benchmarking its results both internally—across its jurisdictions—as well as against other leading organizations with comparable facility management operations.

Provide Results-Oriented Basis for Individual Accountability and Authority to Act

The danger to any management reform is that it can become a hollow, paper-driven exercise when management improvement initiatives are not integrated into the day-to-day activities of the organization. We recently testified that a critical success factor for creating a results-oriented culture is a performance management system that creates a "line of sight" showing how individual employees can contribute to overall organizational goals.[7] Agencies that effectively implement such systems must first align agency leaders' performance expectations with organizational goals and then cascade performance expectations to other organizational levels. These agencies must also seek to ensure that their performance management systems are not merely once or twice yearly expectation-setting and appraisal tools, but help manage the organizations on a day-to-day basis. Thus, an effective performance management system provides a vehicle for top leadership to translate its priorities and goals into direct and specific commitments that senior managers will be expected to meet.

AOC has taken an important first step in this regard by drafting a set of policies and procedures for managing the performance of its senior executives.[8] Completing and implementing this effort will be critical to the success of AOC's strategic planning initiative and would be in line with recent executive branch reforms. Five of the six critical job elements that form the basis of the senior performance management plan are structured around the Office of Personnel Management's (OPM) Executive Core qualifications, which OPM encourages for government executives. The five critical job elements corresponding to OPM's core qualifications are results driven, leading change, leading people, business acumen, and building coalitions/commu-

[6] U.S. General Accounting Office, *Executive Guide: Effectively Implementing the Government Performance and Results Act*, GAO/GGD–96–118 (Washington, D.C.: June 1996).

[7] U.S. General Accounting Office, *Managing for Results: Building on the Momentum for Strategic Human Capital Reform*, GAO–02–528T (Washington, D.C.: Mar. 18, 2002).

[8] Architect of the Capitol, *Managing Senior Management Performance for Exempt Employees Serving at the Pleasure of the Architect*, Draft.

nications. AOC has added equal employment opportunity as a sixth critical job element.

In particular, AOC's proposed "results driven" job element would provide the basis for the results-oriented individual accountability that we discuss. The first part of this job element generally deals with achieving agency and organizational objectives, while the second part requires each senior manager to identify individual areas of accountability for the accomplishment of agency goals and objectives.

One component of AOC's draft senior executive performance management system is the use of performance agreements. These agreements provide an unparalleled opportunity for AOC to drive the strategic and program performance goals it sets directly into daily AOC operations. For example, the individual performance agreements of AOC facility managers could explicitly reflect AOC-wide goals for service quality, worker safety, and customer satisfaction flowing from its strategic plan, thus allowing for unambiguous links between organizational goals and individual performance, accountability, bonuses, and other rewards.

We have evaluated the experience of several executive branch agencies with the use of performance agreements to align executive performance with agency goals and found a number of benefits of direct importance to achieving improved performance at AOC:

—*Strengthened alignment of results-oriented goals with daily operations*.—Performance agreements define accountability for specific goals and help to align daily operations with agencies' results-oriented, programmatic goals.

—*Fostered collaboration across organizational boundaries*.—Performance agreements encourage executives to work across traditional organizational boundaries or "silos" by focusing on the achievement of results-oriented goals.

—*Enhanced opportunities to discuss and routinely use performance information to make program improvements*.—Performance agreements facilitate communication about organizational performance, and provide opportunities to pinpoint improved performance.

—*Provided results-oriented basis for individual accountability*.—Performance agreements provide results-oriented performance information to serve as the basis for executive performance evaluations.

—*Maintained continuity of program goals during leadership transitions*.—Performance agreements help to maintain a consistent focus on a set of broad programmatic priorities during changes in leadership.[9]

A results-oriented approach to accountability with the use of performance agreements that are directly tied to AOC goals can serve as a basis for considering the authorities and resources managers and their teams need in order to achieve results. We have reported that high-performing organizations seek to involve and engage employees by devolving authority to lower levels of the organizations. Employees are more likely to support changes when they have the necessary amount of authority and flexibility—along with commensurate accountability and incentives—to advance the agency's goals and improve performance. Allowing employees to bring their expertise and judgment to bear in meeting their responsibilities can help agencies capitalize on their employees' talents, leading to more effective and efficient operations and improved customer service.[10]

MANAGEMENT AND ACCOUNTABILITY FRAMEWORK PROVIDES CONTEXT FOR ADDRESSING OTHER MAJOR MANAGEMENT CHALLENGES

The management and accountability framework we have described provides a context for addressing other long-standing management challenges AOC faces. These include (1) communicating and obtaining buy-in on AOC's mission, goals, and strategies from key internal and external stakeholders, (2) strategic human capital management, (3) financial management, and (4) IT management.

AOC-Wide Communications Strategy Is Needed to Achieve Mission-Critical Goals

For successful implementation of strategic planning and change management, AOC must develop a communications strategy for its internal and external customers. Communications is an integral part of striking a better balance between the results AOC is trying to achieve and improving its employee and customer communication and participation.

AOC recognizes the need to strengthen its communications and has several efforts under way. In a May 2001 discussion among senior managers on AOC's planning

[9] U.S. General Accounting Office, *Managing for Results: Emerging Benefits from Selected Agencies' Use of Performance Agreements*, GAO–01–115 (Washington, D.C.: Oct. 2000).

[10] U.S. General Accounting Office, *Management Reform: Elements of Successful Improvement Initiatives*, GAO/T–GGD–00–26, (Washington, D.C.: Oct. 15, 1999).

and priority setting, the senior managers discussed the need to broaden and improve internal communications. As a result, the Architect implemented a series of regular meetings for decision making and routine sharing of information. These meetings include regular staff meetings, management council meetings (quarterly meetings of AOC's senior managers to address agency business issues and priorities), and superintendent meetings (monthly meetings of AOC's superintendents who discuss common issues and experiences across AOC's jurisdictions). In addition to these routine meetings, we believe that AOC could strengthen its internal communications by developing a communications strategy that will help AOC's line employees understand the connection between what they do on a day-to-day basis and AOC's goals and expectations, as well as to seek employee feedback and develop goals for improvement. One way of implementing such a strategy is to conduct routine employee feedback surveys and/or focus groups. In addition, AOC could adopt a "lessons learned" and internal best practices approach, to encourage and reward AOC employees who share and implement best practices across the various jurisdictions, teams, and projects. For example, we found that the safety specialist for the Capitol Buildings jurisdiction prepares a monthly newsletter that provides a summary of the accidents and injuries that have occurred in the jurisdiction and provides guidance on how to avoid the most prevalent injuries, but the practice had not been shared outside the jurisdiction. AOC management should actively encourage the sharing of such practices to determine if AOC could achieve greater performance by duplicating them in other jurisdictions.

AOC also must improve its external communications and outreach in a number of areas, including (1) developing congressional protocols, (2) publicizing the impact of highly visible projects, (3) improving its accountability reporting, and (4) measuring customer satisfaction with its services. As a first step, we would encourage AOC to consider developing congressional protocols, which would document agreements between the Congress and AOC on what committees and members can expect when they request AOC's services. The protocols would ensure that AOC deals with its congressional customers using clearly defined, consistently applied, and transparent policies and procedures. Congressional protocols would also enable AOC to better cope with the competing demands for its services by helping the organization set priorities for allocating its resources. As you know, working closely with the Congress and after careful pilot testing, we implemented congressional protocols in 1999. Our experience using them as a transparent, documented, and consistent way to set priorities has been very positive for us as well as our clients.

AOC could build on its communication efforts in high profile and other key projects that affect the broader community of AOC customers. AOC has recently expanded its efforts to keep its external customers—including the Congress, the Capitol Hill community, the public, and the media—routinely informed and educated on the planning, design, and construction of some high-visibility projects. For example, AOC hired a communications officer and developed a communications plan for the construction of the Capitol Visitors Center (CVC). AOC is employing a variety of informational tools to achieve its communications goals on this project. In addition to developing a Web site, the communications officer circulates a weekly summary of the status of construction work on the CVC project to AOC's key congressional customers. Because maintenance work on the Capitol Dome will also be highly visible, the status of this project was recently added to the summary.

AOC also needs to identify and address expectations gaps in the type of information and frequency of accountability reporting that would be most useful to its congressional customers. Since 1965, AOC has reported semiannually to the Congress on its detailed expenditures, such as for salaries and maintenance supplies. As directed by the Senate Appropriations Committee, in February 2002, AOC provided the committee the first of its quarterly reports indicating the status of all ongoing capital projects. One option that we are considering to make AOC's accountability reporting more useful is to require AOC to notify the Congress if certain predefined, risk-based "reportable events" occur that require prompt attention. Reportable events notification is not intended to be a substitute for a more comprehensive periodic reporting of financial and program performance, but rather is to draw attention to specific events needing immediate attention. In such an approach, AOC and its congressional customers would reach agreement on the type of information needed on key projects and on what events would warrant reporting, such as percentage of milestones slipped, percentage over budget, or both.[11]

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[11] See U.S. General Accounting Office, *District of Columbia: Oversight in the Post-Control Board Period*, GAO–01–845T (Washington, D.C.: June 8, 2001) for more information on reportable events as an approach to assisting congressional oversight and decision making.

AOC's communications strategy should also include tools for gauging customer satisfaction with its services. AOC should develop a more comprehensive and routine approach to obtaining customer feedback. For example, AOC is working on a customer feedback survey for custodial services. But we believe AOC could broaden and deepen these efforts to address all services provided by its jurisdictions. AOC could also learn from the efforts of the chief administrative officer of the House of Representatives who told us that he recently hired a consulting firm to develop a uniform customer satisfaction survey for his customers. Consistent with an effort to develop congressional protocols, AOC could also develop protocols for customer service so that customers know whom to contact for services and what to expect.

Strategic Human Capital Management Can Improve Organizational Accountability to Mission-Critical Goals

Strategic human capital management can transform AOC into a results-oriented organization by aligning employee performance with AOC goals and by providing the tools to better plan its workforce needs. In 1994 we reported that AOC's personnel management system did not follow many generally accepted principles of modern personnel management.[12] In our current review, we found that AOC has made progress in establishing a modern personnel system that is meeting the guidelines set forth by the AOC Human Resources Act of 1994 and CAA.[13] AOC has developed basic personnel policies and procedures and streamlined certain human resource processes, and has continued to add to its professional workforce ranks. These efforts are helping AOC to construct a sound foundation on which to build a high-performing organization.

Specifically, AOC has made the following improvements in its management of human capital:

—Created and administered a formal written, performance appraisal system for its General Schedule (up to GS–15) and Wage Grade employees (non-union) and, as noted elsewhere, drafted performance appraisal policies for its senior executives.

—Implemented an employee rewards and recognition program (Architect's Awards program) and dedicated additional resources to its employee training programs.

—Established (1) procedures intended to produce a competitive merit-based system for hiring, promoting, and assigning employees, (2) Equal Employment Opportunity, Conciliation, and Employee Assistance programs, and (3) a position classification system.

—Streamlined its job recruitment and hiring processes, and is currently refining certain personnel action processes.

—Added to its professional workforce ranks by hiring new jurisdictional superintendents and deputy superintendents, and creating new positions, such as a CFO, a facilities manager, worker safety specialists, and a facilities planning and development manager.

AOC can build on the progress it has made in human capital management by incorporating the principles embodied in our Model of Strategic Human Capital Management.[14] We designed this model based on the human capital practices of leading public and private organizations to help agency leaders manage their people and integrate human capital considerations into daily decision making to help achieve program results. AOC should especially consider applying the practices contained in two of the four cornerstones of the model: strategic human capital planning and results-oriented organizational cultures.

Collecting and analyzing data are fundamental building blocks for measuring the effectiveness of human capital approaches in support of the mission and goals of an agency. AOC needs to develop a fact-based, electronic approach to its management information systems and data sources to allow for accurate and reliable information across a range of human capital activities. The ability to gather reliable data will greatly enhance AOC's ability to acquire, develop, and retain talent, while allowing it to effectively plan for workforce needs.

Based on mission-critical agency goals, AOC also needs to identify its current and future workforce needs and create strategies for filling any gaps. As part of this workforce planning effort, AOC should conduct an employee skills inventory to determine a baseline and to address gaps in skills needed and skills available. This workforce analysis will also help AOC to create a succession planning program. For

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[12] U.S. General Accounting Office, *Federal Personnel: Architect of the Capitol's Personnel System Needs Improvement*, GAO/GGD–94–121BR (Washington, D.C.: Apr. 29, 1994).

[13] See Public Law 103–283, Sec. 312, Architect of the Capitol Human Resources Act.

[14] U.S. General Accounting Office, *A Model of Strategic Human Capital Management, Exposure Draft*, GAO–02–373SP (Washington, D.C.: Mar. 2002).

instance, if AOC is to develop reliable project cost estimates to support budgeting and financial and project management, the designated workforce must have the necessary skills to complete these functions. AOC would then need to

—determine how many project management employees it needs to accomplish its project management goals,
—assess the skills of the employees currently available to do this work,
—determine the gap in the number of skilled employees needed to do this work,
—develop a training and recruitment plan for filling the gap, and
—create a succession plan to manage project management employees exiting the organization.

We also suggest that AOC establish agencywide core and technical competencies—reflecting its core values [15]—that would form the basis of a best-in-class facilities management environment. The competencies would also relate to mission-critical goals that should be cascaded throughout AOC in its performance management system. AOC competencies can also help to provide the direction for future employee selection, promotion, training initiatives, and succession planning efforts. For example, AOC's Human Resource Management Division (HRMD) has made progress in developing a competency model for its own staff. HRMD intends to use this competency model to "reinforce its strategic focus" and to outline "the workforce requirements necessary to develop a highly competent cadre of HR [human resources] staff dedicated and committed to providing high-quality, timely and responsive human resources services to managers and employees of the AOC." [16] Like HRMD, other AOC units need to adopt competency models reflecting their own individual needs, thus enabling the agency to align its workforce skills and behaviors with the its mission-critical goals.

As discussed elsewhere, once AOC has developed mission-critical annual goals it should incorporate them into the "results driven" job element AOC has proposed as part of its new senior executive performance management system. The existing staff-level performance appraisal system, Performance Communication and Evaluation System (PCES), consists of four evaluation areas: work results, interactions with others, judgment, and safety; a fifth evaluation area for supervisors is supervision and management. As an interim step, the four evaluation areas could be linked to overall agency goals to increase assurance that AOC's mission will be met. In the longer term, AOC could strengthen individual accountability for achieving organizational goals by thoroughly reexamining PCES to incorporate core and technical competencies that would be linked to these goals.

AOC Needs to Continue and Expand Efforts to Improve Financial Management

AOC faces significant challenges in building sound financial management and budget functions. Accurate and reliable budget formulation and execution and financial accounting and reporting are key functions that form the foundation of financial control and accountability. Historically, the AOC has lacked reliable budgets for both projects and operations and has not prepared auditable financial statements.

In recognition of the critical role a CFO plays in achieving financial accountability and control, AOC established a CFO position and, in January 2002, filled the position. The new CFO is a member of the Architect's executive council and reports directly to the Architect. Organizationally, the CFO is responsible for the activities of AOC's Budget Office, Accounting Office, and Financial Systems Office. Included among the many challenges facing the new CFO are his responsibilities for (1) implementing AOC's new financial management system (Momentum), (2) implementing applicable accounting and operational policies and procedures, and (3) preparing a complete and auditable set of AOC financial statements.

Among his first actions, the new CFO recently hired staff members to fill key budget and accounting officer positions, including additional accounting staff members with the general ledger accounting experience needed to maintain AOC's new general ledger. He has also focused his efforts on bringing AOC's new financial management system on-line. While these steps are critical and represent the initial steps to improving AOC's financial management and budget functions, much work remains to be done. The CFO has also recognized or started work on other key issues that need to be addressed in the near term, including the following:

—Providing continued training and support for using the new financial management system, which began operating AOC-wide on April 2, 2002.
—Developing procedures and controls to ensure that accurate and reliable data are produced by the new financial management system.

[15] AOC's core values are professionalism, respect and diversity, integrity, loyalty, stewardship, teamwork, and creativity.

[16] Architect of the Capitol, HRMD's Model for Success, Oct. 1999.

—Addressing systematically recommendations made by the AOC inspector general and various consultants for improving internal controls, as we recommended during our review.
—Establishing a credible budget formulation and execution process that includes an effective acquisition strategy to develop operating and capital budget information and to help ensure reliable project cost estimates (including 100 percent design, current working estimates, and reliable full-time equivalent information).
—Developing and implementing policies and procedures needed to properly account for and report financial information, especially accounting policies needed to properly report and control AOC's assets.
—Establishing inventory management and control policies and procedures that help ensure accurate and useful information, provide adequate safeguards over inventory, and facilitate an annual inventory and financial reporting.
—Assessing human capital needs, which includes identifying the skills and competencies needed for AOC's financial management workforce and providing for continuing training to ensure a financial team with the right mix of skills and competencies.
—Integrating project-related financial information from the new financial management system with the related financial information maintained in the Project Information Center system to enhance completeness and accuracy of financial and budget information on AOC's projects.

The AOC's CFO has endorsed the use of our executive guide on best practices in financial management as a road map for these and other needed improvements.[17] The CFO acknowledges the challenges that lie ahead and has established a goal for AOC to prepare auditable agencywide financial statements for the first time in fiscal year 2004. As we continue to review AOC's financial management and budget formulation and execution, we plan to look more closely at the processes and usefulness of AOC's financial and budget information, as well as project cost estimation to complement our assessment of project management at AOC.

AOC Needs to Adopt an Agencywide Approach to IT Management

IT can be a valuable tool in achieving an organization's mission objectives. Accordingly, in fiscal year 2001, AOC obligated about $7.9 million for IT-related activities. For example, AOC uses the Computer Aided Facilities Management System (CAFM) to automate work order requests and fulfillment for ongoing maintenance of the Capitol and the surrounding grounds. Moreover, the Records Management System archives available architectural drawings pertaining to the U.S. Capitol, Library of Congress, Botanic Garden, and other buildings.

Our research of private and public sector organizations that have effectively leveraged IT shows that these organizations' executives have embraced the central role of IT to mission performance. As such, they have adopted a corporate or agencywide approach to managing IT under the leadership and control of a chief information officer (CIO), who is a full participant in senior executive decision making. Additionally, these organizations have implemented certain corporate IT management controls such as using a portfolio-based approach to IT investment decision making, using an enterprise architecture or blueprint to guide and constrain IT investments, following disciplined IT system acquisition and development management processes, and proactively managing the security of IT assets.

Our preliminary work shows that AOC has yet to adopt such an approach. AOC could greatly benefit from an agencywide approach to managing IT under the leadership and control of an empowered CIO. Such an approach should, at a minimum, include each of the above IT management controls as defined in relevant federal guidance and proven best practices. AOC's top leadership will need to consider carefully its environment and the scope of its IT investments to determine how best to apply this guidance and the best practices to its specific situation.

CIO.—Our research of private and public sector organizations shows that instituting an effective CIO organization begins with understanding IT's vital role in accomplishing mission objectives and positioning the CIO for success.[18] It also identified a number of practices and strategies that senior managers in leading organizations use to establish their CIO positions to effectively meet business needs. These include establishing the CIO as a full participant in executive decision making; clearly defining the roles, responsibilities, and accountabilities of the CIO; matching

[17] U.S. General Accounting Office, *Executive Guide: Creating Value Through World-class Financial Management*, GAO/AIMD–00–134 (Washington, D.C.: Apr. 2000).
[18] U.S. General Accounting Office, *Maximizing the Success of Chief Information Officers: Learning From Leading Organizations*, GAO–01–376G (Washington, D.C.: Feb. 2001).

the CIO position to the specific needs of the agency, as determined by the agency head based on the agency's mission and strategic plan; and ensuring that the CIO has the right technical and management skills to meet business needs.

AOC does not have a CIO or senior-level executive to manage IT across the agency. AOC has a director of information resources management who is neither a full member of the executive management team nor a participant in senior executive decision making. Without a CIO or other senior-level executive to manage its IT, AOC's IT does not have the substantive leadership, full-time attention, and consistent direction to effectively optimize mission performance across the agency.

To address AOC's need for an effective CIO, we recommend that the Architect establish a CIO and position the CIO for success by implementing the practices referenced in this testimony and further discussed in our best practices guide.[19]

Investment Management.—Our best practices guide, based on research of private and public sector organizations that effectively manage their IT investments, outlines a portfolio-based approach to IT investment decision making that includes processes, practices, and activities for continually and consistently selecting, controlling, and evaluating competing IT investment options in a way that promotes the greatest value to the strategic interest of the organization.[20] The first step toward establishing such an approach is putting in place foundational, project-level control and selection processes.

To do this, the organization needs to establish and implement processes and practices for (1) operating an IT investment board responsible for selecting, controlling, and evaluating IT investments, (2) providing effective oversight for ongoing IT projects throughout all phases of their life cycles, (3) identifying, tracking, and managing IT resources, (4) ensuring that each IT project supports the organization's business needs, and (5) establishing criteria for selecting new IT proposals. Once the organization has established these project-specific control and selection processes, it should move to considering each new investment as part of an integrated portfolio of investments that collectively contribute to mission goals and objectives. To do this, the organization needs to establish and implement processes and practices for (1) developing and implementing criteria to select investments that will best support the organization's strategic goals, objectives, and mission, (2) using these criteria to consistently analyze and rank all IT investments, (3) ensuring that the optimal IT investment portfolio with manageable risks and returns is selected and funded, and (4) overseeing each IT investment within the portfolio to ensure that it achieves its cost, benefit, schedule, and risk expectations.

AOC has not implemented a portfolio-based approach to IT investment management. The director of information resources management proposed a high-level committee structure for selecting IT investments across AOC about 2 years ago. The proposed structure included an AOC IT Strategy Council, composed of the director and AOC executive management, to rank and approve agencywide IT investments, as well as an IT Business Planning Committee, composed of both IT and business representatives, to evaluate IT projects based on financial, business, and risk factors and recommend projects to the IT Strategy Council for investment. However, the director stated that AOC leadership has yet to adopt the proposal. While the proposal is a positive first step, it does not address many of the critical elements of an effective IT investment management process, as outlined in our best practices guidance. Without an effective investment management process, AOC does not know whether its IT investments are commensurate with cost and risk and whether they are superior to alternative investment alternatives.

To strengthen its investment management capability, we recommend that AOC develop and implement an IT investment management process. In doing so, we recommend that the Architect develop a plan for developing and implementing the investment management processes we describe and that are also outlined in our IT investment management guide.[21] At a minimum, the plan should specify measurable goals and time frames, rank initiatives, and define a management structure for directing and controlling the improvements.

Enterprise Architecture.—As defined in federal guidance, and as practiced by leading public and private sector organizations, an enterprise architecture, or blueprint, guides and constrains IT investments and defines, both in logical terms (including business functions and applications, work locations, information needs, and users and the interrelationships among these variables) and in technical terms (including

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[19] GAO–01–376G.

[20] U.S. General Accounting Office, *Information Technology Investment Management: A Framework for Assessing and Improving Process Maturity*, version 1, GAO/AIMD–10.1.23 (Washington, D.C.: May 2000).

[21] GAO/AIMD–10.1.23.

IT hardware, software, data communications, and security) how the organization operates today, how it intends to operate tomorrow, and a road map for moving from present to future.[22] This guidance also defines a set of recognized practices for developing, implementing, and maintaining an enterprise architecture that includes, among other things, developing a clear enterprise architecture policy statement, creating a steering committee or executive body to oversee the development and maintenance of the enterprise architecture, designating a lead individual responsible for developing the enterprise architecture, establishing a program office with appropriate resources, and selecting a framework and tool for developing the architecture.

AOC does not have an enterprise architecture consistent with federal guidance and recognized best practices and does not plan to develop one. However, the director of information resources management has some information that would be useful in developing some elements of such an architecture, such as existing network topology maps and server hardware and software descriptions. By not having and using a complete enterprise architecture, AOC lacks an effective means for promoting integration of, and avoiding duplication and inconsistencies in, business operations and supporting system investments.

To develop, implement, and maintain an enterprise architecture, we recommend that the Architect implement the practices we discuss, which are outlined in the CIO Council's architecture management guide.

System Acquisition/Development.—The use of disciplined processes and controls based on well-defined and rigorously enforced policies, practices, and procedures for system acquisition and development can greatly reduce the risk that IT systems do not perform as intended, are delivered late, and cost more than planned. Such processes for managing system acquisition/development are defined in various published models and guides, such as Carnegie Mellon University's Software Engineering Institute's (SEI) Capability Maturity ModelSM.[23] Key processes such as requirements management, risk management, test management, and contract oversight and tracking are important for ensuring that systems are delivered on time, within budget, and perform as intended. Additionally, configuration management and quality assurance processes are critical to ensuring the integrity of the products and processes used to develop the products.

AOC has not implemented agencywide, disciplined processes for managing the development and acquisition of systems. In 1995, AOC's Office of Information Resources Management (OIRM) developed its Information Systems Life Cycle Directive (ISLC) that defines policies and procedures for software development and acquisition. Based on our preliminary review, ISLC addresses some, but not all, of the key process areas that are considered critical to successful system development and acquisition. For example, it defines processes for requirements management that include, among other things, the definition, documentation, and validation of requirements. ISLC also includes processes for test management that include such important areas as development of a test methodology, test plan, and test environment and documentation and reporting of test results and deficiencies. However, it does not include processes for two key areas: risk management and contract tracking and oversight. More important, ISLC is not being used to guide AOC system development and acquisition projects. Without a complete and enforced system development and acquisition life cycle process, AOC risks investing in systems that do not perform as intended, are delivered late, and cost more than planned.

To strengthen AOC's system acquisition and development controls, we recommend that the Architect introduce rigorous and disciplined processes for risk management and contractor oversight into OIRM's ISLC. We also recommend that the Architect ensure that OIRM's ISLC is implemented throughout the agency to guide systems development and acquisition projects, as appropriate.

Information Security.—Our research of public and private sector organizations recognized as having strong information security programs shows that these organizations have implemented information security programs that include continual cycles of assessing business risks, maintaining policies and controls, promoting awareness, and monitoring and evaluating policy and control effectiveness.[24]

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[22] Chief Information Officers Council, *A Practical Guide to Federal Enterprise Architecture*, version 1.0 (Washington, D.C.: Feb. 2001).

[23] Carnegie Mellon Software Engineering Institute, *CMMI[SM]* for Systems Engineering/Software Engineering/Integrated Product and Process Development, Continuous Representation, version 1.02 (Pittsburgh, Pa.: Nov. 2000).

[24] U.S. General Accounting Office, *Executive Guide: Information Security Management*, *Learning From Leading Organizations*, GAO/AIMD–98–68 (Washington, D.C.: May 1998) and *Information Security Risk Assessment: Practices of Leading Organizations, A Supplement to GAO's*

Continued

AOC does not have an information security program, although the director of information resources management has recently initiated some efforts to establish one. For example, the director has designated an IT security officer whose responsibilities include developing IT security policies, planning and coordinating security risk assessments, conducting security training, and evaluating IT security effectiveness. Also, the security officer has recently completed a risk assessment of AOC's general support system and some key intellectual property, and has begun developing policies outlining the security officer position's roles and responsibilities as well as a security plan to address vulnerabilities identified in the risk assessment.

Nevertheless, several critical areas related to implementing leading security management principles, as outlined in our best practices guide, warrant attention. For example, AOC has not (1) developed and implemented policy and guidance for performing periodic risk assessments, (2) provided the security officer the authority and resources to implement an agencywide security program, and (3) developed policies for such areas as security training and awareness, incident response, and program monitoring and evaluation. Without effective information security practices in place, financial and sensitive information contained in AOC's systems may be at risk of inadvertent or deliberate misuse, fraud, improper disclosure, or destruction—possibly without detection.

To strengthen AOC's information systems security, we recommend that the Architect follow the steps detailed in our information security guide [25] to establish an information security program, including (1) providing the security officer with the authority and resources to implement an agencywide security program, (2) developing and implementing policy and guidance for performing periodic risk assessments, (3) using the results of the risk assessments to develop and implement appropriate controls, (4) developing policies for security training and awareness and providing training, and (5) monitoring and evaluating policy and control effectiveness.

AOC Could Make Worker Safety Program Improvements More Effective by Adopting Certain Best Practices

Because of the concerns that the Congress and others raised about worker safety at AOC, in 2001, the Architect issued a statement that safety is his highest organizational priority. The maintenance, repair, and renovation of the Capitol complex is potentially dangerous work that exposes AOC employees to a variety of hazards related to the carpentry, electrical, painting, construction, custodial, and other work they perform. The types and severity of injuries and illnesses AOC employees could face range from injuries to the back, hand, and head to more life-threatening accidents. To effectively implement the Architect's commitment to safety, and consistent with best practices for health and safety programs as described in OSHA guidance and our work, AOC must develop comprehensive and reliable data, provide a clear understanding of what the program is trying to accomplish, and how it will evaluate results. AOC also needs to examine strengthening the accountability relationships between the various safety program officials. Best practices also indicate that standardized and agencywide policies and procedures must be in place—such as procedures that encourage employees to report incidents, accidents and unsafe conditions (often called hazards), and procedures to investigate causes of accidents to identify why accidents occurred. By gathering more comprehensive and reliable data, and developing and consistently applying policies and procedures for reporting and investigating accidents, injuries, and illnesses, AOC can begin to take a more strategic approach to addressing safety issues. For example, better information about the type and frequency of injuries and the hazards that contribute to them could help AOC establish a risk-based approach for addressing the most significant worker safety issues that are occurring and for allocating resources.

AOC Has Taken Significant Steps to Address Worker Safety and Health

AOC has taken and is in the process of implementing many significant steps that demonstrate its commitment to improving worker safety. For example, AOC has done the following:

—Developed a high-level 5-year approach to worker safety and health and is developing a 5-year worker safety master plan. This plan will be used as a road map for AOC to identify its safety philosophy, establish priorities, assign responsibilities, and identify project and funding needs.

—Reorganized its Office of the Executive Officer for Facilities Management to increase the emphasis on safety, hired a new facilities manager, and increased the

May 1998 Executive Guide on Information Security Management, GAO/AIMD–00–33 (Washington, D.C.: Nov. 1999).

[25] GAO/AIMD–98–68.

staff from 5 to 10 professionals in the Safety and Environmental Health Division.

—Hired eight safety specialists who oversee the safety programs for the six jurisdictions and one division—the House and Senate Office Buildings, Capitol Buildings, Library of Congress, Capitol Power Plant, Botanic Garden, and Construction Management Division.

—Implemented 11 of 41 pending safety programs that will comply with the Occupational Safety and Health Administration (OSHA) regulations, and are aimed at reducing the risk and rate of illnesses and injuries. The programs cover policies such as handling hazardous materials, working in confined spaces, using safety equipment, and wearing respiratory protection.[26]

—Established safety and health committees at the executive and jurisdictional levels.

—Purchased protective equipment for employees to help reduce many of the common work-related injuries.

—Provided over 13,000 hours of formal training to employees on safety and health issues to raise awareness, decrease work-related accidents, and maintain a safer work environment.

—Contracted or is in the process of contracting for outside experts—including technical assistance from the Public Health Service, Dupont, and OSHA through the Office of Compliance—to assist in establishing worker safety policies and procedures and best practices and to provide additional health and safety training.

Effective Safety and Health Programs Depend on Establishing Goals and Key Policies and Procedures for Reporting and Abating Hazards

Implementing the six core components of an effective worker safety program, as shown in table 1, is critical for instilling an organizational focus on safety and for helping reduce injuries, illnesses, and fatalities. Together, these components help an organization outline what it is trying to achieve, assess its progress, and ensure that it has the proper policies in place. After evaluating AOC's worker safety and health program, our analysis focused on four of the six components that we believed were the most important initially for AOC to address. These four core components of an effective worker safety and health program are management commitment, employee involvement, identification of problem jobs, and analysis and development of controls for problem jobs. In the next stage of our review, we plan to assess AOC's education and training and medical management components.

TABLE 1.—CORE COMPONENTS OF AN EFFECTIVE SAFETY AND HEALTH PROGRAM

Component [1]	Ways in which the component can be demonstrated
Management commitment	Establish goals for the program, collect reliable data, and evaluate results. Establish program responsibilities of managers and employees for safety and health in the workplace and hold them accountable for carrying out those responsibilities. Communicate to the staff the program's importance.
Employee involvement	Establish mechanisms to get employees involved in the program, such as creating committees or teams to receive information on problem jobs or areas. Establish procedures for employees to report job-related fatalities, injuries, illnesses, incidents, and hazards; ensure that employees are not discouraged from reporting accidents, injuries, illnesses, or unsafe conditions. Establish regular channels of communication with employees regarding worker safety issues.
Identification of problem jobs	Follow up on employee reports of injuries, symptoms, or hazards. Review injury logs or other data to identify problem areas. Conduct inspections of the workplace to identify hazards causing injuries, illnesses, or fatalities.
Analysis and development of controls for problem jobs.	Through investigation or other analysis, identify hazards present in problem jobs. Develop controls for problem jobs by brainstorming with employees or other methods. Follow up to ensure that hazards are abated and controls are effective.

[26] AOC has contracted out with the Department of Labor's Public Health Service to write these programs at a cost of about $166,000. AOC plans to have these 41 programs developed by fiscal year 2004.

TABLE 1.—CORE COMPONENTS OF AN EFFECTIVE SAFETY AND HEALTH PROGRAM—Continued

Component [1]	Ways in which the component can be demonstrated
Education and training	Provide general awareness training to all employees so they can recognize hazards and risks, learn procedures for reporting injuries, and become familiar with the program. Provide targeted training to specified groups of employees because of the jobs they hold, the hazards they face, or their roles in the program.
Medical management [2]	Encourage early reporting of symptoms and ensure that employees do not fear reprisal or discrimination. Ensure a prompt evaluation by a medical provider. Provide employees who have work-related medical conditions with restricted or light duty employment.

[1] Different terminology is often used to describe these components. For example, identification of problem jobs is sometimes referred to as hazard identification and assessment. Analysis and development of controls for problem jobs is sometimes referred to as hazard prevention and control. The terms used here are identical to those used in our prior work.
[2] Organizations may have medical management programs without necessarily having safety and health programs.

Sources: OSHA, *Safety and Health Program Management Guidelines*, Issuance of Voluntary Guidelines, Federal Register 54:3904–3916 (Washington, D.C.: Jan. 26, 1989) and U.S. General Accounting Office, *Private Sector Ergonomics Programs Yield Positive Results*, GAO/HEHS–97–163 (Washington, D.C.: Aug. 27, 1997).

Management Commitment: AOC Must Develop Program Goals Based on Reliable Data and Strengthen Accountability Relationships

Management commitment requires establishing program goals, collecting reliable data, and assessing progress towards those goals. It also involves establishing program responsibilities of managers and employees for safety and health in the workplace and holding them accountable for carrying out those responsibilities, and communicating to the staff the program's importance. AOC, with the personal involvement of the Architect, has communicated to managers and staff members that it must become a safer organization and is working on changing the organizational culture to focus on safety and health. As a clear sign of that commitment, in June 2001 AOC established a goal of reducing the rate of worker injuries and illnesses by 10 percent per year for 5 years, starting from the fiscal year 2000 rate of 17.9 per 100 workers.

AOC is measuring its progress in achieving its injury and illness reduction goal using OSHA's published measure of total injuries and illnesses, which provides the total number of cases and the rate of injuries and illnesses that incur costs under the federal workers' compensation program. The OSHA measure is important to show the extent to which those injuries and illnesses that could include the most severe—that is, those in incurring medical expenses or lost time—are increasing or decreasing. According to this measure, both the number and rate of these injuries and illnesses at AOC showed an overall increase from fiscal years 1997 through 2000.[27] In fiscal year 2000, according to this measure, the rate of injury and illness was 17.9 per 100 workers. Although OSHA has not published these data for fiscal year 2001, OSHA officials told us that for AOC both the number and rate of injury and illness declined in 2001. At the same time, however, AOC has been tracking the total number of injuries and illnesses occurring at AOC, regardless of whether the injury or illness incurred costs under the federal workers' compensation program. These data show a decline in the total number of recorded injuries and illnesses from fiscal years 1999 (the first year the data were available) through 2001.

AOC and OSHA's data provide valuable information for AOC. However, neither of these data is directly comparable to key measures used in the private sector, so AOC has been missing the opportunity to compare itself to—and learn from—the application of industry standards. According to private sector best practices, organizations should rely on a more precise measure of severe injuries and illness than either the OSHA or AOC total injury and illness data provide. The private sector generally uses a measure called "OSHA recordables," which include any work-related injury or illness that requires more than first aid or leads to lost time. As a result, tracking OSHA recordables allow an organization to identify the most severe injuries and illnesses occurring in the workplace. To be more consistent with industry standards, in 2001, AOC began to collect on a limited basis OSHA recordables, which we believe will help AOC create a more accurate picture of its injuries and illnesses.

At the same time AOC is developing more comprehensive illness and injury data, AOC needs to ensure that the data it gathers are reliable. For example, although

[27] OSHA did not publish these data prior to 1997.

AOC has established policies and procedures that require reporting of all workers' compensation claims, it does not have policies and procedures in place for reporting the more comprehensive data on injuries and illnesses consistent with industry best practices. The partnership that the AOC is developing with the Office of Compliance and OSHA and the contract with Dupont to provide technical assistance in the area of worker safety could help AOC make progress on assessing is policies and procedures for collecting injury and illness data and help ensure their completeness and reliability.

Management commitment also dictates that an organization put the right people in place with the authority to make the program work. As we mentioned, AOC reorganized its Executive Office of Facilities Management to increase its emphasis on safety. The office includes the Safety and Environmental Health Division, which includes the safety officer and the central safety specialist positions. This office has recently increased its staffing from 5 to 10 safety and health professionals. In addition, AOC has hired eight safety specialists for six of its jurisdictions and one division. As these safety specialists assume their full responsibilities, AOC needs to ensure that it has clearly defined their roles, responsibilities, and authorities at the central and jurisdictional levels so that they can carry out their work. Implementation of the worker safety program occurs at the jurisdictional level. In the next stage of our review, we plan to explore which of the safety program responsibilities would be best carried out by central AOC staff and which would best be carried out by the jurisdictional staff.

Employee Involvement: AOC Should Strengthen Employee Involvement with Reporting Incidents, Accidents, or Hazards

As noted above, AOC has established mechanisms to get employees involved in the worker safety program and has established regular channels of communication with employees through the safety and health committees and through formal training. Employee involvement also includes establishing procedures for employees to use in reporting job-related incidents, accidents, and hazards, and ensuring that they are encouraged to do so. AOC should develop such procedures to encourage and reward employees for reporting these situations. For example, AOC could develop procedures along with awareness training that clearly articulate the steps employees should take to report all job-related incidents, accidents, and hazards and ensure they are followed consistently. AOC could also recognize employees for following these procedures through the Architect's new employee rewards and recognition program. Another way to increase employee involvement is to have employees serve on teams responsible for identifying and ranking problem jobs as well as developing controls for those jobs, which several of the jurisdictions have initiated. Finally, AOC should hold top managers, frontline supervisors, and employees accountable for ensuring that this process is followed. In the next stage of our review, we plan to explore these reporting and accountability issues further through a series of focus groups with AOC employees.

Identification, Analysis, and Development of Controls for Problem Jobs: AOC Needs Consistent Policies and Procedures for Conducting Investigations and Abating Hazards

Leading organizations systematically seek to identify why injuries, illnesses, and accidents occur or why hazards exist and eliminate underlying conditions as part of a risk-based approach to creating safe and healthy work environments. In that respect, it is vital to have adequate processes to investigate problem areas, develop controls for those areas, and follow up to ensure that hazards are abated. Furthermore, staff members conducting these investigations should have the knowledge and authority to remedy the situations. In 1998, the Office of Compliance recommended that AOC develop a system to routinely investigate accidents or hazardous situations and ensure that hazards are corrected. In response, AOC has placed safety specialists in several of the jurisdictions, which provides greater assurance that an effort is being taken to investigate accidents, incidents, or identified hazards.

However, there is still no consistent AOC-wide system for conducting investigations and follow-up to ensure that corrective actions have been taken. Such a system is critical to providing AOC with the assurance that its efforts are risk-based—targeted directly toward identifying and abating those factors leading to the most severe and frequent incidents, accidents, and hazards. To illustrate, some of the jurisdictions have (1) developed their own investigation procedures, (2) involved different staff members in the investigations (e.g., a safety specialist in one case, a safety and health committee representative in another case), and (3) developed their own forms to gather accident or incident data. Another important component is follow-up, and we found that only two of the five jurisdiction safety specialists we interviewed were tracking resolution of hazards identified. AOC has procured a data system—Facility Management Assistant—that is to include inspection data and provide risk analysis and hazard abatement assessment and follow-up, which we think is a positive step.[28] According to the director of AOC's Safety and Environmental Health Division, this system is expected to be operational by July 2002.

AOC Needs to Build on Current Efforts by Adopting a Strategic Approach to Recycling

Programs that separate and collect recyclable materials from the waste stream produce numerous benefits. It is estimated that recycling 1 ton of paper saves 17 mature trees, 3.3 cubic yards of landfill space, 7,000 gallons of water, 380 gallons of oil, 4,100 kilowatt hours of energy, and 60 pounds of air pollutants. To maximize the benefits derived from its recycling program, AOC must build on the steps it has taken to improve the effectiveness of its programs by taking a more strategic approach. Such an approach would include revisiting and clarifying recycling mission and goals, measuring and monitoring performance against goals to gauge and improve program effectiveness, and reexamining the roles and responsibilities of the recycling program staff to ensure accountability for achieving recycling goals. We provide observations on how AOC could improve recycling results by replicating its own and others' best practices.

AOC Has Taken Steps to Improve Effectiveness of Recycling Programs

AOC is responsible for operating recycling programs for much of the Capitol complex.[29] In recent years, AOC, both centrally and at the jurisdiction level, has taken steps to improve the overall effectiveness of its recycling programs. Some of the steps include

—formalizing the positions and responsibilities of the AOC resource conservation manager and the House and Senate recycling program managers to include activities such as planning, policy and program development, monitoring, and evaluation of recycling operations;

—filling the Senate recycling program manager position, which was vacant for a number of months;

—suggesting that the Senate adopt a consultant's recommendation to simplify the recycling program to improve participation and increase effectiveness;

—developing a draft set of performance indicators and starting to collect data; and

—reworking the recycling program for the House Office Buildings jurisdiction to increase promotion and education and reequip participating offices with new recycling containers.

Recycling Program Design Depends on Desired Goals

There are a variety of environmental and financial benefits to be derived from an office recycling program, and program designs will differ depending on the goals selected. A typical goal is reducing to the extent possible the amount of solid waste sent to landfills. Another goal is generating as much revenue as possible from the sale of the recyclable materials collected. A key to achieving either goal is making the recycling program as easy as possible for employees to use. Generally, the less sorting, decision making, and walking required by individual participants, the more successful the program will be. And although the two goals of waste reduction and revenue generation are not mutually exclusive, the designs of each would differ.

Specifically, a recycling program with the goal of generating revenue, commonly referred to as a source separation program, is more complicated, expensive, and difficult to implement than a program designed for waste reduction. This is because separating a greater variety of recyclable materials at the source requires more resources for educating clients and the recycling staff, collecting recyclable materials, and monitoring for compliance. The complexity of source separation, unfortunately, increases the likelihood of contamination of the recyclable materials collected, reducing their value and increasing the volume of waste sent to landfills. Given the complexity and potential performance problems with a source separation program, an

[28] This system will be integrated with AOC's financial management tracking system for processing work orders.

[29] AOC operates all aspects of the recycling programs in the House and Senate Office Buildings, except for the Ford building, which is operated by a custodial contractor. In addition, the House jurisdiction picks up recyclable materials collected by the House side of the Capitol building, the Botanic Garden, the page dorm (501 1st St.), and, most recently, the Capitol Power Plant. On the Senate side of the Capitol building, the Senate Sergeant-at-Arms operates the recycling program, and AOC transports the materials to its collection site in the Hart Office Building. The Supreme Court and the Library of Congress operate their own recycling programs.

organization needs to analyze the costs and benefits of such a program compared to other, simpler options to determine whether such a program will be cost-effective.

AOC Needs to Revisit and Clarify Recycling Mission and Goals

High levels of contamination have prevented the House and Senate recycling programs from achieving either of the two goals. AOC's recycling contractor does not pay for high grade (e.g., white copy) paper with greater than 5-percent contamination or mixed grade (e.g., glossy or colored) paper with greater than 10-percent contamination. However, in fiscal year 2001, over 60 percent of about 650 tons of recyclable paper collected from Senate Office Buildings and more than 70 percent of about 1,720 tons of recyclable paper collected from the House Office Buildings were contaminated. Although AOC avoided the cost of disposing of the waste, the collected materials generated no revenue. The recycling contractor may sort and recycle some of this contaminated waste, but the rest ultimately will go to a landfill.

AOC needs to clearly define the overall mission and goals of its recycling programs to assess whether it has the right program design, organization, and implementation strategies in place to achieve desired results. AOC's goals for its recycling programs are unclear. The House and the Senate have directed their respective jurisdictions to implement source separation recycling programs. Furthermore, the position descriptions for the House and Senate recycling program managers state that these managers are responsible for, among other things, increasing the financial returns of their programs. However, other documents we reviewed, such as the position description of the AOC resource conservation program manager and a 1999 audit by the AOC inspector general, indicate that AOC is also pursuing the goal of waste reduction. If AOC's goal is to generate as much revenue as possible through a source separation program, then based on the high rate of contamination it will need to design a program that is much more aggressive in terms of the education, training, and equipment it provides to participants and the collection staff. However, if the goal is reducing the volume of waste sent to landfills, then AOC should implement a simpler program, requiring as little separation as possible to increase participation and compliance.

Cost-benefit analysis could help AOC strike the right balance in its recycling program. For example, the recently completed study of the Senate's source separation recycling program requested by the Senate Appropriations Committee shows that AOC could lower contamination and therefore increase revenues by simplifying the program. Not addressed in the study is whether this type of program would also reduce the amount of waste sent to landfills.

Furthermore, other than coordination to remove recycling materials at the Botanic Garden and—in response to our recent suggestion—the Capital Power Plant, AOC has no formal plans to implement a Capitol complex-wide recycling program. For example, AOC could expand its recycling programs to include waste from its landscaping or construction activities. Incorporating these materials into its overall recycling program could improve AOC's overall performance in reducing waste sent to landfills.

Consistent with the communication strategy we outline in this statement, AOC needs to seek input from its stakeholders to determine the most appropriate mission and goals for its recycling program(s). Whether the resulting program is Capitol complex-wide or is tailored to meet the specific requirements of the House or Senate, AOC needs to clarify whether the primary focus of the recycling program is to reduce the total amount of waste sent to landfills, to generate a desired level of revenue, or both.

AOC Needs to Develop a Performance Measurement, Monitoring, and Evaluation System That Supports Accomplishment of Recycling Mission and Goals

In response to a Senate Appropriations Committee request for a quarterly report on the recycling program in the Senate, AOC has proposed a performance measurement system that it will use to monitor both the Senate and the House recycling programs. The data and indicators they will collect include, among other things, revenue generated from the sale of recyclables, customer satisfaction, education of participating offices, status of equipping offices with recycling containers, rate of office participation, and training of recycling collection staffs.

AOC's proposed performance system is a promising first step. In revisiting its program mission, goals, and design, AOC should also reexamine and refine this system to improve its usefulness for program monitoring and decision making. As discussed elsewhere in this statement, AOC's performance measurement system should (1) show the degree to which the desired results were achieved, (2) be limited to the vital few measures needed for decision making, (3) be responsive to multiple priorities, and (4) establish accountability for results. Also, as part of its responsibility for handling waste from government facilities, including recyclable materials, the General Services Administration (GSA) has developed a guide that describes a number of steps an agency can take to measure and monitor recycling efforts that could be useful to AOC in developing its system.[30] These steps are listed in table 2.

TABLE 2.—TEN STEPS IDENTIFIED BY GSA FOR BEST ADMINISTERING A RECYCLING PROGRAM

Steps	Purpose and example
Determining the building profile	Purpose: To ascertain the types of materials to be recovered in a recycling program and identify any special restrictions or requirements. Example: Does the storage space have sprinklers or will special containers be required?
Determining the waste stream size	Purpose: To manage and reduce a building's waste stream data on the total size of the waste stream are compiled. Example: Obtain monthly reports showing the amount of waste hauled.
Analyzing the waste stream	Purpose: To determine the quantity of various types of recyclable materials included in the waste stream. Example: Develop an estimate of the quantity of recyclable material collected daily.
Determining the amount recycled	Purpose: To show how much is being diverted from the waste stream. Example: The recycling contractor provides a monthly report showing the amounts and types of materials recycled.
Tracking the information	Purpose: To determine the percentage of the total waste stream diverted by recycling. Example: Data are entered on a regular basis, for example, monthly, and totaled at the end of the fiscal year.
Reporting the information	Purpose: To report status of the program to management and to offices participating in the program. Example: Reports to offices keep employees informed about how their efforts are helping the environment and measuring progress and goals.
Reducing the waste stream	Purpose: To determine whether trash includes recyclable materials that are improperly discarded and opportunities to recycle other materials (e.g., construction debris, discarded/leftover carpeting, or scrap metal). Example: Meet with office representatives to ascertain their container needs and find out what types of waste they generate.
Assessing the program	Purpose: To determine how well the program is working. Example: Observe whether employees understand how the program works or modifications that might be necessary.
Educating employees	Purpose: To provide employees with reasons for recycling and a description of how the program works; to reduce the container contamination by giving detailed instructions on what is and is not acceptable. Example: An environmental team consisting of building management and participating offices would promote and educate employees.
Monitoring and evaluating program	Purpose: To be aware of fluctuations in the volume of recycled materials collected in an effort to identify the cause and determine whether associated waste disposal costs can be reduced. Example: Periodically review waste disposal costs and assess whether the program implemented has had an impact.

Source: U.S. General Services Administration, *Recycling Program Desk Guide* (Washington, D.C.: Mar. 2001).

AOC's proposed recycling program goals are not linked to a desired level of performance and therefore cannot demonstrate the extent to which performance is achieved. For example, AOC seeks to decrease contamination rates for recyclable materials collected, but does not state a goal for a desired level of contamination against which to measure progress. As shown in table 2, steps 2 and 3, AOC should determine how much waste the Capitol complex generates overall and analyze how much of that waste could be recycled. Such information could form the basis of AOC's overall waste reduction goals. Furthermore, AOC should develop its performance measurement system with input from recycling program staff members to ensure that the data gathered will be sufficiently complete, accurate, and consistent to be useful in decision making. As AOC clarifies its goals and performance meas-

[30] U.S. General Services Administration, *Recycling Program Desk Guide* (Washington, D.C.: Mar. 2001).

ures for its recycling program, it will likely identify opportunities to reduce the recycling data currently collected.

After establishing an organizational mission and goals and building a performance measurement system, the next key step is to put performance data to work. As shown in table 2, steps 4 through 8 and step 10 provide guidance on ways to monitor and evaluate program performance. AOC has proposed a quarterly monitoring system. Such monitoring of performance against goals will enable AOC program managers to identify where performance is lagging, investigate potential causes, and identify actions designed to improve performance. AOC should also obtain periodic feedback from its customers/stakeholders to obtain their views about the quality of the program, ease of participation, and other areas for improvement. AOC has proposed a recycling program customer survey as part of its performance measurement system. We believe AOC should develop this survey as part of an overall communication strategy for external stakeholders, as discussed earlier in the statement.

Reexamine Roles, Responsibilities, and Number of AOC Recycling Program Staff Members

The roles and responsibilities of AOC's recycling program staff members have evolved in recent years, without the guidance of a clearly defined mission and goals. In revisiting its recycling program mission and goals, AOC should also reexamine the roles and responsibilities of its program staff members to ensure that they are performing the right jobs with the necessary authority. AOC recently changed the responsibilities of its recycling program management positions to incorporate a greater focus on program planning and evaluation. However, according to these staff members, much of their time is spent in day-to-day program implementation activities, leaving little time to fulfill their expanded roles.

The AOC resource conservation manager, originally responsible for only the AOC hazardous waste program, currently is responsible for planning and developing policies and programs for an AOC-wide approach to waste management, analyzing waste removal programs, developing and presenting briefing and training materials on agency recycling efforts, and serving as the administrator and technical representative for the recycling collection contract. However, according to the resource conservation manager, about half of her effort is devoted to hazardous waste management activities. She has little time and no staff to carry out the broad, agencywide planning and evaluation activities required by the position.

In fiscal year 2001, AOC replaced its recycling coordinator position with a recycling program manager position in the House and Senate jurisdictions. These positions are responsible for working with other Capitol complex recycling specialists to carry out agencywide recycling, planning and developing recycling policies and programs, reviewing program effectiveness and monitoring implementation (e.g., compliance inspections), and analyzing the financial returns of waste recycling contracts. However, the House recycling program manager told us that the current focus is primarily on implementation activities, such as program promotion and education and providing recycling equipment to offices, limiting the time available to focus on other responsibilities, such as program monitoring and evaluation.

As previously stated, AOC needs to provide a results-oriented basis for individual accountability. With respect to recycling, AOC has neither established clear goals nor assigned accountability for achieving results. Because program implementation occurs in the House and Senate jurisdictions, AOC needs to incorporate its desired recycling goals into its performance management system and cascade those goals down through the jurisdictions to the individuals responsible for program implementation.

In our opinion, overlapping responsibilities for planning, education, monitoring, and evaluation between the resource conservation manager and jurisdiction recycling program managers raise questions about the appropriate number of staff members and mix of responsibilities needed to carry out AOC's recycling programs at the central and jurisdictional levels. In the next stage of our review, we plan to explore with AOC which responsibilities would be best carried out by a central AOC staff and which would be best carried out by jurisdiction staffs. For example, the focus of the central staff could be on planning, developing educational materials, monitoring, and evaluating recycling from an AOC-wide perspective. In contrast, the focus of the jurisdiction staffs could be on implementation of the recycling program, including equipping offices, educating participants, and collecting recyclable materials.

Implementing Best Practices Can Help Improve Performance

In addition to addressing strategic program management issues, AOC could implement best practices that may provide immediate improvements to its recycling program results. For example, AOC could do the following:

—Take advantage of intra-agency best practices by sharing ideas across jurisdictions. For example, the House jurisdiction has already developed promotional materials that can be shared with the Senate jurisdiction to avoid duplication of effort.

—Expand on House efforts to promote the reuse and sharing of office materials by listing available excess materials.

—Create greater incentives to recycle by providing participants feedback on the results of their recycling efforts, such as trees saved, landfill space not used, or revenues generated for employee programs, such as a day care or fitness center. (See table 2, step 6.)

—Provide information and solicit feedback using electronic means, such as e-mails with links to an AOC recycling Web site.

—Continue to work with participating offices to select recycling containers designed to reduce contamination. For example, AOC could make greater use of containers with lids designed to prevent the disposal of inappropriate materials (slots for paper, can-shaped holes, etc.).

KEY MANAGEMENT OPTIONS REQUIRE FURTHER EXPLORATION

Adopting a vigorous approach to strategic planning and holding managers and employees accountable for achieving organizationwide goals will go a long way toward helping AOC become a high-performing organization. However, further measures may be needed; we plan to explore other options with AOC and its key congressional customers in the next stage of our management review. These proposed options aim to strengthen AOC's executive decision-making capacity and accountability, so that the right senior executives are making important operating and investment decisions, and that these decisions are based on solid financial, budget, and performance information. We also plan to explore opportunities for further improving labor-management relations, worker safety, and project management and budgeting at AOC. As we move forward, we will support AOC in exploring these management options through on-the-spot advice, best management practice briefings for AOC's senior managers, focus groups for AOC's employees, and outreach to AOC's labor unions and key congressional customers.

Key Management Options We Plan to Explore with AOC

To strengthen AOC's executive decision-making capacity and accountability, we are exploring options to better define the roles and responsibilities for certain key functions and to clarify some accountability relationships. For example, executive-level decisions on issues such as major capital investments could be made by an executive committee consisting of these top managers, in addition to the new CFO. A chief operating officer (COO) could be responsible for major long-term management, cultural transformation, and stewardship responsibilities within AOC. In March 2002, we testified on the potential for creating statutory COOs within major executive branch agencies, who could provide the continuity that spans the tenure of political leadership and helps ensure that long-term stewardship issues are addressed and change management initiatives are successfully completed.[31] As we discussed above, a CIO could lead and manage policies and procedures for making agencywide IT investment decisions. In addition, to develop and implement congressional protocols and strengthen AOC's communications and outreach with its congressional customers, AOC may want to consider assigning full-time responsibility for its congressional relations functions to a senior manager. We will also assess whether AOC should clarify organization lines of authority and accountability to improve program management in areas such as worker safety, recycling, and facilities and project management. Such comprehensive organizational changes should only take place within the context of decisions made by AOC as it implements the framework for management and accountability that we discuss.

To support improving AOC's executive decision-making capacity, we will continue to review the processes and usefulness of AOC's financial and budget information, and explore the use of performance information. In the next stage of our review, our analysis of project cost estimation will complement an assessment of overcoming challenges to effective project management at AOC.

[31] U.S. General Accounting Office, *Managing for Results: Building on the Momentum for Strategic Human Capital Reform*, GAO–02–528T (Washington, D.C.: Mar. 18, 2002).

To improve labor-management relations, we will look at best practices in alternative dispute resolution in the workplace and explore the relationships between AOC's Equal Employment Opportunity and Conciliation Program Office, Employee Advisory Council, and newly created Office of the Ombudsperson—formerly the Employee Advocate—and the Office of Compliance. We have supported using ombudsmen in dispute resolution and believe that this office can be an integral part of an organization's human capital management strategy to create a fair, equitable, and nondiscriminatory workplace.[32] We plan to assess the new role of the ombudsperson in AOC and whether it will adhere to the standards of practice for ombudsmen established by professional organizations. These standards revolve around the core principles of independence, neutrality, and confidentiality.

We Are Helping Assess These Options and Recommending Needed Management Improvements

We are exploring these management options in several ways. In the worker safety and recycling areas, we will continue to provide on-the-spot advice on safety hazards and recycling practices observed on our site visits. For example, we identified several safety hazards at the Capitol Power Plant. We brought these potential hazards to the attention of the acting chief engineer of the plant, who said that he would act upon our advice. We also suggested to him that the power plant could start a recycling program for its office waste consistent with the Botanic Garden's program, which the plant is starting to implement.

To support management improvements that we are recommending or options we plan to explore, we have provided best practices guidance and we will, at the invitation of AOC, brief AOC's senior managers on best management practices in the public as well as private sectors, potentially including the following topics:

—strategic planning and performance measurement;

—our congressional protocols and the role of our Congressional Relations Office;

—human capital management, including our guidance on strategic human capital management and our human capital policies and procedures;[33] and

—IT management, financial management, and worker safety.

To identify opportunities to further improve AOC's internal communications, we will be holding a series of focus groups with AOC's employees to obtain employee feedback on AOC's organizational culture, morale, management support, and worker safety issues, and meeting with officials from AOC's labor unions. To assess AOC's communications with its external customers, we will contact key congressional staffs to get feedback on the types of AOC services most important to them, their satisfaction with these services, and suggestions for management improvements.

CONTACT AND ACKNOWLEDGMENTS

For further information about this statement, please contact J. Christopher Mihm at (202) 512–6806. Individuals making key contributions to this statement included Thomas Beall, Justin Booth, Carole Cimitile, Kevin J. Conway, Elizabeth Curda, Deborah Davis, Terrell Dorn, Elena Epps, V. Bruce Goddard, Christina Quattrociocchi, Benjamin Smith Jr., Lori Rectanus, John Reilly, William Roach, Kris Trueblood, Sarah Veale, Michael Volpe, and Daniel Wexler.

AOC MANAGEMENT

Senator DURBIN. According to the GAO, there is good news and there is bad news. Some improvements have been made in your organization in the last year. Most notably, you have hired a Chief Financial Officer to improve financial management and accountability. Some critical initial steps have been taken to improve financial management and budget functions. And the CFO has begun work on other key issues, such as developing procedures and controls to ensure that reliable data are produced by the new financial management system.

[32] U.S. General Accounting Office, *Human Capital: The Role of Ombudsmen in Dispute Resolution*, GAO–01–466 (Washington, D.C.: Apr. 13, 2001).

[33] GAO–02–373SP and U.S. General Accounting Office, *Human Capital: A Self Assessment Checklist for Agency Leaders*, Discussion Draft, GAO/GGD–99–179 (Washington, D.C.: Sept. 1999).

GAO also found that the Architect of the Capitol has made some management improvements, such as establishing routine management meetings to help improve communication. In addition, the Architect's track record on work safety has improved considerably, with a drop of 38 percent in the injury rate from last year's very bad 17.9 injuries per 100 workers, as reported to OSHA.

We also acknowledge that your office has been given tremendous additional responsibilities for executing a myriad of security-related projects funded in the supplemental appropriation last year. This has added considerably, I am sure, to your workload.

Still, there is a lot that needs to be done. The improvements cited by GAO are mostly in the early, early stages. Basic strategic planning, performance management, and accountability for senior managers must still be addressed very seriously and very quickly.

The GAO found that the "Architect of the Capitol performs its activities without the guidance of any agency-wide strategic plan for serving the Congress or means to hold individuals accountable for accomplishing its mission-critical goals. The Architect also operates without written standards or policies and procedures in critical areas, such as financial management, information technology management, project management, and facilities management. The absence of clearly defined goals and performance measures at the Architect of the Capitol hampers the Architect's efforts to send clear and consistent messages throughout the organization about his priorities and performance expectations."

These are very basic systemic deficiencies, which have resulted in unacceptable project schedule slippage, substantial cost overruns, poor communications, and facilities management which does not meet the standard of excellence which we expect for the U.S. Capitol. These problems are manifest in this year's budget request.

Most notable is the fact that the Architect is requesting $82 million for the expansion of the West Refrigeration Plant, double, double what we were told we would need to spend 1 year ago. Another illustration is the lack of a funding request for the Library of Congress storage modules at Fort Meade and, clearly, slippage in this project.

As you know, the GAO will continue its general management review, which is to be completed by November of this year. We will be tracking this effort closely and anticipating a response from you which will hopefully begin to reverse the problems which have been identified.

At this point, Mr. Hantman, we welcome your opening statement.

FISCAL YEAR 2003 BUDGET REQUEST

Mr. HANTMAN. Good morning, Mr. Chairman, and thank you for your overview. And much of what you said clearly is very fair. And quite frankly, the GAO report hits on a lot of issues that we are working together to try to resolve.

I do appreciate the opportunity to meet today to discuss the fiscal year 2003 budget for the Office of the Architect of the Capitol and the unprecedented and historic challenges the agency and the Congress face today and in the near future.

Mr. Chairman, I am proud of what the AOC has accomplished in the last year. And I look forward to significant additional accomplishments this year and in the years ahead. Our employees have responded magnificently to developments beyond their control. And they have successfully adapted to circumstances that were undreamed of at our last budget hearings.

We have all shed much of our innocence since September 11. However, our staff's ability to successfully function under extraordinary circumstances is a credit to them and befits our agency's proud tradition of service to the United States Congress.

The budget request for fiscal year 2003 totals $412 million and 1,958 full-time equivalent employees. This request includes $222 million for operating expenses and $190 million for capital improvements. This budget addresses the most critical requirements for the Capitol Campus, and it builds on our successes and addresses those areas where we surely do need to improve.

The past year has been a very busy and productive year for the AOC. There is a historic amount of work currently on our plates, as you noted, Mr. Chairman. And much more needs to be accomplished over the coming years. The events of September and October 2001 greatly added to this workload. As a result of these events, the AOC received over $200 million in emergency funding for 38 new security projects, including enhanced perimeter security considerations.

CAPITOL VISITOR CENTER

Mr. HANTMAN. Funding was also provided for the Capitol Visitor Center, as Secretary Thomson testified, and for which I am very grateful to this committee and for which, quite frankly, future Congresses and generations of the American public will be even more grateful. I certainly echo the comments that Secretary Thomson made in her testimony. And I look forward to continuing to work together with this committee as the project progresses.

In fact, Mr. Chairman, you mentioned something about a mess being certainly something we have to look forward to over here. And I would welcome the opportunity to take you and any other members of the committee who are interested to the World War II memorial construction site right now. They are using the same slurry wall construction technique that we will be using on the visitor center. And you can get a sense of the timing of the activities that need to occur to have those foundation walls put in. And whatever your convenience might be, we would welcome the opportunity to show you that.

So this work, along with my continued emphasis on modernizing our buildings, updating the infrastructure to meet contemporary safety and technological standards, necessitated that we reexamine our budget request and include only those items that were deemed to be of the highest priority and could be implemented in the current environment.

LIFE SAFETY

Mr. Chairman, as you know, last year I made the fire and life safety program the top priority for AOC. And as you mentioned, we have a good report on that. We placed major emphasis on the important issue, because we need to reduce our injury and illness rate. So the recent OSHA statistics, as you indicated, are 38 percent below the prior year. And our current records show that that decline is continuing this year, as well.

I will continue emphasizing this area because the safety and well-being of AOC employees and of all Capitol employees and visitors are of the utmost importance. And I thank this committee for its support and strong guidance in this area.

FINANCIAL SYSTEM

Another area that this committee has demonstrated great interest and support in over the past several years has been in financial management systems. I am also pleased to report that the budget execution, purchasing, accounts payable, disbursement, and accounts receivable modules went live this month. The fixed asset module will be coming up and running this October.

All of this builds on the standard general ledger module that we implemented in September of 2000 and gives us the foundation for an FMS system that the Legislative Branch Financial Managers Council is considering modeling theirs after. In this budget we are requesting $1.6 million to continue the process by implementing the contracting module and an inventory system necessary for efficient operation.

HUMAN INFRASTRUCTURE

As important as financial and physical improvement are, however, there is nothing more important than the investment in our human infrastructure. We are a service organization. And without a dedicated and safety-conscious staff little could be accomplished. I continue to strengthen and modernize our present workforce by bringing people on board with new skills and abilities, as well as to build the processes, the procedures, and the quality standards that you referred to as necessary to ensure consistent, high-level service to the Capitol complex.

To this end, we have filled numerous, very critical positions over the past year by external recruitment and internal promotion numbering in excess of 400 positions. And we ask your support for the additional staffing requests we have submitted this year so that we can effectively help turn around this agency in the areas where it is weakest.

GAO REPORT

You mentioned, Mr. Chairman, the GAO report. Now clearly, I have not had full time to review it in great detail, as it was submitted this morning. But I have seen drafts of it. And I believe, Mr. Chairman, their overview is constructive, and it is important to my ongoing efforts to improve the services we render to the Congress. The GAO reports states that the AOC has demonstrated a commitment to change through the management improvements it has planned and underway.

It also states that the AOC recognizes that because of the nature of the challenges and demands it faces, change will not come quickly or easily.

Mr. Chairman, I fully agree with these statements. And I am committed, as we work with the GAO over the coming months, to continue to investigate best practices and implement the necessary changes to serve the needs of the Congress.

I am committed to the GAO agenda of "crafting a comprehensive and integrated approach to addressing AOC's challenges and setting appropriate priorities," even though by necessity it will have to be phased in over time. Our current day-to-day activities are very heavy. Our people are running at full tilt now to keep up with them. And we are working to implement the changes that will allow us to more effectively control and produce the type of quality projects that the Congress deserves.

Mr. Chairman, in conclusion, this year, as we continue to reorganize and strengthen our staff, the AOC will also be focusing on strategic and master planning initiatives, project management, quality of service and employee support, so that the delivery of projects and communications at all levels are better accomplished. No question about that. We have room to go in that in spades.

PREPARED STATEMENT

I ask that my full opening statement be accepted for the record. And I look forward to responding to your questions.

[The statement follows:]

PREPARED STATEMENT OF ALAN M. HANTMAN, FAIA

OVERVIEW

I appreciate the opportunity to meet with you today to discuss the fiscal year 2003 budget for the Office of the Architect of the Capitol (AOC), as well as discussing the accomplishments of the recent past, and the unprecedented and historic challenges the agency and the Congress face today and in the near future.

I am proud of what the AOC has accomplished in the last year, and look forward to significant additional accomplishments in the years ahead. Our employees have responded magnificently to developments beyond their control, and they have successfully adapted to circumstances that were not only entirely missing from our last budget hearing discussions, but were undreamed of at that time. We have all shed much of our innocence since last we met. However, the history of AOC is a history of flexibility and meeting unexpected and sometimes rapidly evolving demands. Our workers' ability to successfully function under extraordinary circumstances is a credit to them, and befits our agency's proud tradition of service to the United States Congress.

The budget request for fiscal year 2003 totals $412,253,000 and 1,958 full-time equivalents. This request includes $221,966,000 for operating expenses and $190,287,000 for cyclical maintenance and important infrastructure and capital improvements. This budget addresses the most critical requirements for the Capitol Campus—it builds on our successes and addresses those areas where we need to improve.

The past year has been a very busy and productive year for the AOC. There is a historic amount of work currently on our plate and much more needs to be accomplished over the coming years. The events of September and October 2001 greatly added to our work load. As a result of these events AOC received over $200 million in emergency funding for 38 security projects. Funding was also provided for the Capitol Visitor Center, for which I am grateful to this Committee, and for which future Congresses and generations of the American public will also be thankful. This is a project that will greatly enhance the security of the Capitol and serve our visitors well for generations to come. This work—along with my continued emphasis on modernizing our buildings and updating the infrastructure to meet contemporary safety and technological standards—required us to re-examine our budget request and include only those items that were deemed to be of the highest priority and that could be implemented in the current environment. This has not been an easy task to complete or to communicate to our customers. We have fallen short on occasion, but this should not overshadow the significant number of successes that we have delivered on time and on budget.

I have made the fire safety program the top priority for AOC, and we have made significant progress on this effort. Last year we placed emphasis on the very important issue of employee safety to reduce our injury and illness rate, which was at an unacceptable level. While we have had much success, I will continue emphasizing this area because the safety and well being of AOC employees and of all Capitol employees and visitors are of the utmost importance. The AOC will also continue to focus on strategic and master planning initiatives, project management, quality of service and employee support so that prioritization, delivery of projects and communications are better accomplished.

As important as physical improvements are, there is nothing more important than the investments in our human infrastructure. We are a service organization, and without a dedicated and safety-conscious staff, little could be accomplished. I continue to support and strengthen our present workforce by bringing people on board with new skills and abilities, as well as to build the processes, procedures and quality standards necessary to ensure consistent service to the Capitol complex. Adding these new eyes and expertise to our existing dedicated staff will continue to leverage the abilities of the entire agency. To this end we have filled numerous very critical positions over the past year both by external recruitment and internal promotion and reassignment.

RECENT ACCOMPLISHMENTS

As we look to the future, I believe it important to note that over the past year the AOC has accomplished much, as evidenced by progress on the following:

The first, and most significant phase of the Dirksen Senate Office Building renovation project, and renovation in Senators' suites and Committee spaces, was completed in 14 separate increments on schedule and to the satisfaction of virtually all involved. The next phase will complete upgrades and renovations in corridors on the basement and ground floors, replace electrical equipment, and upgrade numerous heating, ventilating and air-conditioning systems. The remaining work is scheduled to begin this summer and will take approximately three years to complete. This work will have very limited adverse impact on the occupants of the building but, when complete, will markedly improve the functionality of the building. This project provides what is essentially a contemporary building interior with an intact exterior at about one-third the cost of constructing a new building, and with all work being accomplished in an occupied structure.

The U.S. Botanic Garden Conservatory opened in December and has continued to have record attendance even with the downturn in tourism during the past fall and winter. The public response to this facility has far exceeded our expectations. The ability to control the greenhouse environments with state-of-the-art technology allows us to create unique habitats and maintain healthy and diversified plant collections from around the world. Awards from the Art Deco Society of Washington, American Society of Horticultural Science, and the Washington Chapter of the American Institute of Architects will be presented shortly. The contiguous privately funded National Garden project will be complete in approximately two years after receipt of funds. This new garden with its interpretive learning center and other special features should add to public interest as well as provide a new venue for botanical education and Congressional events.

The fully renovated and upgraded Cannon Garage was completed on schedule and came in under budget in correcting structural problems and life safety deficiencies.

Preconstruction work for the Capitol Visitor Center (CVC) started last fall and continues. The relocation of water, sewer, steam and electrical utilities and the relocation of trees is the prelude to the mobilization of heavy equipment and the major construction work that will begin in earnest this summer. We have a full time project manager on board and a senior management team solely dedicated to this project that is aggressively communicating the status of this project; addressing parking, traffic and noise issues; and ensuring that we are looking ahead, and working with, the appropriate staffs on space issues as well as the art work and educational opportunities that will be available in the CVC. The CVC team is using a best value, source selection process, open to all contractors qualifying to meet the project's construction experience criteria and technical requirements. The selection process is being conducted in partnership with the General Services Administration (GSA). The best value process evaluates proposals with predefined criteria, which mandates much more than consideration of price alone, and is used by GSA, Department of Defense (DOD) and others. This process provides a standard to differentiate and rank competitors by analyzing past performance and technical management abilities to solve specific CVC needs, thus allowing selection of a contractor who will give the AOC the best value to construct the CVC. The Government Accounting Office (GAO) is partnering with us to help ensure that all prudent steps are taken to minimize the risks inherent in a project of this magnitude.

We have made significant progress in advancing business and human capital management within the agency as follows:

—developed and implemented an employee performance management system;

—developed and implemented an awards program;

—implemented financial management systems improvements with a standard general ledger, budget execution, purchasing, accounts payable, disbursement and accounts receivable modules. The new system will allow us to be compliant with federal accounting standards;

—developing a performance management system for senior management;

—working to align several of our organizations to better meet our business needs to be more responsive to our customers (finalizing organizational options and program functions for a Chief of Staff and Congressional Relations function, work is also underway to restructure delivery of architectural, engineering and construction support services based on completed best practices studies);

—developing an AOC Strategic Plan that focuses on the mission critical goals (preservation and maintenance of the grounds and buildings entrusted to our care, campus security initiatives, service excellence, strategic management and care of human capital). We will link measurable goals, management accountability, and a communications strategy to ensure input, buy-in, and goal based performance expectations.

Significant progress has been made in filling necessary positions and reducing the recruit time. Our current payroll projections indicate we are within one percent of our personal service budget. The top financial positions have been filled including a new Budget Officer and a new Accounting Officer, and for the first time a Chief Financial Officer. Sixteen safety positions have been filled, including the Fire Protection Division Director, Safety and Environmental Division Director, three Fire Protection Engineers, one Industrial Hygienist, nine Safety Specialists and one Fire Inspector. Fourteen of the sixteen positions are new employees to the AOC. Other new staffs include a Quality Assurance Analyst, Director of Construction Management, and Director of Human Resources. By bringing in new staff from outside the AOC for the majority of these positions we are broadening our experience base in these critical areas that formerly did not have dedicated experts devoted solely to them. Times change, and as they change our processes and priorities must change in accordance with contemporary expectations and practices.

Congress has been generous with the resources provided in recent years for fire safety and those resources are providing tangible results. Fire safety awareness and protection have never been higher in the Capitol Complex. Improvements have been made in the areas of fire detection, fire suppression and egress. More smoke detectors have been installed. More areas are covered by sprinkler protection. More doors have been equipped with panic hardware. Revolving doors have been replaced with code compliant hardware. And fire protection system inspection, testing, and maintenance are at the highest levels ever. Fire safety awareness has increased as evidenced by the obvious renewed interest and participation from all occupants of our buildings during the recent evacuation drills. There are a number of fire projects in the design stage and there will be significant future budget requests to construct these improvements.

AOC worker safety has improved measurably. Injury rates have decreased dramatically—from 17.9 per hundred workers in fiscal year 2000 to 11.02 per hundred workers in fiscal year 2001—a 38 percent reduction. Statistics indicate that the decline is continuing this year. The decline is due to the fact that we have made safety a priority, we have set a high goal, improved measurement of those goals, implemented new policies and procedures, set up safety committees in every jurisdiction, hired more safety staff, partnered with outside experts (Dupont and OSHA), and have instituted unannounced safety visits. Safety training has increased; more than 16,000 hours of training were provided in fiscal year 2001. New safety programs have been prepared with the help of the Public Health Service and implementation has begun. The quick fixes are being made. Emphasis in fiscal year 2003 will shift toward reinforcing and sustaining changes in culture with safety integrated into all facets of work and throughout all levels of the Agency. The emphasis has shifted from reactionary—investigating an injury—to proactive—preventing an injury by investigating near misses and correcting safety problems before injury can occur. Across all our fire, occupational, and environmental safety programs, emphasis is on coordinated, consistent application of standards and self identification and correction of deficiencies; and this is being reinforced.

It is important to address at this point one area where we've been less than successful. My staff has been working for some time coordinating projects and activities for the Library of Congress facilities. We recently failed to inform them of changes in our budget request for several new projects they requested. Additionally, a project for a new storage facility under construction at Fort Meade has fallen behind schedule. We had design and construction management issues, and insufficient internal communication on project status. Clearly this is unacceptable and I'm working with the Library of Congress to implement a plan to move forward positively and quickly. This includes tapping into on-site capabilities of the Corps of Engineers at Fort Meade to assure the necessary day to day project management and quality control for the future Library of Congress projects. With the assistance and concurrence from this Committee, I will amend my fiscal year 2003 budget request to address these issues.

SUMMARY OF FISCAL YEAR 2003 REQUEST

Our overall fiscal year 2003 request of $412,253,000 includes $221,966,000 for ongoing operations and maintenance and $190,287,000 for the capital budget to meet cyclical maintenance and infrastructure improvements. Excluding the House Office Buildings, the amounts are $362,329,000 in total comprised of $186,252,000 for operating expenses and $176,077,000 for capital improvement items.

The operations and maintenance budget request reflects a 17 percent increase of $32,747,000. Over 50 percent of the increase or $16,605,000 is to fund the accrued retirement and health benefit costs of employees as proposed by the President. Other significant items include: $3,239,000 to fund 43 essential positions needed to carry out programs required throughout the AOC; $7,632,000 for COLAs and other mandatory pay items including increased transit subsidy and award levels; $10,325,000 for items related to other workload increases (major items in this area are for Information Resource Management—$2,781,000, renewal of warehouse space—$2,400,000, election year moves—$1,250,000 and financial management and audit—$865,000); and $344,000 for price level increases. For the first time in many years, operating savings of approximately $5 million have been reflected in the budget. The majority of these savings are a result of reduced utility and lease costs.

The capital budget request includes 80 projects identified for funding in fiscal year 2003. Seven projects, which total $149,800,000, account for approximately 80 percent of the capital budget request. One of the most critical and essential projects in the budget, the West Refrigeration Plant Expansion ($81,800,000), by itself accounts for 43 percent of the capital budget request. The other six projects are; the Off-Site Delivery/Screening Center for the U.S. Capitol Police ($22,000,000); design to Replace Windows throughout the complex to meet the General Services Administration level "D" standard ($11,400,000); Repair of the South Capitol Street Steam Line ($11,000,000); Upgrade Air Conditioning—East Front of the Capitol ($9,600,000); Repair of the Constitution Avenue Utility Tunnel ($8,500,000); and matching funds for the new Library of Congress Audio Visual Conservation Center, Culpeper, VA ($5,500,000).

MAJOR CAPITAL REQUESTS FOR FISCAL YEAR 2003

Major capital requests:

—Our most critical project included in the fiscal year 2003 request is $81.8 million for the West Refrigeration Plant Expansion. This project must proceed or there will be a critical shortfall in chilled water capacity and the Plant will not have the ability to serve the campus with reliable chilled water. Based on the April 2000 Capitol Power Plant Utility Master Plan it was determined that the best approach to provide sufficient chilled water capacity for the Capitol complex was to expand the West Refrigeration Plant. The 50 year old equipment in the East Refrigeration Plant is insufficient, unreliable, inefficient, and it uses R–12 refrigerant. This refrigerant is an ozone depleting substance, which was banned from production in 1995 and will be banned from use in the near future. The new chillers will meet environmental standards with a new refrigerant. We currently have the 100 percent design documents for the West Plant expansion, which were completed in November 2001. In December 2001, the House Office Building Commission approved proceeding with the project. This project will provide for three new chillers and space for additional chillers in the future. Additional chillers will be added as demand requires and to replace chillers in the existing West plant which are also nearing their normal life expectancy of 25 years. Following the model being used for the CVC and other significant projects, we have a dedicated project manager who is responsible for overseeing this project and we have selected a project management firm to assist in running the project day to day. Their task is to keep the project on schedule and within budget.

—The South Capitol Street steam lines that supply steam to the Capitol are unreliable and have been patched and replaced in various segments. In fact, this winter, funds had to be reprogrammed to replace a rusted out segment of this line. Based on a 100 percent design a total of $11 million is requested to replace this line.

—A total of $8.5 million has been requested to repair the Constitution Avenue Utility Tunnel based on 100 percent design. In several sections of the tunnel, the concrete ceiling has already spalled and fallen and wooden timbers are presently supporting the ceiling. Life safety concerns regarding the structural integrity of the tunnel have been identified by the Office of Compliance in a citation.

—Insufficient air-conditioning in sections of the East Front of the Capitol has been an ongoing problem. The current systems are approximately 40 years-old and in general have served their function well. However, due to age and the ever increasing demands resulting from the increases in occupancy and equipment in these areas these units need to be replaced. This project has been coordinated with the Capitol Visitor Center project and installation at this time in conjunction with that project will result in cost savings. Delays will drive costs up.

—In the Hart Senate Office Building, we are asking for $1.6 million to continue renovations to public restrooms, $1.95 million to replace electrical bus ducts and switchgear and $1.5 million for elevator modernization.

—$1.6 million is requested for the next phase of implementation of our new Financial Management System. We successfully implemented the initial standard general ledger module in September 2000 and the budget execution, purchasing, accounts payable, disbursement and accounts receivable modules went live in April 2002. This new funding will allow us to implement the contracting module and an inventory system, both important for better productivity and accountability.

As in past years, the budget request reflects a listing of 164 projects that will require funds over the next several years—fiscal years 2004 through 2007. This forecast is for planning purposes only. Some of these projects are designed or are currently in the design phase, some are the results of studies that have been performed while others are only conceptual in nature. The work identified for this four year period of time totals approximately $1 billion. This indicates that our additional capital project workload will average around $235 million each year. In life safety projects alone, the budget reflects $54 million in fiscal year 2004. To better schedule and plan for this work, I am working with GAO on implementation strategies and continuing the development of improved master planning activities.

Concerning master planning there are two initiatives that are currently well under way that deserves mentioning. On June 6 of this year we expect to receive a significant update to the original 1999 U.S. Capitol Police Master Plan. This update will provide us, in partnership with the Capitol Police, information that will enable the team to move forward with a number of projects. In November of this year we plan to receive the Master Plan for the U.S. Capitol Building, which is vital to solving a variety of issues, especially code compliance.

STAFFING REQUESTS

The fiscal year 2003 request includes funding for an additional 43 positions. These positions were deemed to be the most critical of the 116 positions requested by our managers. Five of the positions are related to fire and life safety. Fourteen positions support facilities management including five planners and estimators who will develop and oversee the scope of construction projects, five additional positions in the Engineering Division, two Computer Aided Facilities Management (CAFM) managers, an Assistant Director for our Architecture Division and a technician for our Facility Management Division. Eight labor positions are requested for the Senate Office Buildings to support customer services needs and to provide assistance in other areas. Eight positions have been requested to support organization and workforce management, and our legal and human resources staffs. Four positions are for the campus energy savings program required by Section 310 of the 1999 Legislative Branch Appropriations Act. Four positions are requested to support and re-staff the newly opened U.S. Botanic Garden Conservatory.

RESTRUCTURING

The AOC faces many challenges and demands on its time and resources. Some of these challenges have been longstanding and are significant in nature. The current work load is surely an issue. We recognize the Congressional Accountability Act has changed not only our facilities requirements but also how our staff works and how we support employee efforts and needs.

To improve our service delivery, we are evaluating how we currently do business and how we are structured. I've initiated a strategic planning process, held management off-sites, established new employee orientation sessions and provided informational notebooks, set up modern personnel policies, kicked off a stronger awards program, and created a project management information system as part of this improvement. Although we have made much progress, we still have further to go. We are exploring additional options for improvement including investigating other mechanisms for better controlling and implementing projects. In fact, we have recently signed a Memorandum of Understanding with the Navy to utilize services they can provide. We are exploring various options for the reconfiguration of management. As you are aware, the GAO has been reviewing our organization and we welcome their input into this process and view them as a partner in implementing changes that will make the AOC a model federal agency. The AOC is full of talented, hardworking employees who support our vision of being "an innovative and efficient team dedicated to service excellence and to preserving, maintaining, and enhancing the national treasures entrusted to our care."

CONCLUSION

Once again, I am proud of how our employees responded to the events of this past September and October and our accomplishments during the past year in so many critical areas. We continue to make progress in reducing the unprecedented work load and backlog of maintenance, safety and security improvements that are required to maintain our facilities and bring them up to current operational and safety standards. We look forward to working with you as we successfully face those challenges and continue to provide strong support to the Congress and build an even stronger and more responsive AOC.

I thank you for your support and welcome whatever questions or comments you might have.

GAO MANAGEMENT REVIEW

Senator DURBIN. Thank you very much, Mr. Hantman.

Let us go to the GAO review first. In their work for this committee, to date GAO has found some major deficiencies in the management and organization of your office. I would like to ask you to respond to several of their observations.

First, do you believe a management overhaul of the Architect of the Capitol's office is warranted?

Mr. HANTMAN. I certainly do see that we need an overhaul of our office for organizational change as well. We have been actively studying a number of organizational alternatives. And we have as a goal improving customer service, project management, managerial span of control, staff accountability, all of the issues that GAO is talking about.

This effort, in conjunction with a significant number of management changes that have occurred the past year, are going to help us further tune our overall organization. While we are working on this, clearly we are working with GAO to continue to cooperate with them, as they build on the preliminary findings they have submitted today. Their report is due in November. And we are working with them during that time frame.

And we look forward to incorporating the recommendations that they have into a full-blown comprehensive organization that makes sense from their perspective, as well as from our perspective.

Senator DURBIN. Mr. Hantman, this is a blunt question, but I have to ask it. You have been the Architect of the Capitol for 5 years. Why at this point in time would you be doing something that most people would assume would be the first thing that you would have achieved, to try to put a management plan in place as you started in the office?

MANAGEMENT IMPROVEMENTS

Mr. HANTMAN. Mr. Chairman, clearly we are not where we want to be. When I came into this office, it had been called the last plantation. There were no management techniques. There were no types of procedures that would really allow people to plan and move forward. We have made very significant progress in the interim.

The GAO indicates that the AOC has demonstrated a commitment to change through the management improvements it has planned and underway. We have established routine management meetings to help improve communication, established and implemented basic processes and procedures in human capital.

And our reality, Mr. Chairman, is—as an analogy, this is a bus that is moving along the highway at 65 miles an hour. And we are changing all the tires while we are responding to very heavy day-to-day issues.

In terms of excuse, there is no excuse for not having this done at this point in time. Our reality is, it is a very complex job. There are issues that we are continuing to learn about. And new responsibilities are being placed upon us, as you noted earlier.

We certainly welcome the overview and the input and expertise of the General Accounting Office in taking a look at what we have done, what we are looking at doing right now, and getting a better sense and overview in terms of where we need to go from here.

MANAGEMENT PERFORMANCE STANDARDS

Senator DURBIN. When will you have in place, as other Federal agencies do, performance standards to which you hold senior managers accountable?

Mr. HANTMAN. We have developed performance standards for all of our basic standard employees. These are in place, and they include 6-month reviews. For our specific senior staff, we will have this in place by mid-summer, so that we can actually have evaluations at that point in time.

Senator DURBIN. And what are the ramifications for senior managers who currently fail to meet those expectations?

Mr. HANTMAN. The basic program we have corporate-wide basically, as I started saying before, talks about a mid-year review to discuss employees' level of performance, improve the communications, provide the guidance to improve performance and to avoid misunderstandings at the end of the review period.

Our exempt personnel in the senior positions are staffed at the pleasure of the Architect. And as such, the Architect, myself, will have to decide appropriate actions regarding each individual senior manager's performance and employment.

PROJECT MANAGEMENT

Senator DURBIN. You say your highest priority management challenge is project management. It is my understanding that there are some 200 projects underway in your office. What specifically are you going to do to improve project management?

Mr. HANTMAN. Mike, could you respond to that?

Mr. TURNBULL. Yes.

Mr. Chairman, we had hired an outside consultant to work with us on project management and develop a matrix formation for better handling of the workload. We are also continuing to look at following best practice approach models that we have set up in the CVC and other projects, in which we would have separate teams dedicated to those projects.

And following on that basic model, we will continue to implement other—on major projects teams to handle those major efforts.

Senator DURBIN. Did I understand you to say that there would be outside advisors or consultants as part of this?

Mr. TURNBULL. Yes. Absolutely.

Senator DURBIN. And teams for each project?

Mr. TURNBULL. For major, major projects, such as the CVC.

Senator DURBIN. CVC was obvious.

Mr. TURNBULL. Yes. Right.

PAY FLEXIBILITY

Senator DURBIN. And that was, I think, is one that was certainly warranted.

Last year one of your highest priorities was legislation providing flexibility for salary adjustments for senior management. We were reluctant to provide that authority prior to a management overhaul but did, in the end, agree to it. What has been accomplished as a result of this pay flexibility that you were provided?

Mr. HANTMAN. Mr. Chairman, I do thank you for having provided that flexibility to us last year. It is very important to us.

With this tool, we have been able to hire, as you mentioned earlier, a new CFO at the SES level. We had been looking for a CFO for the past several years and had only been able to advertise it at a budget/CFO level, which did not compete effectively with any of the Federal agencies that were out there in terms of remuneration at the SES level that we could do.

So we went out there. We were competitive. And we hired a person who is helping turn around our entire financial picture.

We are also currently interviewing quality candidates for key security and major project management positions under this flexibility. Candidates, I do not believe, would have applied for these positions or been attracted at all before this flexibility.

Additionally, Mr. Chairman, as the GAO has indicated before, there is a crisis in retention of good Government employees. With this tool, we are going to be able to adjust pay, so appropriately managers can have an actual gap between them and the people who report to them, which was really narrowing to virtually nothing before.

So our issue of retention of key people, not only attracting key people, is really contingent upon this pay flexibility. And I do thank you for that.

LONG TERM CAPITAL PLAN

Senator DURBIN. Let me read to you, Mr. Hantman, a section of the committee report language from last year's appropriation.

"In addition, the Architect does not have a long-term capital plan, despite its reference to its capital budget as a 5-year plan. In reality, the projects and associated funding change dramatically from year to year, leaving the Congress without a clear vision of its long-range capital requirements and priorities." And I quote, "The Architect is directed to contract within 30 days of enactment of this act for necessary expertise to develop a 5-year master plan for the Capitol complex."

Did you do that?

Mr. HANTMAN. No, Mr. Chairman, we did not. And admittedly, we are very late on that process. Recognizing the fact that we did not have the in-house necessary expertise, such as a facilities planner on board, we went about to try to form that group. We advertised for the position.

And due to the events of 9/11 and October with our HR process being shut down, we have been very—it has taken awhile to bring our new—the head of that department on board. That did not happen until February of this year.

We now have a director of planning and programming on board. She was the former director of the Connecticut State University system. And it is her mission within the next month now to complete that directive.

Senator DURBIN. The language asks you to contract this responsibility. Did you do that, or will you do that?

Mr. HANTMAN. Yes, we will. Yes, we will, Mr. Chairman. The issue is, Mr. Chairman, as I indicated before, we just got several hundred million dollars more in additional work. We do not have—we did not have until Alex Roe was brought on, the capability to run a project like that. So the concept was to go out and find somebody who could run the project, hire the consultants, and make it happen.

Originally, it was anticipated that Ms. Roe would be on board in September. We were basically shut down. There were issues in hiring. And it was our fault for not notifying this committee that, in fact, we would not be able to meet the 30-day time frame. But the issue is, as soon as she came on board—and again, the issues of September 11 and the problem of hiring and bringing people to Capitol Hill in this atmosphere have complicated our lives.

In terms of that, it is not an excuse. She has been on board since February. And she has been actively working to develop a baseline of a program to bring on a consultant and begin to formulate the overall program for a grand master plan.

Senator DURBIN. You and your office are entitled to some flexibility and leeway because of these unforeseen events of September and October; and I certainly understand that. But I wish the communication had been better.

Mr. HANTMAN. Absolutely.

Senator DURBIN. And secondly, again, I have to say, we are asking you for the preparation of a 5-year plan so that we do not lurch from year to year with ideas being replaced by new ideas, without any kind of an idea of the overarching scheme or plan or what is on the horizon.

It goes back to the GAO report. It is a matter of stepping back from the immediacy of your office and taking a long-term view of management, and in this case taking a long-term view of the capital needs that we face here on Capitol Hill.

I am brand new to this committee. And I faced on the appropriation bill some suggestions that came from the House side and from other sources which were extremely expensive—and we will get to some of them in a minute here—which might have been dismissed on their face if we had an idea of what the long-term plan was for Capitol Hill. But because there was not one, you know, we have a lot of people now who are involved in a "free skate" here. They feel they can just come up with any idea and throw it at us and ask for millions of dollars to have it funded.

We need some guidance. I hope this new person who arrived in February will take to heart language calling on your office to deal with this within 30 days of enactment.

Mr. HANTMAN. Mr. Chairman, we have people, and we are hiring two people to support her. And we want to have full attention. The last master plan was done back in 1980. We want to take a look at that, reverify that, make changes as appropriate, and build on that, so we can actually look at appropriation type of needs going forward in real time.

Senator DURBIN. I would like to at this point to yield to Senator Reed.

Senator REED. Thank you very much, Mr. Chairman.

And thank you, Mr. Hantman——

Mr. HANTMAN. Thank you, Senator.

INDOOR AIR QUALITY

Senator REED [continuing]. And your colleagues for your testimony today. Just very quickly, there has been some concern about the air quality within the Senate office buildings, and some testing has been underway. Do you have any results that can be released today or any comments?

Mr. HANTMAN. We certainly can get back to you with more detail for the record. We have been actively involved in looking at the air quality, the outside air intake, the cycling of the air in different intermittent seasons. And we will get back to you, if that is all right, for the record to give you a report on a building-by-building basis.

WASTE RECYCLING

Senator REED. Thank you, Mr. Hantman.

There is another issue that comes up perennially, and that is the recycling program.

Mr. HANTMAN. Yes.

Senator REED. How it could be more effective? Frankly, we should be the model in the nation for effective, efficient, comprehensive recycling, and I suspect we can work a little harder to be that model. Can you comment?

Mr. HANTMAN. You are absolutely correct, Senator. Our recycling performance improved only slightly in 2001 over fiscal year 2000.

We collected 740 tons instead of 693 tons. That was a 6.8 percent increase. But we can certainly do better than that. We also cut down on the amount of contaminated recyclables, down to 457 versus 522 tons.

Due to the recent 9/11 and anthrax closures, we essentially—our recycling program works out of the Hart truck dock. And we were shut down for a period of months on that. So we lost several months in that process. But we did install in July the first cardboard bailer in the Senate office building. And we have recycled something like 36 tons, exceeding the amount that was recycled in all of 2000, by—it was only some 3 tons back then. And we expect perhaps 100 tons of recycling. So that is a brand new initiative that we are taking right now.

And we have made minor progress. But the overall improvement has certainly not been as great as we expected and we wanted. The contaminated material is still too high. And with the help of our new AOC personnel that have been brought on this—and we have a new manager for that program, and also our consultant, Solid Waste Solutions—we now understand the root causes of the shortcomings of the Senate office recycling program. And we have proposed changes in line with that consultant's recommendation to the Senate Committee on Rules and Administration.

And we are in the process of obtaining the committee's approval, and we look forward to making major changes in the program in the coming months. To succeed, the existing recycling program needs further improvement. And it needs to have an emphasis on simplification, on education, on training, and improved participation by people. So we are actually working very closely on that right now.

CAPITOL VISITOR CENTER PROJECT MANAGEMENT

Senator REED. Thank you, Mr. Hantman.

One final issue—the Capitol Visitor Center. It is one of the most ambitious programs that has been underway here for many, many years. At this juncture, there is the physical infrastructure that you are preparing and also the supportive services, educational, as well as basic accommodations for tourists visiting the Capitol.

My presumption is that the team is in place, that the project manager is in place, and that you are moving forward optimistically and confidently. Is that correct?

Mr. HANTMAN. Absolutely, Senator. We have got a belt and suspenders trip on this one. Because of the heavy workload we have internally, what we have done is we have hired, and we have on staff, a team of dedicated people who are being charged to the project. Our project managers and all are full time on that project for its duration. And they have no other responsibilities.

We have also, Senator, gone out and we have, with the help of the General Services Administration, had a nationwide solicitation for a construction manager to work day to day, a private sector construction manager. And we have one of the best in the country working with us, Gilbane Construction, who have a team. And we can certainly bring you to their trailers on the Senate side of the Capitol right now.

They are fully staffed. They are moving ahead. They, in fact, are some of the same people who are working on the World War II memorial and can explain to you what that process is all about in terms of the slurry wall construction, as I discussed earlier.

So we are fully staffed on the Gilbane side, on our internal side. And we are moving ahead with a project that is very exciting, but it is a difficult project.

Senator REED. Thank you, Mr. Hantman.

And thank you, Mr. Chairman, for your kindness.

CAPITAL PROJECTS

Senator DURBIN. Thank you, Senator Reed.

Mr. Hantman, the Architect's Office currently has over 200 major projects underway, including the Capitol Visitor Center, which is very visible and very challenging, and 60 security-related projects. What percent are behind schedule or over budget by 10 percent or more?

Mr. HANTMAN. It is a question of how you cut them down. What we would like to do, Mr. Chairman, is take a look at those projects, categorize them, because some of the projects that may be considered behind schedule would be listed as a Senate recarpeting program, where we are waiting for a member of that staff to make a decision on a carpet color. So it is behind schedule, perhaps, because of something like that. And I do not think that is the kind of information you would like.

What I would like to do is go back to that full listing of projects, break it down by the categories of these smaller things, for the major projects that really make sense, and be able to report to you more intelligently.

Senator DURBIN. I am going to put carpeting in a separate category. Let us talk about the projects that are substantial, and if you could give us a report on those in terms of the current progress that you are making——

Mr. HANTMAN. Absolutely.

Senator DURBIN [continuing]. And whether there is any anticipated increase in cost beyond what you suggested to us earlier.

Can you assure us that you will be able to implement on time, and within budget, the additional capital budgets you are requesting in this year's appropriation, including seven major projects totaling about $150 million?

Mr. HANTMAN. Of those seven major projects, two of them essentially have been moved from what was the emergency supplemental that was requested. There were several hundred million dollars again appropriated for that purpose actually through the emergency supplemental.

And two of the projects in that budget were deleted because of the necessity to pay for the anthrax remediation. This was the off-site delivery program of $22 million and the window examination program of $11 million.

Mr. Chairman, those are place markers. There has been no design done, no site selected. We are waiting for a master plan to be agreed to by the Capitol Police Board so that we can really look at the hard numbers. When that emergency supplemental budget was prepared, it was done within a matter of a couple of weeks, taking a look at all potential areas of security enhancement that we needed. And information was coming from the Senate Sergeant at Arms, from the House Sergeant at Arms, from the Capitol Police, and from all the consultants that we had.

So those numbers for those particular projects are basically place markers, Mr. Chairman, which we need to—which were brought into this budget because it was bounced out for the other supplemental. So in terms of the——

Senator DURBIN. One hundred fifty million dollars worth of place markers?

Mr. HANTMAN. No. That was those two projects.

Senator DURBIN. Those two projects.

Mr. HANTMAN. The third project in there is for the Culpepper program for the Library of Congress. That was $5.5 million, I believe. And Congress has committed to some $16 million to supplement the donation of the Packard Foundation on that project. And they are putting some $100 million into the project. So that is just an ongoing accumulation of dollars for that.

So that is real, and it just goes in the pot to the point where we can transfer the money to Packard when they have turned the facility over to the Congress.

CAPITOL POWER PLANT

Senator DURBIN. Now how were the seven major capital projects selected, the largest being the $81.8 million for the Capitol Power Plant? What were the criteria for including projects? Are they all needed in the next fiscal year? Can we be confident of the cost estimates? How did you prioritize these projects?

Mr. HANTMAN. The largest one, of course, Mr. Chairman, as you mentioned, is the Capitol Power Plant, West Refrigeration Plant Expansion. We are in a critical situation now in terms of chilled water capacity. The East Plant, the existing East Plant, is 50 years old at this point in time. We also are using R–12 refrigerant in it.

Half of the machines in the East Plant are no longer functioning. We have been pirating parts from one that is no longer functioning to keep the others in place. Also, as you may be aware, in 1995 the use of R–12 refrigerant was outlawed. It is no longer being produced. And in just a short period of time, we will no longer be able to operate those facilities at all.

Plus, the need for chilled water is growing at the Capitol. And in terms of real time, we need to get this facility open and running by the year 2005. So the $81 million that we talked about is truly a necessary project.

Now in your introductory remarks, you talked about the issue of going from $40 million to $80 million. Part of the issue over here is, at the time that the $40 million marker was put in place, there was no design. It was based on a per unit industry type of average cost for chiller units. It did not take into account the individual site-located needs. Originally, those chiller units were planned to be put as replacements in the east chiller plant itself. Further investigation found out that the foundations could not take it. The size of the chillers required could not fit into it. Those kind of design issues had not been factored in at the essentially placeholder level of $40 million.

Also, there is a legacy plan in the District of Columbia, which is concerned with the aesthetics and how the community interfaces and how South Capitol Street looks. So there were additional dollars that were put into that project to clean up the plant, to reface the existing west chiller plant and the new chiller plant to make it look more in scale with the community and more friendly to visitors who are coming up from South Capitol Street.

So all of these issues, in fact even the relocation of a major sewer line which is under that site, had not been done and known, because there was—again, no design at that level had been completed at that point in time. And that is a fundamental problem whenever you do place markers or try to plan for future years. Unless you do serious design, it is really impossible to get a real number.

So what we are doing right now in terms of that $81 million is, we had hired a specialist in refrigeration plants. They had done the estimate. We have a second estimate, which is due in by the end of next week, to confirm the validity of the estimate. And basically, we are learning from the Capitol Visitor Center because on that project we had two estimates made, and we tried to reconcile the differences between the two to make sure that we were, in fact, covered and that the budget would adequately be used.

WEST REFRIGERATION PLANT ESTIMATE

Senator DURBIN. I guess what I find stunning here, Mr. Hantman, is that in the period of 1 year you have doubled your estimate of the cost of this project. That is something which is really hard for me to understand. I think even with your explanation as we go through the items, the summary of the cost changes in this plant, it is hard to imagine that the people who came up with the $40 million figure ignored some of these obvious things.

Now so-called site improvements account for $15.6 million. Now I do not know if this is for the aesthetic value that you talked about so that the District of Columbia thinks that the power plant looks more pleasing in its Capitol Hill environment. I do not know if that is what is driving this. But it is just hard for me to sit here and understand how the Architect of the Capitol could miss it by $40 million and, in the course of 1 year, doubling the cost of this project.

Mr. HANTMAN. Again, it was without significant design work at that point in time. You are perfectly right. We did not anticipate moving from the East Plant to the West Plant, changing the location. The nature of the industry and the type of costs that we have for equipment out there, the cost of the equipment in this budget alone is some $30 million.

Senator DURBIN. I guess it really calls into question a lot of other estimates that you are giving us. I mean, you are asking us for substantial investments of millions of dollars. I have some skepticism, based on this experience, as to whether any of these figures can be trusted.

Mr. HANTMAN. Which is exactly why, Mr. Chairman, we are going out for the second estimate to confirm the first one. We have stopped doing internal estimates for these projects, and we are going out to professional estimators to look at them. And this is—the numbers will vary based on the construction market, the availability of staff. It is a very fluid situation. And that is why, essentially, they are called estimates.

But no question about that, the concept of doubling an estimate in that period of time is difficult to explain.

Senator DURBIN. The estimates may be fluid, but the tax dollars involved are very real and solid.

Mr. HANTMAN. Absolutely.

CAPITOL POLICE

Senator DURBIN. Before we can make commitments to your office for substantial investments here on Capitol Hill, which many are very necessary, I think we have to improve the level of confidence here in your operation.

Let me tell you another problem that I have run into, and it relates to the Capitol Police. As I said earlier, like many people in your office, the Capitol Police have just done heroic work here and are unheralded for what they have been through since September 11. But I am really at a loss to explain to anyone what the ultimate plan is for the Capitol Police when it comes to, not the force itself, but how we are going to accommodate their needs for office space and command centers.

It got so bad that during the course of deliberation with the House, people were clearly doing a windshield tour of Capitol Hill looking for empty buildings on the House side. They came up with one and said, "For a mere $40 million to $70 million, we can give you an empty storage building over on the House side of the Capitol. And then for another $50 million to $70 million, we are going to bring it up to what you might need."

And it was rolling forward. It looked to me like this was really going to happen. Finally I said, "No way, this conference committee will never report. We are just not going to be buying real estate in that manner. It is totally irresponsible."

That suggestion is still out there, and very much alive. Now comes your request for $22 million for an off-site delivery center for the Capitol Police. I still do not know if we have a master plan that really talks about what the Capitol Police truly need and how they are going to be organized on Capitol Hill. How can we send you $22 million, or seriously consider a House suggestion of spending $50 million to $100 million on building on the House side, without some notion about a master plan for the Capitol Police and their structure and organization?

Mr. HANTMAN. I fully agree with you, Mr. Chairman.

Senator DURBIN. But you asked for $22 million.

Mr. HANTMAN. Again, that is something that was in the original recommendation through everybody involved in the emergency supplemental. It is a place marker. It is essentially not dropping that project.

We had a meeting the week before Friday with a master plan design team, meeting with the Capitol Police Board and the Capitol Police to do just what you are talking about, to take a look at the options, to look at all the components and the pieces of the puzzle to see if, in fact, we should be reusing the existing police headquarters and creating a similar one on the House side, how the police should be best arrayed to serve their multiple functions up here on the Hill.

A decision, Mr. Chairman, has not been made on that yet. The report should be submitted, I believe, next month to the Capitol Police, to the Capitol Police Board, so they can take a look at the options and make a decision and bring those recommendations forward to the Senate and the House.

PLACE MARKERS

Senator DURBIN. Mr. Hantman, we are going to need a special item under your budget for place markers and puzzle pieces. I am not going to sit here, as chairman of this subcommittee, and give you $22 million with the possibility that it may fit into some master plan. That just does not work. I think I would be remiss in my responsibility, if I did that.

I am going to ask you to take another look at this budget, the appropriation request that you have submitted. I want you to send me a list of the so-called place markers, which are just theories that "We may be spending money in the next fiscal year." I am not buying into it.

Mr. HANTMAN. I understand.

Senator DURBIN. There needs to be a master plan. If it makes sense, that is fine. But to have windshield tours of Capitol Hill and people identifying buildings, "Here is an old one. Let us see what this one costs. You know, let us put $50 million to $100 million in this one. Oh, let us put $22 million in here for an off-site delivery, even though we do not have any master plan for the Capitol Police"—that is not fair to the Capitol Police. It is not fair to the taxpayers. I do not think it meets the responsibilities that you have been asked to assume here.

I am going to ask you to be very specific with me on what you consider to be "place markers."

Mr. HANTMAN. Absolutely. As far as the other major projects are concerned, Mr. Chairman, the steam tunnel updates on South Capitol and on Constitution, those are real numbers with 100 percent design estimates. And we are hoping those move ahead.

Senator DURBIN. Okay.

EAST FRONT

Mr. HANTMAN. The last major project is the East Front of the Capitol, which is proposed to be done in concurrence with the Capitol Visitor Center so we do not come back after that building is done and rip up the building again. It is the best way to do it, the most cost effective. We are coming up with a second estimate to confirm the first estimate. We should have that in a matter of weeks. And we will share that with you and confirm that estimate.

NEW POSITIONS REQUEST

Senator DURBIN. You are requesting funding for 1,958 full-time equivalent employees, an increase of 43 positions at a cost of $3.2 million. What has changed in your operations that will require this increase?

Mr. HANTMAN. Mr. Chairman, so much is changing. We are trying to bring this organization into the 21st century. As you indicated, as the GAO report indicates, there are abilities, professional capabilities that do not exist in this agency right now that we need to have filled, so that we can in fact perform the type of functions that are necessary.

Based on some of the GAO comments and the recognized needs, we are emphasizing better organizational planning, project management within the AOC, et cetera. In fact, four of the positions we are requesting are for organization and workforce management, people who are management analysts, organizational development specialists, so that we can actually look at every aspect of our agency and say, "Is it staffed appropriately? Is it not staffed appropriately?" We do not have the expertise in-house right now to do that. So——

Senator DURBIN. Let me interrupt you for a second.

Mr. HANTMAN. Yes, sir.

Senator DURBIN. You have requested the additional employees before you have developed a plan. Does that not sound backwards? Would you not want the plan first and then determine the personnel needs from that plan?

Mr. HANTMAN. When we are talking about individual particular areas, such as fire and life safety, facilities management, we recognize that there are specific needs that we have for those. Whether or not we have enough people now or if this will give us enough people totally is hopefully what these management analysts will be able to do for us.

We are just not able to stand still and not react to actual needs. For instance, there is energy management, legislation that we need to conform to. And we need to hire some people to be able to monitor energy management throughout the campus. There is human resources management people that we are asking for. And we just got legislation on Federal benefits to almost 400 additional new employees, and we need people to be able to service those 400 additional employees.

So the reality is, the people that we have requested really have been culled down from a request of some 128 people that had been requested campus-wide. So we met together with all of our senior management. We looked at it. We culled it down and came down to a list of the things that we believe we can justify now that are needed to carry our mission forward and to be more responsive to the needs of the Congress.

The big picture, in terms of the agency as a totality, is what in effect the workforce management people will be addressing in a professional and orderly manner.

MANAGEMENT PLAN

Senator DURBIN. I still think you have it backwards. As I look at the list for 43 additional employees. Those related to fire and life safety you need. And I think you can have perhaps a dozen of them. But you have also requested gardeners, mechanics, attorneys, planners and estimators, clerk typists, laborers. I just think you have it backwards. I suggest you start with a plan, the capital plan that we asked you for last year, a plan for your office consistent with the GAO. Then you come in and tell us what your personnel needs are.

I do not think it makes sense for us to be sending you place marker money for projects that may never happen or 43 new FTEs, when you clearly have not defined your management goals in your office. I think you are coming at this backwards.

Let me ask you about the laborers in the Senate. Let us just get down to something basic. Do you have anyone who looks, for example, at the laborers in the Senate, compares their productivity to any standard either inside or outside of Government?

Mr. HANTMAN. The workload for the laborers in the Senate has gone up. In terms of comparing it to outside functions, I am not sure that there is the function of a laborer that really is totally comparable on the outside. What we are looking at——

OFFICE CLEANING

Senator DURBIN. Well, let us talk about something basic.

Mr. HANTMAN. Yes.

Senator DURBIN. Cleaning an office.

Mr. HANTMAN. Right.

Senator DURBIN. I believe that most people who clean offices here are employees of your office, the Architect's Office.

Mr. HANTMAN. Correct.

Senator DURBIN. Interestingly enough, in Chicago they apparently have contracted that out. There is a group that is doing that kind of work. Do you take a look at their productivity here in the Senate compared with either contractors who serve other Government offices or people in the private sector?

Mr. HANTMAN. Absolutely. In fact, we did a full report, which we can certainly share with you—I am not sure if the staff has it yet—which looked at the productivity in the private sector, in commercial office buildings, and other governmental office buildings, what the General Services Administration is doing.

And we came up with a cleanable area of some 15,900 square foot per person, based on the fact of there are a significant numbers of private bathrooms, carpeting, things of this nature. All of those elements were factored into the report. And we, in fact, reorganized the number of custodial workers at the Senate and in the House based on the cleanable square feet that we thought was a fair organizational agreement.

And we talked to the Building Owners and Managers Association and got their statistics. And at that point in time, we transferred 20 people from the House over to the Senate to help fulfill the need for those specific work areas.

So each work area has been defined. It is fair per individual. And it takes all of those issues into account.

Senator DURBIN. And do you have oversight management, for example, in the common and public areas that the visitors to the Capitol are going to see, to make certain that things are done on a regular basis? If you walk into any major restaurant in the city of Chicago or most of them in Washington, you will see a checklist where every 1 or 2 hours somebody comes in and takes a look around to make sure that things are as they should be. Do you do that?

Mr. HANTMAN. We are doing that with a private contractor. We are about to let a contract for day cleaning, which had not happened before on a large scale. So that contract is about to be let for people to come in and continue the work. We had started that in the Dirksen Building on a preliminary basis with an outside contractor. And it is beginning to work out very well.

Senator DURBIN. And yet you still need more FTEs, as you are contracting out that responsibility?

Mr. HANTMAN. These laborers' functions are talking about special events and other needs that specifically the laborers relate to. For instance, there were some 6,000 work orders in the year 2000 that the laborers responded to. In 2001, there were 6,900 specific work orders that they responded to. And we are proceeding at about pretty much that same rate today.

So it is a question of being able to satisfy the needs and the time frames of our clientele. The concept there is to be able to eliminate some of that overtime, to turn it around more quickly, to react to the increased workload that the laborers are having.

BOTANIC GARDEN

Senator DURBIN. Let us talk about the Botanic Garden for a minute. I had a chance to visit it. It is beautiful. It took a little longer to complete than we had anticipated. Can you tell me if it came in on budget?

Mr. HANTMAN. We are currently working with the contractor right now, the general contractor, negotiating the change orders that are still outstanding. We are making progress on that. The total appropriated funds of $35.5 million is still intact. We are still working off and paying off change orders that the contractor can verify and give us the type of documentation that makes sense for us to say, "Yes, this is a legitimate change order."

Senator DURBIN. Of the $35 million cost of the project, how much is in dispute at this point?

Mr. HANTMAN. There is a series of change orders. I will have to get back to you with a number on that, Mr. Chairman. I am not——

Senator DURBIN. Is it over $1 million?

Mr. HANTMAN. I would think so, yes.

Senator DURBIN. But you do not know the exact figure. So I am not going to put you on the spot here. But I would like you to get back to me in terms of what the cost overruns, or at least the disputed areas, are at this point.

Mr. TURNBULL. Mr. Chairman, there has been no official claim filed by the contractor. There are separate change orders. And we are going through with him on a case-by-case basis reviewing his view of it and our view of it. And that is an ongoing process.

WORKER SAFETY

Senator DURBIN. Let me talk to you for a moment about worker safety, which is an issue I raised last year. As a result of our hearing last year, I called the Secretary of the Treasury, Paul O'Neill, who had had quite a successful experience in the private sector in reducing worker injuries.

And I just said to him, point blank, “Where should I turn to bring someone in who can take a look at the Architect of the Capitol’s Office?”

And he said, “I would suggest Dupont. I think they have a great approach to this. And they can take a fresh look at this and take what is the highest incidence of worker injuries in the Federal Government and perhaps suggest ways to reduce that.”

Now there has been a reduction of some 38 percent over last year. It is still an extraordinarily high rate of injury in the Architect of the Capitol’s Office. Can you tell me what progress has been made in working with Dupont in assessing worker safety in the Architect’s Office?

Mr. HANTMAN. Yes, Mr. Chairman. They have completed a safety baseline assessment that benchmarked our Agency’s safety management structure against Dupont’s proven best safety, best practices. Their draft report indicates the emphasis is required in the areas of establishing and communicating the safety program direction, clarifying program roles and responsibilities across the agency.

We have scheduled for April 30 of this month one of the workshops—one of the two workshops that Dupont is going to be promoting with us. All our AOC safety professionals will be at that meeting. And the second meeting is for all AOC senior management, so that we can develop action plans for further improvements in our program as a result of this assessment.

WORKPLACE INJURIES

Senator DURBIN. Let me ask you, you testified last year that your goal was to reduce injuries on the job by 10 percent a year. Is that still your goal?

Mr. HANTMAN. That was my goal last year. And clearly, we exceeded it. Our challenge for next year is to reduce it. Ultimately our goal is to reduce it to zero for any avoidable injuries or illnesses. That is what we would like to have. In terms of implementing the program and moving it down, our goal certainly is at least to do 10 percent more next year. And that is where we are going.

Senator DURBIN. I think what you will find, and what I have read, is that most people who come into this do not start with the idea of a 10 percent reduction, but start with a zero goal and how quickly it can be achieved. Can you tell me, what is the most frequently occurring type of injury for workers in your office?

Mr. HANTMAN. It is basically backaches, back injuries. And what we have tried to do is try to minimize back injuries. We have gone out and instead of trying to be reactive, we try to be proactive, to try to take a look at the type of injuries that do occur and how we can train people to avoid that.

I think the back injuries have been very significant in both the custodial area, and that has gone down something like 38 percent this year in terms of those back injuries for that particular group.

The major injuries to the electricians have gone down 50 percent. We are going in there and trying to come up with methodologies that avoid the necessity to lift; for instance, new equipment that will do the lifting instead of people doing the lifting. We are telling people not to do things alone that you cannot rationally do alone.

So we are embarking on a very aggressive method of trying to take a look at where the injuries occurred, how they occurred, and how do we prevent them from happening in the first place, rather than just counting beans.

Senator DURBIN. As I look at the injury and illness report that you submitted from the Architect's Office, it appears that the custodians and laborers are most frequently injured. Is that correct?

Mr. HANTMAN. Yes, sir.

Senator DURBIN. Okay. It also appears from your comments here that a lot of it has to do with basic slip and fall, exposure to chemicals, for example, that may be hazardous. These sorts of things, I would assume, could be analyzed and dealt with, sort of low-hanging fruit in terms of reducing injuries and illnesses. What are you doing to make that happen?

Mr. HANTMAN. That is exactly what we have been doing, Mr. Chairman. And that is why the injury rate has come down. Some of this has been low-hanging fruit. And what we need to do is put the processes and procedures in place.

And it is really a shift in attitude on the part of our employees. Some employees are used to not working with a construction helmet when they should, or steel-toed shoes or gloves. And our Director of Safety Programs and I make unannounced walk-arounds.

We go to shops. We go to work sites to make sure that people are, in fact, wearing their protective gear and that they understand that, "Yes, you are your brother's keeper. If somebody is not working with it, it is up to you to tell them to work with it," and make sure that the supervisors understand that part of their evaluation is that they are responsible for the safety and security of those people who are reporting to them, and they will be evaluated on that.

And they are also responsible for making sure that the appropriate reports are filled out, so that people report them, when they need to be reported, that we understand it, that we can follow through on it and make sure that we can cut down as close to zero. And clearly, that is certainly our goal.

CAPITOL VISITOR CENTER EXCAVATION

Senator DURBIN. Let us talk about the Capitol Visitor Center for a minute. And I think Ms. Thomson mentioned excavation to begin in June. Is that correct?

Mr. HANTMAN. We will be letting the contract in June for the excavation contract. We expect that they will be mobilizing for the next month. And we will probably see them on site, if not at the end of July, early August, actually doing the excavation work.

Senator DURBIN. And this week your office went out with requests for proposals for the first phase of construction. Given the current construction market in Washington, do you perceive any problems in bidding the visitor center in terms of obtaining competitive and reasonable bids?

Mr. HANTMAN. Mr. Chairman, I think the timing for our project is good. There is not a lot of other new construction starting up over here. The convention center and other major things no longer have the foundation issues under control. So we are pleased with the bidding interest that we have had. The information is out to a good list of bidders. And we feel very good about getting good numbers.

CAPITOL VISITOR CENTER DISRUPTION

Senator DURBIN. Once excavation begins, can you give me the period of time you estimate for, I guess, the greatest impact on Senate operations?

Mr. HANTMAN. This goes back, Mr. Chairman, to perhaps visiting the World War II memorial site again. The messiest part of it, of course, is going to be the foundation work. When we get the foundation walls in, when we get the top slab—it is a top down construction, where the top slab will be put in, then we will be excavating down below and doing the rest of the work. That is when the most serious disruptions will be occurring.

But the reality is, we are going to have trucks and workers in the hundreds on the East Front of the Capitol virtually up to and involving the completion of the building. And we will have this building totally complete with all visitors and exhibits and everything by the end of the 2005 time frame. But we are going to have most of it done by the inaugural in January of 2005, so that we can support the inaugural. But it will not be open to the public at that point in time.

Senator DURBIN. And you have made plans to accommodate the people that will be displaced during construction?

Mr. HANTMAN. We are working with the Senate and with the House on people from the East Front of the Capitol and others who are being displaced. And specific space allocations are being worked on right now, Mr. Chairman.

Senator DURBIN. What is the General Services Administration doing as part of this?

Mr. HANTMAN. One of the things we wanted to make sure, Mr. Chairman, was that we were being as fair as possible in the procurement process. General Services Administration operates something like 340 million square feet of space around the country for the Federal Government. They have an excellent procurement division. They have lots of experience in contracts. So we have retained them to help us in the procurement process. We used them to help select Gilbane Construction. We went out again to the entire country to do that. And they will be helping us in terms of selecting the contractors for the two major pieces of the work.

LIBRARY OF CONGRESS BOOK STORAGE MODULES

Senator DURBIN. Let me talk for a minute about the Library of Congress book storage module. As you know, the Library of Congress is concerned about the slow progress at Fort Meade completing the first of at least 12 storage modules for their growing collection. We were disappointed to learn that the funding for the second and third modules was dropped from your budget request.

This project was initiated over 10 years ago and the first module was to have been completed in 1995. What is the status of completing that first module?

Mr. HANTMAN. We are currently commissioning the major building systems within the facility. And we expect the general contractor to complete his work next month. We will then have several additional items of work remaining, which we expect to be complete in July. And I talked to the Librarian and indicated that the occupancy of the building should be turned over to him after that.

We also agreed that we need, frankly, to sit down and talk on a more regular basis in terms of the issues and the needs of the Library, not only at the mid level and lower level management in terms of coordinating projects, but the Librarian and myself agreed that we should be doing that.

I also indicated to him that I would be submitting a request for dollars to fulfill the needs for module two, three, and four to the committee and apologized to him for dropping that out without adequate communication.

And what we plan to do for him, and I indicated as well, was—Fort Meade is quite a distance away. Our lines are pretty well stretched thin. We have a memorandum of understanding with the Corps of Engineers, who has a staff of 30 people out at Fort Meade. What we plan to do is have them work directly with the Library, talking about their programs, and us certainly overseeing the construction on a day-to-day basis so that this does not occur again.

Senator DURBIN. So what are you going to do to accelerate the efforts for additional modules?

Mr. HANTMAN. We will be coming back to you, Mr. Chairman, with a request for the funding to essentially do the construction of module two in 2003 and the planning for modules three and four going forward, so that we can meet the schedule that the Librarian has set out for the load of books that he constantly has coming in.

WASTE RECYCLING REVIEW

Senator DURBIN. Let us talk about the recycling program for a minute. According to GAO, there is no clear mission or goals in this program, nor accountability for achieving results. This is an item, if I am not mistaken, that we have been raising as a committee with your office for a number of years. So clearly you know that members of the Senate have been asking why nothing is happening here.

Almost two-thirds of the material that is deposited in recycling containers here in the Senate is contaminated, which means it is not recycled but sent to landfills. Now that is poor performance, clearly. Last fall you contracted with a company, Solid Waste Solutions, to review the recycling program. And that company recommended the combined office paper approach.

Will you be implementing this approach?

Mr. HANTMAN. We have a submitted a report to the Senate Rules Committee recommending that we do this approach. And, in fact, GAO has recommended that, in fact, again keeping the program as simple as possible is the best way to do that. So we are waiting for guidance and approval from the committee to implement that approach. We think it makes an awful lot of sense. And that certainly is our recommendation.

Senator DURBIN. You are waiting for guidance from this committee?

Mr. HANTMAN. No from the Rules and Administration Committee.

Senator DURBIN. From the Rules Committee.

Mr. HANTMAN. That is correct.

Senator DURBIN. In terms of how you are going to implement it?

Mr. HANTMAN. We have submitted a report to them and a recommendation. And we have been meeting with them over the last several months.

Senator DURBIN. What are the major problems that you want to correct?

Mr. HANTMAN. Well, the major problems are, right now we have a staff that collects recycled materials from central locations in each of the offices. That is a problem for people who do not want to get up from their desks and walk over to recycle things. So they will throw things in their baskets, along with the garbage and the lunch and things of that nature.

What this new procedure would involve would be having recycling bins at each desk, so that people are able to put in mixed papers. And we would then collect from each desk, as opposed to from a central location in each of the offices, and make sure that we have better material and less contamination.

WASTE RECYCLING CHANGES

Senator DURBIN. Mr. Hantman, with all due respect, these are not breakthrough ideas. In fact, you submitted to us in 1999 your findings about the inadequacy of this program. And it virtually is a repetition of what you just said. So for 3 years, the problems have been there unresolved and unsolved.

What kind of assurance can you give us that this time you are going to try to actually implement changes in the program?

Mr. HANTMAN. We have the right people on board right now. We are a service organization, Senator. And we have difficulty, and that is no excuse, finding the right people, bringing them up, attracting them. We raised the grade level to get the right people over here in terms of management. It has not been properly managed either. I take responsibility for that.

In terms of getting a specific program approved, getting the training going, these are things that we are committed to. And we have some confidence that this time around we are going to be able to come back to you next year and show you tremendous progress.

CLOSING STATEMENT

Senator DURBIN. Thank you very much for your testimony and for being with us today. We have requested during the course of this hearing a lot of information from you about specifics in your appropriation.

I just want to make one thing clear, and that is, I am learning on the job. In the first year, I saw the train moving along as it had for many years. I made a few observations about changes.

I am not going to sit by and watch a repetition of last year's appropriation when it comes to your office. You are going to have to really come through with some solid information backing up your request. There is no room for place markers, no room for puzzle pieces, no room for speculation and guessing here.

I understand that when you make an estimate, it cannot always be 100 percent right. Everybody has human frailty and limitations in this business. But at this point in time, many of the major projects which you are asking us to fund cannot be justified. That is unfortunate because there are many substantial capital needs on Capitol Hill.

So I am certainly hopeful that we can see some more information from your office and some more justification and in a timely manner, because the appropriation process will be moving along very quickly.

Mr. HANTMAN. Mr. Chairman, on page six of our testimony we do list the place markers. But we will go back over that list and further clarify that. And we will get you the backup estimates to the $81 million, as well as the East Front, so we can verify the estimates that we have.

Senator DURBIN. And the 5-year capital plan.

Mr. HANTMAN. Absolutely.

Senator DURBIN. And master plan for the Capitol Police and review of the people working in the office, the basic management studies that have been asked for the GAO, the list is pretty long, Mr. Hantman. I certainly hope that you can address them on a timely basis.

SUBCOMMITTEE RECESS

At this point, the subcommittee is going to stand in recess until May 1 at 10:30 a.m., when we will take testimony from the Sergeant at Arms and Capitol Police Board. Thank you.

[Whereupon, at 12:14 p.m., Wednesday, April 17, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, May 1.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2003

WEDNESDAY, MAY 1, 2002

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:26 a.m., in room SD–124, Dirksen Senate Office Building, Hon. Richard J. Durbin (chairman) presiding.

Present: Senators Durbin, Reed, and Bennett.

U.S. SENATE

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

STATEMENT OF HON. ALFONSO E. LENHARDT, SERGEANT AT ARMS AND DOORKEEPER

STATEMENT OF SENATOR RICHARD J. DURBIN

Senator DURBIN. At the risk of violating every Senate tradition, we are going to start early in the hopes that we can let busy people return to their important work.

The subcommittee will come to order. Today we meet to take testimony from the Sergeant at Arms of the United States Senate, Al Lenhardt, and the U.S. Capitol Police Board, chaired by House Sergeant at Arms Wilson Livingood, on the fiscal year 2003 budget request.

We will hear first this morning from Mr. Lenhardt in his first appearance before the subcommittee. Let me welcome you. You came to this post with extraordinary credentials, having served as the highest ranking officer in charge of all police and security operations for the United States Army. That experience has served you and the Senate very well.

You started in the Senate days before the tragic events of September 11th. That event was followed closely by the discovery of anthrax in Majority Leader Tom Daschle's office in the Hart Senate Office Building. Over the past 8 months you and your staff have put in incredibly long hours responding to those events and ensuring that we are prepared for avoiding them in the future.

Immediately after the September 11th incident, you went about assessing our evacuation and communication procedures and looking at what needed to be done to respond more effectively. After the October 15th anthrax crisis, you and your staff, along with the employees of the Secretary of the Senate, the Architect of the Capitol, the Attending Physician, and the U.S. Capitol Police, helped manage an unprecedented remediation effort—literally unprecedented in history—the relocation of 50 Member offices to temporary space, the development of new mail-handling protocols, and the assessment of health concerns associated with the irradiation of mail.

We often take for granted that the phones, voicemail, data processing, and the other services we rely on are always going to be there, and are always going to work. But this was no small feat in the relocation of 50 Member offices to temporary space, and it could have not been possible without your work and the work of your dedicated staff. In addition, you have established an Office of Emergency Preparedness and countless hours have been invested in additional planning efforts.

We thank you, your deputy Ann Harkins, whose first day of work we understand was October 15th, Liz McAlhany, administrative assistant Rick Edwards, and everyone else involved for your service to the Senate and to America.

With respect to your budget, you are requesting roughly $162 million and 50 additional staffers. The budget would increase 20 percent under your proposal, more than half of which is associated with security-related needs such as new mail-handling protocols and the Office of Emergency Preparedness. There are also increases associated with bringing online the new Senate e-mail system, which we are looking forward to having in place.

Mr. Lenhardt, before I turn it over to you let me personally thank you, because I know, having seen just a small part of the time and dedication that you extended during the crises that we faced, what a debt of gratitude we owe you and everyone in your office. There were some real heroes and sheroes in this particular experience, and you certainly rank up there in my estimation in terms of your continued service to your country and particularly now to the United States Senate.

I am going to invite Senator Bennett to speak when he arrives, but in the meantime I would like to welcome you and give you an opportunity to make your opening statement.

Mr. LENHARDT. Thank you, Senator. I appreciate very much your very kind comments.

I am pleased to appear before you and the subcommittee today to present the Office of the Sergeant at Arms budget request for fiscal year 2003. Mr. Chairman, I ask that my written testimony and the fiscal year 2003 budget request be submitted for the record.

Senator DURBIN. Without objection.

SAA BUDGET REQUEST

Mr. LENHARDT. I am respectfully requesting a total budget of $162.094 million, which is an increase, as you have already indicated, of 20 percent compared to the original fiscal year 2002 budget. Of the $27 million increase, approximately $15 million is requested for security improvements; $8 million will fund implementation and completion of the Senate Message Infrastructure Project previously authorized, and for additional technology services for Members, such as PCLAN, mainframe, video teleconferencing, and $1.5 million in support of LIS and FMIS projects for the Secretary of the Senate, which provides legislative and financial support for Member offices.

Sir, as you already indicated, I took the oath of office on September 4, 2001. My 8th day with the Senate was September 11th and on my 42d day the largest act of domestic bioterrorism occurred in Senator Daschle's suite in the Hart Office Building. Those two incidents set in motion a remarkable series of events and activities which challenged the Congress, the Senate, the United States Capitol Police, and especially the men and women of the Office of the Sergeant at Arms.

Mr. Chairman, as you have already indicated, I have spent nearly 32 years serving in the United States Army and have considerable experience in law enforcement and security. On the 11th of September, I had not been here long enough to identify, let alone evaluate, areas where my training and experience might be beneficial to the Senate. But I quickly saw on that day that the men and women of the Capitol Police had all the courage and determination needed to get the job done. I also saw where improvements in emergency preparedness, incident response, and command and control were sorely needed.

BIOTERRORISM INCIDENT

The anthrax bioterrorism incident gave our office an opportunity to illustrate to the Senate community the extraordinary dedication of the Sergeant at Arms' men and women who work at our task daily. Over the course of a weekend, literally a weekend, the staff relocated 50 offices to new quarters assigned by the Rules Committee and provided basic computer and telephone services. They also relocated 15 committee offices and other offices and provided basic telephone and computer services. They also relocated seven departments of the Secretary of the Senate, including the Disbursing Office, and provided telephone and specialized computer services and support. Finally, they relocated several Sergeant at Arms offices from the Hart Senate Office Building while simultaneously providing essential support to the rest of the Senate community.

I can say without bias that this was a truly remarkable achievement in any environment, government, corporate, or military, and I commend each and every member of my staff for their extraordinary service to the Senate and for their can-do attitude in everything that they undertake.

PARTNERSHIP WITH SECRETARY OF THE SENATE

The serious threats to the people who work in the Senate and to the Senate as an institution highlight as never before the role of the Sergeant at Arms in ensuring the security and safety of the entire Senate, every person and every visitor to the Senate itself. In carrying out this charge, I am fortunate to have a true partnership with the Secretary of the Senate.

This partnership includes our extensive efforts in planning the continuity of operations and continuity of Government programs. Jointly, our offices have worked with the Senate leadership to identify alternate chamber locations and briefing centers. In addition, the Office of the Sergeant at Arms supports all of the Secretary of the Senate's major systems: the Legislative Information System, the Financial Management Information System, the Financial Disclosure and Reporting Systems, and the Payroll System.

Mr. Chairman, when the Sergeant at Arms and Doorkeeper position was established in 1789 it was never envisioned that the office would be faced with the security challenges we face today, with threats of biological, chemical, nuclear, radiological, and conventional weapons. As the Senate's chief law enforcement officer charged with maintaining security in the Capitol and all Senate buildings, as well as the protection of Senators, staff, and the visiting public, I am pleased to report to you that my staff is decisively engaged in all aspects of carrying out our important mission.

BALANCING SECURITY WITH ACCESS TO THE CAPITOL

To do this effectively, we must constantly balance the need for essential security with the need for free and open access for the American people and other visitors to see representative democracy at work.

The United States Capitol is the most recognized symbol of democracy in the world. This historic building represents the United States of America and our democratic form of Government to freedom-loving people around the world. This is the most important building, not just in America, but to America. Of greater importance, the Congress represents the democratic principles which are at the heart of our form of Government.

My career has been devoted to protecting and defending these principles and my military experience is the fundamental reason why I feel so strongly that we cannot turn the Capitol Building and surrounding grounds into a military base look-alike, or allow a bunker mentality to develop here. The Capitol Building is the people's house. Our obligation and our duty is to ensure that all who visit and work here are safe and that our institutions continue to function in any circumstance. That is my guiding principle as the Sergeant at Arms of the United States Senate.

LEGISLATIVE BRANCH EMERGENCY PREPAREDNESS TASK FORCE

After September 11th, we immediately identified security deficiencies in our emergency planning. Initially, we formed the Legislative Branch Emergency Preparedness Task Force to zero in on the immediate actions needed to increase the safety and security of the congressional community. The report of the task force is available for review. We have created the Office of the Assistant Sergeant at Arms for Security and Emergency Preparedness and hired staff focused specifically on security and the protection of the people and the institution of the Senate.

We now have the processes and procedures in place for Members and staff to follow in case of an emergency, which includes assigned assembly areas and procedures for safety and accountability purposes. We also have identified briefing centers for Senators where information can be provided and can serve as a secure place for Senators to discuss the developing situation.

OFFICE OF ASSISTANT SERGEANT AT ARMS FOR SECURITY AND EMERGENCY PREPAREDNESS

The Office of the Assistant Sergeant at Arms for Security and Emergency Preparedness is the permanent management structure to oversee and integrate security and emergency preparedness planning, policies, and programs within the Senate. This office, working in close cooperation with the Office of the Secretary of the Senate, also is responsible for continuity of operations training and assistance provided to Member and staff offices, as well as integrating Senate security plans.

As we move forward, our goal is to be aware of the threat environment facing the Senate, and continue to upgrade and improve protection and preparedness measures that safeguard the Senate, the people who work and visit here, the institution, and the property that supports them. We will coordinate our security operations and plans with other legislative, judicial, and executive branch offices and we will prudently implement those actions and procedures that improve our security environment.

BUDGET BUILT ON BUSINESS MODEL

Mr. Chairman, Senator Bennett, Senator Reed, in constructing this budget request I instructed the staff to use the business model instituted by my predecessor. The top-down, bottom-up review is still mandated for each department during construction of its long-range program and budget planning activities. Each department director and manager is expected to seek program efficiencies and cost-cutting savings in all mission areas. Program managers are also challenged to evaluate and eliminate, where necessary, duplication and dysfunctional redundancy in all activities. We will leverage the use of technology wherever possible to achieve greater efficiencies and improve program effectiveness.

Our business principles and practices have improved Senate services and enabled us to reduce full-time employees by 11 in our staff and salaries by $452,000 so far this year. This spirit of innovation was also evident when our team devised procedures for processing over 90,000 items of mail received daily at one-third the cost of contractors doing the same work with other legislative branch offices.

Our business model is applied to all programs to achieve the best bang for the buck. We will be especially mindful of this when considering improvements to security programs. We must resist any temptation to buy a product or service simply because it looks good or may satisfy an immediate need. All security equipment and services will be subjected to the same requirements-based and life cycle acquisition model used to evaluate all other programs.

We believe the fiscal year 2003 budget reflects the resources to meet the needs and requests for services expressed by the Senate community. The Sergeant at Arms staff is committed to providing services of the highest quality in the most efficient manner possible. This budget will achieve the services, security improvements, communications and technology projects contained in our proposals. As an effective steward of our budget, I pledge to you that the staff will spend these precious resources wisely.

PREPARED STATEMENT

Thank you for the opportunity to present this request to the committee.

[The statement follows:]

PREPARED STATEMENT OF ALFONSO E. LENHARDT

Mr. Chairman and Members of the Committee, I am honored to appear before you today to present the fiscal year 2003 Budget Request for the Office of the Sergeant at Arms and Doorkeeper.

I am respectfully requesting a total budget for the Sergeant at Arms' Office of $162,094,000, which is an increase of approximately 20 percent compared to the fiscal year 2002 budget. The fiscal year 2003 budget request accelerates improvements to security and reflects the increased costs of equipment, services and support required to ensure the protection of people and other critical assets of the Senate.

Before I begin my budget presentation, I would like to salute the men and women of the Sergeant at Arms (SAA) organization. Over the last year, this team of 779 professionals has performed exceptionally well in response to the unusual challenges faced by the United States Senate.

In the last six months, our staff met the significant challenges presented by two terrorist attacks on the Nation. After the September 11, 2001 terrorist attacks, this Office immediately began working with the United States Capitol Police and the Senate Leadership to develop more comprehensive and detailed evacuation procedures for the Senate. After the anthrax incident on October 15, 2001, this office worked closely with the Rules Committee to identify space and then relocate Senate offices and quickly retooled our important telecommunications and computer infrastructure. The task was enormous and unusually challenging, but it gave me the opportunity to take the measure of the Sergeant at Arms' staff. I am pleased to tell you that the staff's performance was beyond my expectations and I am proud to serve with each and every one of them.

Mr. Chairman, the United States Capitol Building is the most recognized symbol of democracy in the world. This historic building represents the United States of America and our democratic form of government to freedom loving people around the world. This is the most important building not just in America, but to America. And, of greater importance, the Congress represents the democratic principles which are at the very heart of our form of government. My career has been devoted to protecting and defending these principles and my military experience is the fundamental reason why I feel so strongly that we cannot turn this Capitol Building and surrounding Grounds into a military base look-alike, or allow a bunker mentality to develop here.

The Capitol Building is the people's house. Our obligation and our duty is to ensure that all who visit here are safe and that our institutions continue to function in any circumstance. That is my guiding principle as the Sergeant at Arms of the United States Senate.

Another principle is service to the Senate community. Right now, as we begin the 21st century, much of that service comes in the form of new technologies which we strive to provide to Senate offices promptly and efficiently. And, we in the SAA organization serve as the stewards of $193,251,000 consisting of the fiscal year 2002 appropriation of $134,986,000 and the Emergency Supplemental Appropriation of $58,265,000 which this Subcommittee has entrusted to us. I pledge to you that we will spend these precious resources wisely.

Twice since my arrival in September of last year have we faced serious threats to the safety and security of the people who work in the Senate and to the Senate as an institution. As never before, the role of the Sergeant at Arms Office is to ensure the security and safety of every Member, every staff person and every visitor to the Senate. This effort extends beyond my position as a member of the United States Capitol Police Board, since it also includes the Senate imperative to make available to the Members the capability for them, for you, to conduct the legislative business of the Senate.

In carrying out this charge, I am fortunate to have a true partnership with the Secretary of the Senate. As you know, this partnership includes our extensive efforts in the Continuity of Operations Planning and Continuity of Government programs. It is in this Continuity of Government effort that my office must and will work continually and closely with the Office of the Secretary. Jointly, we have worked with the Senate leadership to identify alternate chamber and briefing center facilities. In addition, the Office of the Sergeant at Arms supports all of the Secretary of the Senate's major systems: the Legislative Information System; the Financial Management Information System; the financial disclosure system; and the payroll system.

SECURITY

Security of the United States Senate

The Joint Bipartisan Leadership issued a directive on September 6, 2000 to the U.S. Capitol Police Board to ensure that the constitutional functions of the Congress could be performed under any circumstance. The Leadership also directed that a comprehensive Legislative Branch emergency preparedness program be developed. The terrorist attacks on September 11, 2001, and the anthrax incident on October 15, 2001, reinforced the need to plan for the protection of Senators, staff, and visitors to the Capitol; to safeguard the institution; and to have effective evacuation and Continuity of Operations Plans (COOP).

To address these current and emerging security concerns, the position of Assistant Sergeant at Arms for Security was created to oversee the new Office of Security and Emergency Preparedness and its staff of professionals. The Assistant Sergeant at Arms for Security is responsible for physical security, continuity of operations, emergency preparedness, and personal protection matters affecting the Senate.

This office will provide facilities and back-up services to ensure the timely reconstitution of Senate services in the event of a major incident. The office will immediately respond to incidents of a nuclear, chemical, biological, radiological or conventional nature with either in-house experts or outside assistance. Policies and procedures are being established and tested for relocating the Senate Chamber and offices to alternate locations on or off the Capitol Hill complex in an emergency.

Our security strategy establishes a layered defense consisting of: intelligence-based analysis of vulnerabilities; security plans and actions to prevent an incident from occurring; preparedness measures if an incident does occur; and finally, implementing plans, training and resources to manage the consequences and respond appropriately to ensure the Senate's continuity of operations.

Prevention is the first responsibility. However, we must be prepared in the event an incident does occur. If an incident forces us to relocate, we must have the ability to manage the incident, sustain services and, if necessary, to disperse to other locations and reestablish the Senate's legislative functions. This strategy establishes a robust response that does not allow the possibility of single-point failures by over-reliance on any single element.

Another way to look at the mission of the Office of Security and Emergency Preparedness is that it creates concentric circles of security and response that integrate security, preparedness and continuity plans to provide a redundant, layered defense to a variety of threats for the protection of the Senate.

The Office of Security and Emergency Preparedness is also responsible for continuity of operations (COOP) training and assistance and coordination with the House, the Capitol Police, and other entities within the legislative branch and external agencies.

Most importantly, the office gives the Senate a core incident response management team under the direction of the Leadership and supervision of the responsible officer. Our team is fully knowledgeable about the Federal and civil emergency response agencies, their capabilities and procedures, and has established relationships with those agencies so that the Senate can tap into their expertise in an emergency.

We have already addressed many of the needs the events of last fall brought to my attention. We have identified emergency briefing centers for Senators and Senators have been informed of procedures and locations. We have streamlined emergency notification procedures at Capitol Police Headquarters. We have issued BlackBerry devices to be used for emergency notification. And, we are upgrading whip pagers with an emergency message capability.

Further, we are working closely with the Secretary of the Senate and the Architect of the Capitol to establish an Alternate Senate Chamber in the event the Capitol is denied to us because of a minor incident or a major threat. We are also proceeding jointly with the House and the Architect of the Capitol to establish an Alternate Computer Facility that, while serving both Chambers, will maintain the necessary separation of systems and information and provide space for back-up Senate telecommunications assets.

The Capitol Police conducted an initial security assessment of Senators' home state offices. We will use these assessments and other tools to establish minimum security requirements for State offices. We hope to be able to provide funds to each office to upgrade office security based on security assessments and needs. The fiscal year 2002 appropriation for this purpose was $1,744,000. We have requested an additional $2,744,000 for fiscal year 2003.

Finally, it is worth noting that the Senate has already demonstrated its ability to maintain operations in difficult circumstances. The Senate Disbursing Office's continuity plans were a key element in maintaining financial services during the period that the Hart Building was closed due to the anthrax contamination. The Office of the Sergeant at Arms planned and executed the provision of services for 50 Senators and their staffs and 15 committees and other offices which were relocated for a period of 96 days while the anthrax attack was being remediated.

IT Security

A software package that allows monitoring of unauthorized intrusion attempts to our data network has been installed. This new technology already has proven to be an asset to Senate offices in correcting the effects of widespread internet-based attacks such as Nimda, an e-mail virus. We need to ensure that our data networks are as secure as today's capabilities allow so we are contracting for additional expert data security consulting service which will address ongoing vulnerability analysis of our network and measures implemented to guard against a security violation of our network.

Mail Security

Following the anthrax incident, the Senate Post Office implemented new processing procedures to ensure that mail introduced to the Senate community is free of biological hazards.

Shortly after October 15, we sealed mailing chutes and removed unmonitored mail boxes in the Senate Office buildings and the Capitol to eliminate the possibility of a harmful agent being deposited in these areas. We conducted briefings and prepared materials for Senate offices to ensure staff knew how to identify suspicious mail and report it to officials. Additionally, we advised Senate office managers to accept letters and packages from only uniformed Senate Post Office employees displaying a valid ID or from bonafide couriers.

Our Senate Postmaster actively monitors the White House Office of Science and Technology Policy (OSTP) and the United States Postal Service (USPS), as they fine-tune procedures to deliver to governmental offices mail that is safe from biological pathogens.

The procedures that the Senate developed for ensuring the delivery of safe letters and packages have become the model for other agencies in the Legislative Branch. We leveraged our existing human and physical plant resources in crafting our mail testing program, enabling the Senate to perform these tasks for several million dollars less than other similar governmental agencies.

Our Senate offices are customers of the United States Postal Service and commercial delivery services such as UPS and FedEx. When Senate staff indicated that they were experiencing health-related symptoms, the SAA office established the Legislative Mail Task Force. The Centers for Disease Control; White House Office of Science and Technology Policy; Office of the Attending Physician; United States Postal Service and others comprise this task force.

The SAA tasked the National Institute of Occupational Safety and Health (NIOSH) to conduct a Health Hazard Evaluation of all buildings in the Capitol complex. The NIOSH industrial hygienists performed extensive testing in all Senate buildings and the Capitol Building. Medical officers from NIOSH interviewed 389 Congressional staff employees. Corrective action was taken where necessary in response to the NIOSH findings and guidelines were issued to staff who handle irradiated mail. The report was released in April 2002, and NIOSH representatives conducted briefings for Senate staff, reported their findings and answered staff questions. The SAA staff will work closely with the Office of the Attending Physician as the Senate continues to monitor this important issue.

The Legislative Mail Task Force was instrumental in driving process improvements in the irradiation of mail. For instance, irradiation levels have been reduced twice since December 2001, without having a detrimental effect on the kill rate for biological contaminants. The result has been that the mail today approximates the appearance of mail that is not irradiated, and staff health concerns have been dramatically reduced.

The Legislative Mail Task Force continues to seek improvements in reducing delivery time of processed mail to Senate offices. Last fall, United States Postal officials stated that processed mail would be delivered between seven and ten days from mailing. Currently, processed mail is delivered on average in sixteen days. Onsite visits to the Brentwood Postal Facility and other USPS distribution points were conducted to identify causes of delays. United States Postal Service authorities have stated that all the mail that was backlogged in the Brentwood facility has been processed and delivered to the Senate. While the SAA is not pleased with the average sixteen-day delivery time, our analysis indicates Senate mail is being delivered in a more timely manner than that of other Legislative Branch agencies.

I have directed that the Mail Task Force remain operational with its next goal to work with the U.S. Postal Service to reduce the excessive delay of the mail from the current 16-day average for delivery.

Until October 18, 2001, the P Street warehouse was the receiving and inspection point for Senate mail delivered from the Brentwood Post Office. The P Street warehouse was closed in October 2001 after the discovery of anthrax spores on pieces of equipment (believed to have been caused by cross-contamination of the mail). The FBI, as part of its investigation, took custody of Senate and House mail contained within the P Street warehouse. Following its return by the FBI, the mail had to be decontaminated using the irradiation process and was released for distribution on April 12, 2002. Similarly, tens of thousands of pieces of cross-contaminated mail contained within the Brentwood facility had to be decontaminated and most was delivered to the Senate in March 2002.

Packages quarantined in the P Street warehouse since October 2001 were recently released by the FBI and are being processed for delivery to the Senate in May 2002.

The SAA staff worked with Senate office managers, and the Committee on Rules and Administration in developing procedures that would allow for the delivery of safe packages. Packages were reintroduced for delivery during the first week of February 2002 and since that time over 13,000 packages have been delivered.

SAA Service to the Senate Community after the October Anthrax Incident

The SAA staff was committed to maintaining Senate operations after the October 2001 bio-terrorist attack. Working with the Rules Committee and the Office of Secretary of the Senate, the SAA staff provided the infrastructure to support the temporary office locations in the Capitol, Russell and Dirksen Senate Office Buildings as well as in the Postal Square Building for Hart Building offices. Within a few days of the incident, SAA staff had installed hundreds of telephones, data network connections, microcomputers, copiers, facsimile machines, and other equipment in dozens of locations, many of which never housed staff before. Additional equipment and services in those spaces were continually provided until the Hart Building reopened on January 22, 2002. More than 3,000 items of Senate-owned, newly-acquired, or rented equipment were installed during the period, and most were installed within the first few days of the relocation. In addition to the installation work, thousands of logistical tasks, such as forwarding telephone numbers and creating new voice mail boxes were completed to ensure that offices could continue functioning as normally as possible.

All of the offices affected by the closure of the Hart Building required continued reliable access to the information stored on their networks and constituent correspondence management system servers located in the Hart Building. The SAA staff worked with the Environmental Protection Agency to ensure that the equipment was maintained and serviceable throughout the Hart Building decontamination process.

In thirteen offices, contamination was found in the vicinity of data processing equipment. SAA staff provided and configured a complete replacement of the general application and constituent correspondence management system servers in those offices, with little disruption to the work of each office. These servers, installed at the SAA facility at Postal Square, completely replaced the in-office servers in the Hart Building. Additionally, since staff from uncontaminated offices lacked access to their servers to verify regular data backup, the SAA staff installed and configured 50 network storage devices and created a software routine to provide backup services to each of those offices. We were able to access the servers in the Hart Building over our recently upgraded data network, the first time such a large-scale action was undertaken. The SAA staff monitored all of the devices and the related software to ensure that each office's data was regularly backed up, so data could be reconstructed quickly if a server failed in the Hart Building. We provided these services until the devices were returned to the control of the Senate offices after the Hart Building reopened in January.

After reopening the Hart Building, the SAA staff restored services and removed all of the over 3,000 items of equipment and the supporting services that had been installed in temporary locations, and returned those areas to their pre-October 15th use. We also worked closely with the Superintendent's office to rehabilitate all of the areas that were affected by the remediation and clean-up process. Our costs were approximately $1.8 million for the relocation and restoration of Sergeant at Arms services.

From October 2001 through January 2002, the Offices of the Sergeant at Arms and the Secretary of the Senate worked with the Leadership, your staff, the Rules

Committee, the USCP, and the Incident Command Team (particularly EPA and CDC/NIOSH), to communicate with the Senate community, the city, and the country about anthrax and the remediation of the Hart Building. We provided regular written updates and together, we held many briefings for Senators and staff.

In addition, in an effort to answer the many questions about personal safety and health, the SAA staff in the Joint Office of Education and Training coordinated sixteen special briefings for Senate staff between October and December. These sessions included medical briefings, individual coping skills sessions, sessions for managers to assist staff with related stress, and mail briefings. The sessions were attended by 740 Senate staff members.

In January, eight special sessions were offered to help staff deal with issues regarding the return to the Hart Building. Most recently, in March, we held four sessions for staff who open mail in their offices entitled "Response to Hazardous Substances in the Mail Room." These sessions have been attended by 159 Senate staff. We plan to do a video taped version of this program to send out to Senators' state offices.

In the wake of the September 11, 2001 and October 15, 2001 events, the Employee Assistance Program (EAP) staff met numerous evolving needs following these traumatic events. For example, the EAP worked with the medical staff of the Office of the Attending Physician to facilitate the screening program and offered direct counseling services to many of those tested for anthrax exposure.

Following the September 11th attacks through the end of the 4th quarter, fiscal year 2001, 375 staff were processed through the EAP system for Critical Incident Stress Debriefing (CISD). Private counseling sessions were given to 267 of the individuals.

During the first quarter of fiscal year 2002, Employee Assistance Program staff assisted approximately 600 staff members. Private counseling sessions were given to 128 individuals. The total number of sessions for both CISD and individual counseling was 886.

Throughout this unprecedented and extraordinary time, the American Psychological Association Disaster Response Network Team partnered with the Employee Assistance Program staff and facilitated 32 group sessions with Senate staff, Postal workers, Senate pages, and Senate offices.

The SAA Employee Assistance Program staff continue to be present and available to all Senate staff, asking how they are doing, providing seminars and workshops, and offering a sympathetic ear to create an atmosphere of acceptance and stability in the Senate community.

TECHNOLOGY TO BETTER SERVE THE SENATE COMMUNITY

BlackBerry Devices

In response to the communications difficulties experienced during the events of September 11, 2001, we expedited the deployment of BlackBerry wireless messaging devices in advance of our deployment of Microsoft Exchange and Outlook. The Capitol Police now have the ability to broadcast an emergency text message quickly to each Senator, and track the message to see whether it has been delivered and read. The services available through this platform will be expanded to make it even more useful to the Members and their staff.

Senate Recording Studio

The Senate Recording Studio is being converted to a digital format. The broadcast industry has been mandated by the Telecommunications Act of 1996 and the Federal Communications Commission to provide a digital feed by 2006, and we, as the content provider, want to continue providing high quality feed to the broadcasters. Digital format also provides flexibility, a better way of storing the Chamber video record and other data. And the ability to maintain the studio because, as the industry moves to the digital format, it becomes more difficult to obtain parts for an analog system. The five-phase upgrade plan began in fiscal year 2000 with the conversion of Senate television to high definition television and the design and integration of an audio/video/text browsing system on the intranet. Major installation phases took place in the spring and summer of 2001. The system that provides broadcast of Senate sessions was completely rebuilt using digital technology. On September 4, 2001, the Senate became the first legislative body in the world to televise in HD format.

The second phase will focus on the deployment of digital studio cameras, retrofit and networking of edit suites, conversion of video tape operations to video servers, as well as the design and construction of the centralized control room facility that supports committee broadcasts. The third phase will convert the Senate radio operation to digital technology, upgrade field operations with digital cameras and peripherals, and the initial installation of the centralized control room facility. The fourth phase will be for the final stage of the centralized control room deployment and the design and purchase of equipment for the studio control rooms and core facility. The fifth phase will be the installation of the studio control rooms and core facility and will be finalized after completion of the Capitol Visitors' Center (CVC).

Over the past year, the SAA staff also developed and deployed the systems and communications necessary to allow committees and Senators, in conjunction with the Senate Recording Studio, to deliver an audio/video feed of hearings and studio productions over the internet to the public. This eliminated the need to use expensive commercial companies to provide this service. The SAA staff plans to expand this service in the coming year to increase the number of viewers and the number of simultaneous events.

Senate Switch Network (SSN) Upgrade

The SAA staff improved network communications response time at each desktop, by recently completing an upgrade to the Capitol Hill network. This multi-year project was completed on schedule and provides high-speed data transmission for all Senate network connections on Capitol Hill. Its modular design was a critical factor in our ability to rapidly reconnect displaced Senate staffers to their respective local area networks during the closure of the Hart Building. We completed the installation of data network switches in every Senate office local area network (LAN), that supports all workstations, printers and servers. This technology upgrade allows each workstation network connection to transmit and receive data at 10 megabits per second rather than sharing data transmission capacity with all users on the same office LAN. The Senate Switch Network (SSN) is a state-of-the-art, high performance network with high reliability through redundancy and increased transmission speeds at all levels of the network infrastructure.

Response time for the State Office Wide Area Network has substantially improved. Our new network provides much faster access to Correspondence Management and internet/intranet applications. As the Senate Messaging Infrastructure is deployed to state offices, the SAA staff will monitor network performance to ensure continued high-speed capacity.

By processing a record 52 million electronic mail messages this past year without encountering delivery delays or backlogs, the Sergeant at Arms staff demonstrated that previous architecture upgrades to mail services performed as planned. The electronic mail message volume increased 30 percent over last year with our overall capacity in the range of 30,000 to 40,000 messages per hour.

Printing, Graphics, and Direct Mail

The conversion of our Printing, Graphics and Direct Mail (PGDM) Branch from analog to digital technology is near completion. Despite an 8 percent increase in orders, we reduced FTEs by four and reduced salary expenses by $150,000 a year through the utilization of more efficient and versatile equipment placed in all Senate office buildings, the Capitol and Postal Square. We expect this trend to continue as we build our network of strategically located devices, designed to allow Senate offices to order printed material from the convenience of their desktop PCs. This network proved essential with the loss of the Hart Senate Office Building copier center, and with the elevated demand in printed material after September 11. Despite this significant spike in on-demand printing, PGDM was able to disperse the print and photocopy jobs, normally produced at the Hart Building copy center, to idle electronic printers located in the other Senate buildings via the network. This capability enabled Senate offices and the United States Capitol Police to receive high quality printed material in a timely manner.

Many of these requests were for bound booklets, such as The United States Capitol Police Guide to Security Awareness, for which we were tasked to produce over 5,000 booklets in less than 24 hours. We would have been unable to complete this request in previous years. However, the new book binding technology installed last year enabled us to meet the demand. This new binder reduced production time by 77 percent and reduced the labor needed to operate the equipment from six to four FTEs.

We installed an additional high production color printer to accommodate the 43 percent increase in color copy volume. The demand to immediately provide evacuation maps and security documents that required the use of color to highlight critical information became essential after the September 11 terrorist attacks.

We estimate we will be able to reduce maintenance costs by $105,000 during 2002 as a result of programmed equipment investments in PGDM. Additionally, we saved

29 Member offices over $21,000 in office expenses by introducing a more flexible method for creating digital signatures on letters.

Senate Messaging Infrastructure (SMI)

The SMI project is a major multi-year initiative to replace the Senate's electronic mail system, Lotus cc:Mail, which is no longer supported by its parent company, with a new system based on Microsoft's products Exchange and Outlook. We are working closely with the Senate Committee on Rules and Administration, the Committee on Appropriations, and a number of Senate offices to ensure that implementation of the new system is completed as effectively and efficiently as possible. Currently, we are conducting a pilot project in five offices. We expect to begin Senate-wide implementation in June 2002.

Overall, we have received positive feedback about the new system, and staff indicate that the system offers more capabilities that are far easier to use and integrate into other program applications in their offices. We have also learned that the preparation time for an office to effectively plan for such a major service upgrade is time-intensive, particularly for the System Administrator. Additionally, due to the complexity of the installation and the variety of personal computer configurations in the offices, installations are taking longer than expected which may delay the full implementation within Senate offices. We will endeavor to minimize delays and resolve any issues to successful completion.

We are about to begin working with the Senate offices in seniority order now so that in June we can begin the full implementation of the system. Depending on the Senate office schedules, we are planning to have all installations done by the end of this calendar year and are prepared to continue the installation into 2003 if the Senators' schedules require an extension.

PROCESS IMPROVEMENTS

We have made a number of process improvements during the past year and I expect the SAA team to continually seek methods—borrowing from the private and public sectors as appropriate—to perform tasks more quickly, accurately and cost effectively in achieving our mission for the Senate. Four examples that I would like to share are:

- —Printing, Graphics and Direct Mail saved Senate offices $951,000 in postage expenses during fiscal year 2001. We established cross-functional teams tasked with improving outgoing mail delivery, concurrent with reducing costs. Sergeant at Arms staff worked proactively with Senate offices in suggesting methods to prepare letters for mailing, thereby reducing processing and handling expenses. Outgoing mail qualifying for discounts increased by 14 percent.
- —Consolidated Parking and Identification Administration improved office through-put by 33 percent, thereby minimizing customer wait time. We were able to save $197,000 in salaries and reduced FTEs by five people despite a 40 percent increase in the number of IDs produced and a 15 percent increase in parking permits.
- —The Photo Studio developed a cross-functional team that provided additional photographers during peak request periods, enabling a 10 percent increase in photograph processing and one less FTE.
- —Our parking team has worked collaboratively with the Architect of the Capitol, the United States Capitol Police and private contractors as we accommodate Senate staff whose parking spots were, or soon will be, displaced because of the Capitol Visitor Center construction project. This team has analyzed virtually every square foot of the Capitol complex in seeking safe, secure and proximate parking for Senate staff. The tenets of our parking team are: Security, proximity to the Capitol, convenience to staff, best use of existing resources, using taxpayer dollars judiciously, and friendly Customer Service.

We recently relocated 71 senior Senate staff from Northeast Drive to spaces within a short walk to the north door entrance to the Capitol. Senate staff response to this change has been highly favorable. We have already defined the 255 spaces for those being displaced during the next three years. Much of our success has come from the creative reconfiguration of existing parking spaces, (i.e., converting parallel parking spaces to diagonal spaces). In the past, large scale parking space relocations were contracted out to private vendors located considerable distances from Capitol Hill. We estimate, based on previous expenditures, we saved $1 million for the duration of CVC construction projects. We are requesting six FTEs to facilitate parking during fiscal year 2003. We estimate that our parking plan will be about one-third the cost of renting spaces from a private vendor.

SERVICES TO THE SENATE

IT Services and Support

Another initiative that increased our productivity and service to customers includes a new contract for the support of the SAA microcomputer and local area network hardware and software. The new contract provides: A more experienced and qualified staff, greater financial leverage over the contractor's performance, reduced prices for hardware and software, and a modern Web storefront to streamline purchasing.

We expect the new vendor to significantly reduce wait times for repair or restoration services, thereby improving productivity.

Help Desk

Our new Help Desk system effectively supports Senate offices by enabling closer tracking of customers' problems and improving SAA oversight capability. We replaced the former system, Tivoli Service Desk, because the company was sold and no longer provided long-term support. In a very short time, we selected, procured, designed, installed, tested, and implemented a new Help Desk system. Despite the very aggressive schedule, we were able to complete the implementation on time and within budget.

Customer Service

To provide excellent customer service to the Senate, the SAA has implemented a program to ensure the full range of services. The Customers Always Require Excellent Service (C.A.R.E.S.) program ensures that every SAA employee is trained in customer service and every department has a strategy for how it will manage and continually improve service to our customers. All employees attended SAA C.A.R.E.S. training tailored to the services their departments provide to the Senate. Follow-up training is offered on topics such as "Service Recovery" and "Teleprofessionalism." Additionally, each department developed a comprehensive service strategy with input from the employees in the department. This strategy includes the customer service standards for the department and the methods to be used to recognize and reward outstanding service.

BETTER COMMUNICATIONS TO ENHANCE THE LEGISLATIVE PROCESS

Our fiscal year 2003 budget request includes a development strategy for modernizing the Senate's telecommunication systems located in the Hart, Dirksen, Russell, Postal Square, and U.S. Capitol buildings. We are preparing a plan on the life-cycle, maintenance requirements, anticipated services, and support issues for the systems. The fiscal year 2002 emergency supplemental appropriation included funding to provide some immediate improvements to our telecommunication services. However, we also need to build on those immediate actions to construct an infrastructure that will serve the Senate reliably for years to come.

EMERGENCY SUPPLEMENTAL APPROPRIATION

Our funding for fiscal year 2002 was augmented by the Emergency Supplemental Appropriation (Public Law 107–38) which provided $58 million to respond to the September 11 and October 15, 2001 terrorist attacks. This funding will assist in improving security preparedness and responsiveness to such attacks. A high priority initiative is the alternate off-site computer center. This facility, entirely redundant with the Postal Square facility, will ensure corporate and enterprise computing services provided to the Senate can continue in the event an incident renders the primary facility unavailable. The staff at the alternate computer facility will work in concert with SAA staff located in Postal Square providing day-to-day support to all Senate offices.

Other high priority projects included in the emergency communications program include: An enhanced cellular network, redundant facilities for the main telephone switch, backup telecommunications equipment, audio teleconference upgrade, satellite dish and services, and television production/satellite uplink hybrid vehicle.

The final item, the television broadcast production vehicle, will enable the Senate Recording Studio to continue functioning wherever the Senate Chamber is located. The vehicle allows for quick deployment and setup at an alternate location, and provides a satellite uplink for use as a primary or redundant transmission system.

With the completion of these initiatives, the Senate will have the ability to provide far more effective, real-time communications to Members and staff in the event of an emergency situation.

FISCAL YEAR 2003 BUDGET REQUEST

Mr. Chairman, Senator Bennett, in constructing this budget request, I instructed the staff to use the business model instituted by my predecessor, Jim Ziglar. As in prior years, the fiscal year 2003 Budget Request was constructed from the bottom up with every line item examined in detail. We view the budget as an active management tool to help us achieve our broader financial and operating goals. We have instituted a budget process that requires SAA directors to forecast expenses and future needs for each of the next five years. We want to be able to identify for the Senate in advance systems to be modernized; the costs of, and the priorities for, modernization; and the schedule for implementation.

The total budget request for fiscal year 2003 is $162,094,000, an increase of $27,108,000 or 20.1 percent over fiscal year 2002. The salary budget request is $44,661,000, an increase of $5,579,000 or 14.3 percent, and the expense budget request is $117,433,000, an increase of $21,529,000 or 22.4 percent. The staffing request is 829, up 50 FTEs.

This budget request accelerates improvements to physical security and reflects the increased costs of equipment, services and support required to ensure the security of information and communications assets of the U.S. Senate. The total request to fund security initiatives is $18,522,000. The most significant requests are for the alternate computing facility (18 FTE, $1,146,000 in salaries and $4,790,000 in expenses); more secure mail and package processing protocols (13 FTE, $520,000 in salaries and $1,035,000 in expenses); personnel and operating expenses requested to set up the Office of Security and Emergency Preparedness (8 FTEs, $730,000 in salaries and $2,850,000 in expenses); and upgraded communication capabilities (4 FTEs, 235,000 in salaries and $3,287,000 in expenses); and funding for security upgrades for Member state offices ($2,744,000).

Also included in the fiscal year 2003 request is $9,570,000 of three-year funding for the purchase of computer equipment; $5,924,000 of no-year funding for Member Mail System purchases, $4,906,000 of no-year funding to complete Phase Four of the digital technology migration for the Recording Studio and $2,744,000 of no-year funding to enhance the security of Member state offices.

To help us understand and manage our cost structure and operations, we divided the budget into four types of costs: General Operations and Maintenance, Mandated Allowances & Allotments, Technology Capital Investment, and Nondiscretionary Items. Each of these budget areas covers a distinct component of SAA operations.

In conclusion, we believe our fiscal year 2003 budget reflects the resources to meet the needs and requests of the Senate community. We are committed to providing services of the highest quality in the most efficient manner possible. The budget will effectively achieve the security and technology projects contained in our proposals. In addition, Members of the Senate, individually and collectively, continue to make clear to us that they require a modern technical infrastructure to support the operations of their offices. We believe this budget will achieve that result. I appreciate the opportunity to present this budget request to the Committee.

ATTACHMENT I.—FINANCIAL PLAN FOR FISCAL YEAR 2003

OFFICE OF THE SERGEANT AT ARMS—UNITED STATES SENATE

EXECUTIVE SUMMARY

[Dollars in thousands]

	Totals		Variance fiscal year 2003 vs. fiscal year 2002	
	Fiscal year 2002 budget	Fiscal year 2003 request	Amount	Percent Incr/ (Decr)
General Operations and Maintenance:				
Salaries	$39,082	$44,661	$5,579	14.3
Expenses	$21,687	$35,644	$13,957	64.4
Total General Operations and Maintenance	$60,769	$80,305	$19,536	32.1
Mandated Allowances and Allotments	$51,365	$56,399	$5,034	9.8
Technology Capital Investment	$19,860	$20,872	$1,012	5.1
Nondiscretionary Items	$2,992	$4,518	$1,526	51.0

[Dollars in thousands]

	Totals		Variance fiscal year 2003 vs. fiscal year 2002	
	Fiscal year 2002 budget	Fiscal year 2003 request	Amount	Percent Incr/ (Decr)
Total	$134,986	$162,094	$27,108	20.1
Staffing	779	829	50	6.4

The total budget request for fiscal year 2003 is $162,094,000, up $27,108,000, or 20.1 percent. The salary budget request is $44,661,000, up $5,579,000 or 14.3 percent and the expense budget request is $117,433,000, up $21,529,000 or 22.4 percent. The staffing request is 829, up 50 FTEs.

This budget request reflects the increased costs of the equipment, services and support required to improve the security of the physical, information and communication assets of the U.S. Senate. The most significant requests are for personnel and operating expenses for the Alternate Computing Facility (18 FTEs, $1,146,000 in salaries and $4,790,000 in expenses); costs of more secure mail, courier and package processing protocols (13 FTEs, $520,000 in salaries and $1,035,000 in expenses); The Office of Security and Emergency Preparedness (8 FTEs, $730,000 in salaries and $2,850,000 in expenses); and upgraded communication capabilities (5 FTEs, $313,000 in salaries and $3,287,000 in expenses). Funds for initiatives to improve archiving and back-up capability for documents and to upgrade security for Member state offices also are requested.

Included in the fiscal year 2003 request is $9,570,000 of three-year funding for the purchase of computer equipment; $5,924,000 of no-year funding to support the procurement and maintenance of Members' constituent mail systems; $4,906,000 of no-year funding to complete Phase 4 of the digital technology migration for the Recording Studio; and $2,744,000 of no-year funding to enhance the security of member state offices.

We present our budget in four categories: General Operations and Maintenance (Salaries and Expenses), Mandated Allowances and Allotments, Technology Capital Investment, and Nondiscretionary Items.

—General operations and maintenance salaries is $44,661,000, an increase of $5,579,000 or 14.3 percent. The increase is attributable to funding a 4.2 percent COLA, $1,749,000; merit funding of $1,010,000; and to add 50 new positions, $2,820,000. Staffing will increase from 779 to 829.

—General operations and maintenance expenses for existing and new services is $35,644,000, an increase of $13,957,000 or 64.4 percent. Major factors contributing to the increase are operations and support costs for the alternate computing facility, $4,290,000; PC/LAN installation and support contract, $3,193,000; funding for the Office of Security and Emergency Preparedness, $2,350,000; Senate mail handling and processing costs, $1,035,000; and software/equipment maintenance on digital equipment, $209,000.

—Mandated allowances and allotments for computers, mail systems, copiers, telephones and state offices is $56,399,000, an increase of $5,034,000 or 9.8 percent. Major factors contributing to the increase are for new telecommunications services, $2,587,000; federal and commercial office rents, $1,082,000; rent for a new, more secure and climate-controlled warehouse for, $1,000,000; state office security enhancements, $1,000,000; computer equipment for members, committees, officers, and leadership, $916,000; and member mail systems maintenance, $474,000; and local and long distance services for DC and state offices, $404,000. Projects completed in fiscal year 2002 included the Democratic Policy Committee and Republican Policy Committee studio upgrades. We acquired broadcast and video equipment to enable the studios to comply with future digitalization requirements. The completion of these projects results in reducing the budget request for fiscal year 2003 by $1,800,000.

—Technology capital investments is $20,872,000, an increase of $1,012,000 or 5.1 percent compared to the fiscal year 2002 budget of $19,860,000. Funding for the Senate Messaging Infrastructure project (SMI, new e-mail system) increases $2,965,000 to $4,742,000 to fund the final implementation and post-deployment support of the project. Full deployment of video conferencing capabilities for each member is funded at $1,200,000, an increase of $1,100,000 over fiscal year 2002 to provide each Senator with two high-end video conferencing systems, one for the D.C. office and one for a state office. Further refinements to our communication strategy plans and alternate computing facility operations are funded at $1,000,000 and $500,000, respectively. The communication strategy plan will refine long-term needs for the Senate's telecommunications systems and services. Other initiatives include replacement of obsolete printing and document archiving equipment for $1,050,000; enhancements to the CMS applications, $775,000; and acquisition of a contract management system, $450,000 that will replace a four-year old local database with a system accessible by all appropriate program and project managers. Offsetting these increases is a reduction in funding for the Recording Studio Digital Upgrade, $4,348,000. In addition, the Recording Studio Relocation Project, $2,100,000, the Dirksen Building rewiring project, $250,000 and the Emergency Response Plan, $150,000 were funded fully in fiscal year 2002 and no additional funds are requested.

—Nondiscretionary items is $4,518,000, an increase of $1,526,000 or 51.0 percent. The increase is due to projects that support the Secretary of the Senate: contract maintenance for the Legislative Information System, $808,000, Senate Payroll System, $498,000, and the Secretary of the Senate's Financial Management Information System, $220,000.

ATTACHMENT II.—FISCAL YEAR 2003 BUDGET REQUEST BY DEPARTMENT

The following is a summary of the SAA's fiscal year 2003 budget request on an organizational basis.

[Dollars in thousands]

	Totals		Variance fiscal year 2003 vs. fiscal year 2002	
	Fiscal year 2002 budget	Fiscal year 2003 request	Amount	Percent Incr/ (Decr)
Capitol Division	$25,174	$24,983	($191)	0.8
Central Operations	$10,298	$12,311	$2,013	19.5
Technology Development	$25,164	$33,721	$8,557	34.0
Senate Messaging Infrastructure Project	$2,187	$5,190	$3,003	137.3
IT Support Services	$39,741	$48,307	$8,566	21.6
Office Support	$26,381	$30,557	$4,176	15.8
Staff Offices	$6,041	$7,025	$984	16.3
Total	$134,986	$162,094	$27,108	20.1

Each department's budget is presented and analyzed in detail beginning on the next page.

CAPITOL DIVISION

[Dollars in thousands]

Capitol Division [1]	Totals		Variance fiscal year 2003 vs. fiscal year 2002	
	Fiscal year 2002 budget	Fiscal year 2003 request	Amount	Percent Incr/ (Decr)
General Operations and Maintenance:				
Salaries	$11,719	$13,823	$2,104	18.0
Expenses	$1,451	$5,599	$4,148	285.9
Total General Operations and Maintenance	$13,170	$19,422	$6,252	47.5
Mandated Allowances and Allotments	$0	$0	$0	0.0
Technology Capital Investment	$12,004	$5,561	($6,443)	53.7
Nondiscretionary Items	$0	$0	$0	0.0
Total	$25,174	$24,983	($191)	0.8
Staffing	284	306	22	7.7

[1] The Capitol Division consists of the Executive Office, Facilities, Galleries, Recording Studio, Post Office, Information Technology Advisor and the Office of Security and Emergency Preparedness.

Operations and maintenance salaries increase $2,104,000, or 19.7 percent, to $13,823,000. In fiscal year 2003, the Capitol Division is adding 22 additional FTEs, $1,176,000; budgeting for an expected 4.2 percent COLA, $497,000, and merit funding for fiscal year 2003, $431,000. Executive Office staffing increases by four FTEs to provide additional support to the office. The Post Office is required to add 13 FTEs to implement new mail and package processing protocols. Facilities will reduce its administrative staff by one FTE in fiscal year 2003. The Office of Security and Emergency Preparedness requires six FTEs to direct, develop and monitor the processes and procedures needed to ensure security on Capitol Hill and to work on the Continuation of Operations Plan (COOP).

Operations and maintenance expenses increase $4,148,000, or 285.9 percent, to $5,599,000. The Office of Security and Emergency Preparedness is requesting $2,350,000 primarily to fund physical and information security initiatives. The budget request for the Post Office increases $1,037,000 to support increased mail and package handling and processing costs. The Recording Studio budget request is $894,000, an increase of $345,000 or 62.8 percent due to funding for software and equipment maintenance on its new digital equipment. The Facilities budget request of $648,000 is an increase of $54,000 or 9.1 percent, primarily due to rising costs of supplies, materials and uniforms.

The technology capital investments budget request for fiscal year 2003 is $5,561,000, a decrease of $6,443,000 or 53.7 percent compared to fiscal year 2002 of $12,004,000. The Recording Studio requests $4,906,000 in no-year funding to continue with the Digital Technology Upgrade. Phase four will proceed with the construction and installation of a control center as well as the initial design and layout for studio control rooms and a terminal control center. Funding for the Continuity of Operations Plan, $500,000, is to maintain and enhance SAA plans for providing services to Senate offices in the event of a major incident. The Alternate Senate Chamber project, $155,000, is to prepare lighting and cable in a single alternate site to relocate the Senate Chamber in the event an incident forces evacuation of the Senate Chamber in the Capitol.

CENTRAL OPERATIONS

[Dollars in thousands]

Central Operations [1]	Totals		Variance fiscal year 2003 vs. fiscal year 2002	
	Fiscal year 2002 budget	Fiscal year 2003 request	Amount	Percent Incr/ (Decr)
General Operations and Maintenance:				
Salaries	$7,855	$8,346	$491	6.3
Expenses	$2,443	$2,729	$286	11.7
Total General Operations and Maintenance	$10,298	$11,075	$777	7.5
Mandated Allowances and Allotments	$0	$0	$0	0.0
Technology Capital Investment	$0	$1,236	$1,236	0.0
Nondiscretionary Items	$0	$0	$0	0.0
Total	$10,298	$12,311	$2,013	19.5
Staffing	181	183	2	1.1

[1] The Central Operations Department consists of the Printing, Graphics and Direct Mail, Parking Office, ID Office, Photo Studio, and Hair Care Services branches.

Operations and maintenance salaries will increase by $491,000 or 6.3 percent to $8,346,000. This increase is due to the addition of 2 FTEs, a net decrease of $23,000; budgeting for an expected 4.2 percent COLA, $332,000; and merit funding of $182,000. Printing, Graphics and Direct Mail is decreasing its staff by four FTEs. Improved technology in Printing and Mailing and in Publishing Services will enable a reduction of two employees in each area. The Parking Office will add six new FTEs in fiscal year 2003. Parking space will be reduced by the construction of the Capitol Visitors Center requiring labor-intensive stack parking and additional security in lots 11 and 12, creating a need for additional employees.

Operations and maintenance expenses increase $286,000 or 11.7 percent to $2,729,000. This increase is due to funding of security proximity cards for Senate building access for staff, small equipment replacement (large paper cutter, warehouse jack, ID hardware) and maintenance on prior year technology investments which had been covered under first-year warranties.

The technology capital investment budget request is $1,236,000 for fiscal year 2003. $500,000 is requested to upgrade the document archiving system allowing archiving of both paper and electronic images. PGDM is requesting $300,000 to replace two pieces of outdated photocopy and two pieces of networked electronic printing equipment with one up-to-date, high volume, networked printer. Additionally, PGDM is requesting $250,000 to replace a ten-year old outdated laser printing system with new technology. Replacement equipment will ensure parts availability, lower maintenance costs, produce a higher quality product, improve backup capability, and allow for networking between machines within the department. The Parking Operations request of $186,000 is to improve safety and security of Senate staff by installing parking lot video cameras; acquiring bar code readers for parking permit stickers providing more efficient enforcement of parking regulations; and installing an automated pedestrian gate at lot 12.

TECHNOLOGY DEVELOPMENT SERVICES

[Dollars in thousands]

Technology Development Services [1]	Totals		Variance fiscal year 2003 vs. fiscal year 2002	
	Fiscal year 2002 budget	Fiscal year 2003 request	Amount	Percent Incr/ (Decr)
General Operations and Maintenance:				
Salaries	$7,599	$9,231	$1,632	21.5
Expenses	$9,744	$14,714	$4,970	51.0
Total General Operations and Maintenance	$17,343	$23,945	$6,602	38.1
Mandated Allowances and Allotments	$0	$0	$0	0.0
Technology Capital Investment	$4,829	$5,258	$429	8.9
Nondiscretionary Items	$2,992	$4,518	$1,526	51.0
Total	$25,164	$33,721	$8,557	34.0
Staffing	108	128	20	18.5

[1] The Technology Development Services Department consists of the Systems Development Services, Network Engineering, Enterprise IT Operations, Internet/Intranet Services, and Information Systems Security.

Operations and maintenance salaries will increase $1,632,000, or 21.5 percent, to $9,231,000. This increase is due to the addition of 20 FTEs, $1,287,000; budgeting for an expected 4.2 percent COLA, $327,000; and merit funding for existing staff, $27,000. Eighteen new FTEs are required to manage, operate and administer the alternate computing facility. Systems Development is adding one FTE to serve as a senior software specialist supporting the increased number of databases. Internet/Intranet Services will add one FTE as a web development specialist responsible for providing web-site support for Senate offices.

Operations and maintenance expenses increase $4,970,000, or 51.6 percent, to $14,714,000. In fiscal year 2003, $4,290,000 is required for maintenance and licensing on software purchases for the alternate computing facility. Increases in software maintenance and support services, $627,000, SAA data warehouse, $505,000, and e-mail list management, $150,000. These increases are offset by a reduction in outside vendor support, $545,000.

Technology capital investments decrease $429,000, or 8.9 percent, to $5,258,000. The investments are accounted for in the major data network infrastructure projects, the State Office wide area network upgrade, the data security projects, and other technology capital investment projects. Major data network infrastructure investment projects include the Data Network Upgrade, $1,500,000, to support new applications such as SMI, and provide increased capacity for the future; and the Data Network Engineering Upgrade, $1,060,000 to support a virtual private network to enable remote access to the network, an emergency backup communications systems, and support for SMI. The State Office Wide Area Network upgrade, $950,000, will ensure that each state office has improved access to all Senate applications. Data security projects include the Enterprise Disaster Recovery project, $498,000, to provide on-site data backup and off-site data recovery for all mainframe applications.

Other technology capital investment projects include the Voice and RF Systems project, $400,000, to purchase, configure and install lab equipment capable of supporting both voice and data communications, and the equipment and software to support testing of limited radius wireless networks. The infrastructure to support both voice and data communications, called voice over IP, offers several benefits including the potential to allow the Senate phone system to operate over the existing data network in the event of a failure of the telephone switch. The ultimate deployment of limited radius wireless technology supports the expansion of Senate network access throughout the campus without requiring local area network or other hard wired connections. The www.Senate.gov data source project, $225,000, provides for the acquisition and integration of "user friendly" database resources requested by numerous Senate offices to operate in conjunction with the Senate's public web server. The availability of this data source will provide more customizable, flexible and reliable content on many Senate offices' public web sites. The Newswire Project, $125,000, is intended to enhance the current electronic news feeds by supporting multimedia news content and providing an improved user interface.

Nondiscretionary items increase $1,526,000, or 51.0 percent, to $4,518,000. The request consists of three projects which support the Secretary of the Senate: contract maintenance for the Financial Management Information System (FMIS), $2,410,000; enhancements to the Legislative Information System (LIS), $1,610,000; and requirements definition for replacement of the Senate Payroll System, $498,000.

SENATE MESSAGING INFRASTRUCTURE PROJECT

[Dollars in thousands]

SMI Project	Totals		Variance fiscal year 2003 vs. fiscal year 2002	
	Fiscal year 2002 budget	Fiscal year 2003 request	Amount	Percent Incr/ (Decr)
General Operations and Maintenance:				
Salaries	$410	$448	$38	9.3
Expenses	$0	$0	$0	0.0
Total General Operations and Maintenance	$410	$448	$38	9.3
Mandated Allowances and Allotments	$0	$0	$0	0.0
Technology Capital Investment	$1,777	$4,742	$2,965	166.9
Nondiscretionary Items	$0	$0	$0	0.0
Total	$2,187	$5,190	$3,003	137.3
Staffing	5	5	0	0.0

Operations and maintenance salaries increase $38,000, or 9.4 percent, to $448,000. This increase is due to the budgeting for an expected 4.2 percent COLA, $21,000, and merit funding, $17,000.

Technology capital investments increase $2,965,000, or 166.9 percent to $4,742,000. This increase will fund the final implementation and post-deployment support of the Senate Messaging Infrastructure project.

IT SUPPORT SERVICES

[Dollars in thousands]

IT Support Services [1]	Totals		Variance fiscal year 2003 vs. fiscal year 2002	
	Fiscal year 2002 budget	Fiscal year 2003 request	Amount	Percent Incr/ (Decr)
General Operations and Maintenance:				
Salaries	$4,987	$5,606	$619	12.4
Expenses	$6,790	$11,326	$4,536	66.8
Total General Operations and Maintenance	$11,777	$16,932	$5,155	43.8
Mandated Allowances and Allotments	$26,714	$27,750	$1,036	3.9
Technology Capital Investment	$1,250	$3,625	$2,375	190.0
Nondiscretionary Items	$0	$0	$0	0.0
Total	$39,741	$48,307	$8,566	21.6

[Dollars in thousands]

IT Support Services [1]	Totals		Variance fiscal year 2003 vs. fiscal year 2002	
	Fiscal year 2002 budget	Fiscal year 2003 request	Amount	Percent Incr/(Decr)
Staffing	93	98	5	5.4

[1] The IT Support Services Department consists of the Desktop/LAN Support, IT/Telecom Support, IT Research and Deployment, and Equipment Services branches.

Operations and maintenance salaries increase $619,000, or 12.4 percent, to $5,606,000. This increase is due to the addition of five FTEs, $313,000; budgeting for an expected 4.2 percent COLA, $211,000; and merit funding for existing staff, $95,000. Telecom Services will add one FTE to support the additional equipment and services acquired to enhance communication capabilities. IT Research and Deployment will add four FTEs to identify, test and support new equipment and technologies and their application in the Senate.

Operations and maintenance expenses increase $4,536,000, or 66.8 percent, to $11,326,000. The increase is mainly attributable to rising contract costs for providing help desk, PC/LAN installation and support functions to the Senate, $3,193,000.

Allowances and allotments will increase $1,036,000, or 3.9 percent to $27,750,000 in fiscal year 2003. This budget request will support voice and data communications for D.C. and state offices, $15,517,000; maintenance and procurement of Members' constituent mail systems, $5,924,000; procurement and maintenance of office equipment for Members' D.C. and state offices, $3,359,000; and Desktop/LAN installation and specialized support, $2,450,000; and the Appropriations Analysis and Reporting System, $300,000. The DPC and RPC studio upgrades will be completed in fiscal year 2002. The budget request for these projects is reduced by $1,800,000, resulting in a net increase of $1,536,000 or 5.9 percent over fiscal year 2002. The $5,924,000 requested for the maintenance and procurement of Members' constituent mail systems consists of no year funds.

Technology capital investments increase $2,375,000, or 190.0 percent to $3,625,000. These investments will provide the Senate with high-resolution videoconferencing capabilities, $1,200,000. The proposal provides each Senator with two high-end (near television quality) TCP/IP video conferencing systems, one for the D.C. office and one for a state office. Telecom Modernization Planning, $1,000,000, is a project to refine and set a long-term strategic plan for the Senate's telecommunications systems and services. This request also supports new projects that will redesign and enhance members' current constituent mail systems, $775,000. Other ongoing projects supported in this request are the Enterprise Storage Area Network, $150,000; Workflow Technologies, $150,000; Senate Application Service Provider, $100,000; and Streaming Media Upgrade, $100,000.

OFFICE SUPPORT SERVICES

[Dollars in thousands]

Office Support Services [1]	Totals		Variance fiscal year 2003 vs. fiscal year 2002	
	Fiscal year 2002 budget	Fiscal year 2003 request	Amount	Percent Incr/(Decr)
General Operations and Maintenance:				
Salaries	$1,693	$1,871	$178	10.5
Expenses	$37	$37	$0	0.0
Total General Operations and Maintenance	$1,730	$1,908	$178	10.3
Mandated Allowances and Allotments	$24,651	$28,649	$3,998	16.2
Technology Capital Investment	$0	$0	$0	0.0
Nondiscretionary Items	$0	$0	$0	0.0
Total	$26,381	$30,557	$4,176	15.8
Staffing	28	28	0	0.0

[1] The Office Support Services Department consists of the Customer Support, and IT Request Processing, and State Office Liaison branches.

Operations and maintenance salaries will increase $178,000, or 10.5 percent, to $1,871,000. This increase will fund an expected 4.2 percent COLA, $72,000; and fund merit increases all positions, $106,000.

Operations and maintenance expenses will remain flat at $37,000.

Allowances and allotments increases to $28,649,000 due to projected increases in rent for federal and commercial office space, $1,082,000; warehouse rent, $1,000,000; state office security enhancements, $1,000,000; and funding for computer allocations, $916,000. No-year funding totaling $2,744,000 is required to continue acquisition and maintenance on state office security enhancements. In addition, $9,570,000 is requested as three-year funding to purchase computer equipment for Members, committees, officers, and leadership.

STAFF OFFICES

[Dollars in thousands]

Staff Offices [1]	Totals		Variance fiscal year 2003 vs. fiscal year 2002	
	Fiscal year 2002 budget	Fiscal year 2003 request	Amount	Percent Incr/(Decr)
General Operations and Maintenance:				
Salaries	$4,819	$5,336	$517	10.7
Expenses	$1,222	$1,239	$17	1.4
Total General Operations and Maintenance	$6,041	$6,575	$534	8.8
Mandated Allowances and Allotments	$0	$0	$0	0.0
Technology Capital Investment	$0	$450	$450	0.0
Nondiscretionary Items	$0	$0	$0	0.0
Total	$6,041	$7,025	$984	16.3
Staffing	80	81	1	1.3

[1] The Staff Offices Division consists of Education and Training, Human Resources, Administrative Services, Financial Management and Special Projects.

Operations and maintenance salaries increase $517,000, or 10.7 percent, to $5,336,000. This increase is due to the addition of one FTE, $67,000; budgeting for an expected 4.2 percent COLA, $294,000; and merit funding for existing staff, $156,000. Administrative Services will add one FTE as a technical writer to develop and draft technical policy and procedure manuals.

Operations and maintenance expenses increase $17,000, or 1.4 percent, to $1,239,000. The growth in Administrative Services is due to an anticipated increase in metro subsidies ($160,000), the upgrading of equipment for Postal Square conference rooms, and supplying of the Senate transition office. This increase is partially offset by a decrease in Human Resources due to the completion of the physical abilities/medical guidelines project ($200,000).

Technology capital investments budget request is $450,000 in fiscal year 2003. Financial Management will acquire and implement a contract management system to replace a four-year-old local database with a system accessible by all appropriate program and project managers. The new system will provide contract tracking functionality of: value; modifications; terms and conditions; as well as notification of critical dates with e-mail notifications to the concerned parties. Report generation will bring significant efficiency gains.

Senator DURBIN. Thank you, Mr. Lenhardt.

Senator Bennett has indicated that he does not have an opening statement and I will defer to questions from my colleagues in just a moment.

SECURITY MEASURES

Let me ask initially, you were kind enough to give me a closed briefing, a classified briefing about security measures that are being considered and undertaken to deal with any future crises. Can you tell us outside of that context in this open testimony what measures or what progress has been made in preparing the Capitol complex for any challenge that we might face in the future?

Mr. LENHARDT. Mr. Chairman, there has been a lot of work done. To cite just a few things in terms of response to 9/11, we now have intelligence coordination established with the FBI, Department of Defense, the Metropolitan Police Department, and other agencies to provide information about what is going on, identifying specifically the potential threat to the Capitol. Plans and policies have been developed, including evacuation plans, COOP plans, business models, and alternative facilities for various and sundry support services. Training of the Capitol Police and staff has been undertaken. We also have specialized equipment planned that we cannot go into in this session. Evacuation drills and rehearsals have been undertaken for the staff and for the Capitol Police.

In the area of COOP and of COG, continuity of Government planning is well underway between the Offices of the Sergeant at Arms and the Secretary of the Senate. We have certainly expressed those plans and the need for those plans to all Senate offices and all committees and staff offices. As a matter of fact, this August the Secretary of the Senate and the Sergeant at Arms staff will undergo a tabletop exercise to test the validity of our plans.

We have done, as I mentioned, evacuation drills and rehearsals. We have better communications. We have upgraded the Senate pagers, Senators' pagers rather, and BlackBerry devices. Coordination with national telecommunications service providers has been effected and established to give us a better continuity of services in what we can expect.

We are working with the House in a cooperative arrangement, a task force as a matter of fact, looking at autonomous Hill-wide communications and a system that will be dedicated to the Hill. We have made additional authorizations, as you know, for the Capitol Police in terms of increased number of officers. We have coordinated with early responders across the board in terms of other agencies that might assist in the event that we had a crisis.

As you know, we have already established the Office of the Assistant Sergeant at Arms for Security and Emergency Preparedness. As I briefed you 1 week ago, we have concentric circles of security, as we term it, that identify possible alternate locations in the event we had to evacuate the Capitol. These locations correspond to our response to a threat here at the Capitol. The relocation might be here in the local area, or it might be outside the local area. Our planning considers how we might relocate the Chamber and continue the activities and business of the Senate.

Senator DURBIN. Can I ask you one basic question? Since 1983 we have had the placement of these huge concrete planters all around the Capitol.

Senator BENNETT. Sewer pipes.

TEMPORARY SECURITY BARRIERS

Senator DURBIN. Sewer pipes, pardon me, as Senator Bennett refers to them. Is there any chance that, in your vision of the future of Capitol Hill, they may be taken out and replaced with something else?

Mr. LENHARDT. Yes, Senator. We are actively engaged in that process and working with the Architect of the Capitol. All of the concrete, the sewer pipes and the other temporary conduits that you see, the large jersey barriers, as they are termed, will eventually be removed. The plan is to remove them once we have bollards in place, and I think you have seen some of the bollards. They are attractive, aesthetically pleasing, and conducive to the environment that we find ourselves in this new threat scenario.

So all of the concrete barriers you now see are expected to be replaced.

DELIVERY OF MAIL

Senator DURBIN. Good. Let me ask one last question before I turn it over to Senator Bennett. The mail, we know what a mess it was because of the anthrax and the fact that it had to be shipped off for inspection, irradiation, and the like. What is the time now between the delivery of mail to the Sergeant at Arms and the actual delivery of mail to our offices, and is that likely to improve over time?

Mr. LENHARDT. Thank you, Senator. Yes, in fact the delivery of mail is averaging at this point in time about 16 days. By the way, that has been reduced by at least 1½ weeks. Delivery used to be a much longer period of time. We established a Legislative Mail Task Force to look at the whole issue of mail, and how it might be affecting members of the staff in terms of handling the irradiated mail.

I am very much concerned about the tardiness of the mail. We have been working with the U.S. Postal Service to drive down the time that it is taking for the Senate to receive mail. From the U.S. Postal Service, we are receiving their mail, from postmark date to the time that we actually receive it in our facilities here in the Senate, in about 14 days.

We then have a process on top of that that seeks to guarantee the safety of the mail before it is delivered to the staff. So hence you get the 16 days. We think we can do much better than that.

Initially the U.S. Postal Service advertised that they could do their process, the irradiation process, in 7 to 10 days. We want to hold them to that so that we can drive down the time that it takes to deliver the mail.

EFFECT OF IRRADIATED MAIL

Senator DURBIN. Let me ask you about that irradiation process. In my office and many others, there was a sensitivity to the mail when it first arrived. The interns and people who were working with the mail, some, but not a lot, experienced some personal health problems. Has that continued? What do you see in terms of that challenge?

Mr. LENHARDT. Sir, the Legislative Mail Task Force did in fact undertake the investigation of that, and we brought in the National Institute of Occupational Safety and Health to look at the whole issue of mail and its effect: the irradiated mail, and its effect on the staff. NIOSH issued its report last week and that report did not find any harmful effects of the mail to people handling the mail.

Now, obviously we all are sensitive to various and sundry factors, dust in the air and other factors that might have contributed to people having rashes on their fingers, dryness or, for that matter, runny nose, dryness of the eyes and the like. But NIOSH has concluded that there is nothing wrong with the mail that would cause any of the ill effects people were suffering.

Now, as a matter of fact the task force was also successful in working with the U.S. Postal Service to drive down, to reduce, the irradiation of the mail by two levels. That now has caused what we consider to be this beneficial effect of the mail not having the harmful effects that it previously had.

You may have also noticed that the mail is no longer as discolored or as brittle to touch and feel.

Senator DURBIN. It is not as crispy as it used to be.

Mr. LENHARDT. Sir, I have heard it defined as being cooked. So it is no longer cooked as heavily as it once was.

All of this, again, was revealed to the staff in terms of informing them of the NIOSH examination results. So at this point in time we feel confident. The other point I would make, the Attending Physician's Office has also reported that the number of people who have come forward complaining of rashes and runny noses and soreness of the eyes and other parts of the body no longer are coming in at the same numbers. In fact, last week those numbers were near zero. I say near zero because someone is always coming forward saying they are feeling something, and so we respect that.

But the task force that we established continues to monitor all of the conditions of the mail, to include the timeliness of the mail. So, until such time as we are satisfied that task force will remain operational.

Senator DURBIN. Thank you very much.

STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you, Mr. Chairman.

I did not interrupt with an opening statement, but I do want to thank you, Mr. Lenhardt, along with Ms. Harkins, Ms. McAlhany, Mr. Edwards, and the rest of your team, for the superb job you have done under very difficult circumstances. You came on board to what looked like a smooth-running operation with plenty of time for you to get yourself acclimated and suddenly found yourself in the middle of a true whirlwind. I congratulate you and your team for the way you reacted to that and the steps that you have taken.

HILL-WIDE COMMUNICATIONS SYSTEM

Now, a very minor issue just came out of your answer to the chairman. You talk about the pager and the BlackBerry. Can you put those together? I carry a pager, I carry a cell phone. I refuse to carry a BlackBerry. Two is enough.

[The statement follows:]

PREPARED STATEMENT OF SENATOR ROBERT F. BENNETT

Good morning, Mr. Lenhardt, Ms. Harkins, Ms. McAlhany, Mr. Edwards, and the rest of the Sergeant at Arms team. Along with the chairman, I wish to thank everyone as well as others who aren't here today, for the incredible dedication that has been shown over the 8 months in responding to the devastating events of last September and October. We couldn't have gone on with our responsibilities had it not been for the work of the Sergeant at Arms and all the others involved.

As the chairman noted, most of us do take for granted the day-to-day workings of your department, which make the Senate function with phones, computers, e-mail, the delivery of mail, and security protections. Having experienced such severe disruptions to our normal operations last fall, today we are more aware of the importance of your work than ever.

The $162 million budget request before us represents a sizable increase of 20 percent, but in these times perhaps such an increase is warranted. As I understand it, the largest staff increases are security related, including 18 FTE for a new alternate computer facility.

Other increases are requested for mail processing, emergency preparedness, and such projects as the Senate Messaging Infrastructure—the new e-mail system—a project your office has been involved in for some time and I look forward to getting an update on it.

Thank you, Mr. Chairman.

Mr. LENHARDT. Senator, I understand. We are working. Part of what we are trying to look for in this Hill-wide communications system is a way that we can combine several of the features of the pager, the BlackBerry, as well as the cellular telephone, into at most two instruments. I say two because to put them all into one instrument would put us in danger of having a single point failure.

Senator BENNETT. Yes, I understand that, and I am willing to carry two, but I draw the line at three. So if you want me to use my BlackBerry you better tie it to the pager that tells me when there is a vote, so I am not fumbling to see which one is buzzing.

Mr. LENHARDT. Senator, we are working on that mightily. I want to get rid of the notion of people wearing bandoliers with all the kinds of devices contained in pouches.

5-YEAR EVERGREEN PLAN

Senator BENNETT. Okay. Now, you made reference to the 5-year evergreen plan that Jim Ziglar put in place and said you were following that. Last year he brought a chart to this hearing representing what he called the evergreen budget, the 5-year budget by category. Your request is $32 million more than that, and I recognize that a good portion of that, $15 million, is security initiatives.

But even though I recognize this was not your budget, you have embraced it in your comment and at least the process in your comment. I would appreciate your telling us what accounts for the additional nonsecurity money, over and above that which Jim Ziglar laid out for us in the budget that you have indicated you have adopted.

Mr. LENHARDT. Thank you, sir. In addition to the security items, sir, we have an increase also for accelerating funding for the recording studio upgrade, which is $5 million; $4 million for phase-in of increased——

RECORDING STUDIO UPGRADE

Senator BENNETT. Let me interrupt you there. You say recording studio upgrade. That is separate and apart from moving the recording studio in preparation for the Capitol Visitor Center?

Mr. LENHARDT. Yes, sir, it is.

Senator BENNETT. So that is something that Jim Ziglar did not have in his budget?

Mr. LENHARDT. That is correct.

Senator BENNETT. Okay.

BUDGET INCREASES

Mr. LENHARDT. $4 million for phase-in of increased Member computer allocations, approved in January 2001, but not funded in 2002; increased State office rents due to higher market rents; video conferencing equipment which is now included in this budget which was not in the former budget; $3 million in funding for post-implementation of the Senate Messaging Infrastructure Project; $3 million in increased costs for the computer support contract that was recently recompeted; and $2 million in new FTEs, the funding for higher COLA and other miscellaneous items, accounts for that amount.

VIDEO CONFERENCING

Senator BENNETT. Talk to me about video conferencing. How is that going to work? Who is going to use that? Is that between State offices and the Washington office?

Mr. LENHARDT. Yes, Senator, it is between the Senator's Washington office and one State office at this point in time. We do not have enough to move it to all 435 State offices, so we are putting our first effort into establishing the fact that it will work and then see how we will extrapolate from that point to other offices statewide.

Senator BENNETT. So in my State the three, or we hope four, Members of the House would come to the same location as my own Senate staff? We would just have one per State?

Mr. LENHARDT. Sir, I am not sure what the House is doing. This is a Senate project. But it seems to me in terms of economy that you would allow them to use the process in some fashion.

Senator BENNETT. But your budget is projecting one per State?

Mr. LENHARDT. One per State, plus the Senator's office here in the Capitol or wherever it might be among the other Senate office buildings.

Senator BENNETT. Has there been a lot of demand for that? Have people said they want to do that? It strikes me as kind of a nice-to-have rather than a vital.

Mr. LENHARDT. Sir, we have had requests for that capability. Additionally, in thinking about how it would defer and reduce transportation costs, of Members moving from the Capitol, say, to their State offices, we think that it would pay for itself in a very short period of time. The state of the art is such that it is used in a number of other venues—the Government, corporate world, it is used in the military. So we think that this is a viable program that will expand and will prove to be a boon at some point in time to the Senate. Again, we can defer and reduce costs for transportation alone.

Senator BENNETT. Well, I think it is probably a good idea, but I would not get too excited about it reducing costs for transportation, because Senators do not go home to confer with their staff. They go home to campaign, and they are going to continue to go home to campaign whether the video conferencing is there or not, unless you can get the town meetings to come to the video conference. Then that might help.

Mr. LENHARDT. Sir, I was thinking more in fact in terms of not necessarily Members going home, but staff who perhaps may have occasion to go out for various and sundry reasons. So this would affect the coordination and save costs and perhaps add to the effectiveness of our interaction with the staff members.

Senator BENNETT. Okay. I am glad to hear about the speeding up of the mail, although it has been a nice excuse whenever you miss an event to blame it on the mail rather than your own lack of desire to be at that particular event.

Mr. LENHARDT. Sir, it is my wish to have to take that alibi away from you.

Senator BENNETT. I think that is all I have, Mr. Chairman.

Senator DURBIN. Thank you very much, Senator Bennett.

Senator Reed.

Senator REED. Thank you very much, Mr. Chairman.

Let me begin by commending you, General, for your performance. You came in, as Senator Bennett pointed out earlier, at an extraordinarily critical moment and your professionalism and your skill and your personal qualities enabled you and your team to do a remarkable job. So thank you for that.

SECURITY OF STATE OFFICES

Let me follow up on some of the thoughts that Senator Bennett was expressing. What about the security of State offices right now? Are you dealing with that in any systematic way?

Mr. LENHARDT. Sir, we are. As you know, our focus has been the Capitol and the Capitol complex, but in terms of the continuity of operations plans we are encouraging Senate offices to certainly fold in the State offices. So we are making that effort in terms of understanding and causing sensitivity to be understood for State offices. We have not collected any of the plans thus far that do, in fact, address the State offices, but we are encouraging Member offices now to reach out to State offices.

You know, the COOP plan is nothing more than a business plan. What will you do, what would you do, in the event of some unforeseen circumstance? How would you maintain your operations? So that is the theme that we are trying to express and communicate across the entire Senate. We think State offices are picking up on that. From time to time we do talk with State offices. We do get some feedback that people are considering that.

Certainly in terms of Member offices here, I do know that they are reaching out. Now, I have not done a collective effort in terms of pulling all those plans together. At some point we may want to think about that. I am not sure what we would be able to do because, again, it is the Member office that has to reach out to the State offices. But I think we can look at it from the standpoint of completeness, the comprehensiveness of the plan, and make some recommendations certainly about how the plan might be shored up.

Senator REED. I think that would be very useful. There is a great deal of attention and emphasis on the offices in the Capitol complex, but we all have at least one office, and some have several offices, in the State. This was demonstrated a few weeks ago when

Governor Ridge announced or the Attorney General announced targeting banks in the Northeast region. My office is on the second floor of a bank in the Northeast region. So you wonder what you should do.

INTERAGENCY COORDINATION

I think the other point, too, is it might be useful to ensure that there is some coordination with local law enforcement offices, Federal agencies, et cetera. That might be something that you could initiate right away. I know the physical improvements are very expensive, complicated, and hard to do. But having some type of coordination with local, Federal and law enforcement officials would be good.

SENATE MESSAGING INFRASTRUCTURE PROJECT

Let me raise another issue. Senator Durbin spoke about the mail. I am younger and more up to date. Let us talk about the Internet. One of the facts is that it is a steadily rising portion of the communications we are getting from constituents. It turns out that last year there was a proposal to do a pilot program for moving from the current system to the Microsoft Exchange-Outlook program. Do you have any results yet from the pilot, and is there any sort of firm proposal to migrate the entire system to this new approach?

Actually, I am not any younger than Senator Durbin. I am just being smart.

Mr. LENHARDT. Yes, sir. The SMI project, as you have already identified, is to migrate from the current cc:Mail to Microsoft Exchange and Outlook. We have now installed the pilot program into five offices and we have a commitment from three other offices to do it within the next few weeks. During this pilot we have been testing our installation procedures, the conversion issues going from cc:Mail to Outlook, and the training and what would be required to move this out through the entire Senate community.

We are also incorporating our BlackBerry devices, so that the BlackBerry then would use as its operating system Microsoft Outlook and Exchange.

Overall, we have received feedback about the new system. It has been positive. We have identified some minor issues at this point in time, but the plan is to, in fact, export this to the entire Senate community. We expect that by the end of the year we will have had installed throughout the Senate all devices, all computers with the new Microsoft Outlook and Exchange.

At this point in time, I am very, very much encouraged by the progress that has been made. Beginning in June is when we will start the full implementation.

Senator REED. Thank you.

BLACKBERRY RESPONSE TIME

We had an occasion to speak just briefly this morning about the BlackBerry response time. For the benefit of my colleagues, can you respond to that issue? As I indicated, it is becoming very useful, but sometimes you send a message and you assume because it is electronic that it is instantaneous communication, and then you discover it arrives 30 minutes later.

Mr. LENHARDT. Yes, Senator. I am concerned about the delay. I am also concerned about a couple of occasions when the system was actually down. We met 2½ weeks ago with the chief operating officer of one of the Internet or the BlackBerry exchange providers. We got a commitment from the chief operating officer for us to have our own base station, which would then give us more control over the timeliness of the message receipt as well as some assurance that the message or the system would not be as often unavailable to us.

Now, I think the system still has a great deal of worth and I am encouraged that you use the system. But the assurance that we have at this point in time in pressing it back to the service provider, I think will result in the kind of response that we need.

I am hoping that more Members use the system as well and as often as you do. But again, we have got to show where the confidence is there in the system for them to use it. So that it is very critical to us to solve this particular problem. I expressed that in a very forthright and a very positive way to the chief operating officer and got a commitment that they would in fact respond to our need and solve this problem. I think they understand also it is in their best interest to do so.

Before we can say that the BlackBerry system is truly an emergency system for us, a backup system, we have got to have the capability to have it available to us when we need it.

Senator REED. Thank you very much, General.

Thank you, Mr. Chairman.

CAPITOL VISITOR CENTER

Senator DURBIN. I want to thank the senior Senator from Rhode Island. I would just like to make a point here before returning to Senator Bennett for another question. I am taking this opportunity in this series of hearings and each meeting to remind everyone that we are going to have a big hole in our front yard for a long time due to the construction of the Capitol Visitor Center. It has been my experience, in politics and life, that just about the time the hole is dug, some people are going to look around and say, "What is this all about?"

This has been underway for many years. A commitment was made after September 11th for security reasons. It will be dirty, it will be inconvenient, it will be a problem for each and every Member of Congress and all of our visitors for some time. But when it is completed, I am confident that we will all conclude it was the right thing to do, and the only thing that we could do to really give our visitors to the Capitol the very best treatment, the very best experience in meeting here, and also the very best in security for all visitors and everyone who works here.

I noted that when our counterparts in the House sat down to consider this possibility and what it meant, their first concern was very predictable. Next to reelection, most Members are concerned about parking. I know this falls under your jurisdiction and that the construction of the Capitol Visitor Center will displace parking on the east side of the Capitol.

Can you tell us what we can expect and what you have planned to deal with this?

Mr. LENHARDT. Thank you, Mr. Chairman. We have developed a good plan. We did take into account the issues you mentioned: security, proximity to the Capitol, convenience of the staff, the best use of existing resources, and, certainly, friendly customer service.

Our plan is to move the staff only once. Right now we have identified 255 members of the staff who will in fact be affected by the Capitol Visitor Center project. That means that already we have moved 89 people and we have identified for them parking spaces that are within close proximity to their former space, so no one is moving and walking any great distance from where they formerly parked.

Senator DURBIN. So when you say moving staff, you mean moving their parking spaces?

Mr. LENHARDT. I am sorry, moving the parking space itself.

PARKING

So from that standpoint I think we are addressing this in a very positive way. The feedback we are getting is a very positive one from the staff. We have created—we have made this opportunity available through a number of ways in terms of creating the 255 spaces: by being more innovative and creative about how we configure the parking space itself. Rather than having parallel parking, we are now diagonally parking, so that you can get more spaces in the same area.

In addition to that, on New Jersey Avenue—and I think you have seen it by now—New Jersey and Constitution, we created a parking plaza, a parking lot, essentially built right there on the side of the sidewalk, that will accommodate some 58 parking vehicles. That has already filled up. People are appreciative of the fact that again they do not have to walk great distances in order to get to the Capitol or, for that matter, Senate office buildings.

In addition to that, I will say that we are working plans to have available parking, as much as can be made available, on the East Front right there near the Senate steps for Members at a critical time when they need to come to the Capitol to vote. So we are planning for that, Senator. At this point in time I cannot give you the exact number of spaces, but we are working that very feverishly, trying to make sure that we have got all of those things taken into account. Even with all the positive aspects of the Capitol Visitor Center that you mentioned, we must not lose sight of the fact that at the same time we have to accommodate some inconvenience or to expect some inconvenience for the good that we will realize 3 or 4 years from now.

Senator DURBIN. Thank you very much.

Mr. LENHARDT. All of that being said, I think we have got parking covered and that we will have sufficient areas there for people to accommodate their vehicles.

Senator DURBIN. Thank you.

Senator Bennett.

Senator BENNETT. Thank you.

CYBER SECURITY

Going back to one of my obsessions, this was triggered by Senator Reed's comments about the warning of cyber attacks against banks. We have had some cyber attacks against the Senate computers, people breaking in. We have been able to handle those without a whole lot of difficulty. But I think we are a prime target.

We went through the Y2K experience creating redundancy, updating, so that we did not have any Y2K problems. I have found since September 11th a number of people have said if we had not done the Y2K remediation we did, we would not have been able to operate after September 11th. Without our Y2K remediation and planning, the whole command center would have been paralyzed for a long period of time. And as it was, we were back up within a matter of minutes.

Are you seeing any indication of cyber attacks, hackers or hacktivists, others, trying to get into the Senate computers and, if so, do you have some plans to try to deal with that?

Mr. LENHARDT. Yes, Senator, we have seen where people have attempted to breach our security. But the firewall that we have established, the security firewall between the public and the Senate system, has been very, very good in thwarting and preventing any outside attacks. So we feel confident that that is there.

But we are not resting on that fact alone. We continually monitor the system. We have a security specialist whose job it is to keep constant vigil on our system. We are constantly upgrading to the latest virus protectors that are out on the market. In addition to that, we are looking at an alternate computing facility that would give us a backup of the present center that we use, so that in the event that something did happen untoward, we would have the capability to very quickly switch over to the alternate computing facility. That, too, is contained in this budget.

So everything is being done to prevent the kind of disruption and certainly down time that might be experienced as a result of someone successfully getting into our system. I do not think it is possible at this point in time, with everything that we are doing to monitor, to contain, and to certainly prevent an outside intrusion, of that happening. And the backup and the alternate computing facility would give us that much more, in terms of an ability to continue operations in the event that something did happen.

Senator BENNETT. Well, I applaud you for that and for your diligence in pursuing it. I just share with you the information that comes into my office as I focus on this question over the entire economy, that the level of sophistication on the part of the attackers is going up exponentially and a firewall that existed, that was more than adequate 12 months ago, is now obsolete.

As the level of sophistication goes up, the dissemination of those tools also increases, which means that the level of expertise required by the hacker goes down, that someone with very little expertise can now get very sophisticated attack weapons off the Internet, download them, and then go exploring.

So I appreciate what you are saying. It is exactly the right posture to maintain. My only other comment would be that as you deal with this you might consider red team, blue team kinds of exercises where you hire a hacker for a day and say, how long would it take you to get in? Overall, we have found in hearings in other committees I have been involved in that you can get into the average corporation in about 6 hours, you can get into the average university in 45 minutes. I would hope that the Senate would be a little more difficult to get in than that, by virtue of the vigilance you have just described to us.

So I applaud you and your approach there and simply urge you to keep it up.

Mr. LENHARDT. Thank you, Senator. I would like to thank this committee for appropriating moneys for us to continue that process. In the past, we have been able to use the resources that were given to the Office of the Sergeant at Arms to do just that, to hire contractors who are in fact current and remain current. So the idea of a blue-red team is a very good one and I am sure that that is already underway.

What we will do is make sure that contractors are continually upgrading their systems and that they understand our sense of urgency about this. But you are exactly right in terms of the attacks out there and the sophistication of the attacks. As those attacks mount, we have got to be smarter and we have got to be more proactive and ahead of potential hackers.

Senator BENNETT. Thank you.

Senator DURBIN. Thank you, Senator Bennett.

Thank you very much, Mr. Lenhardt.

CAPITOL POLICE BOARD

STATEMENT OF WILSON LIVINGOOD, SERGEANT AT ARMS, U.S. HOUSE OF REPRESENTATIVES AND CHAIRMAN, CAPITOL POLICE BOARD

ACCOMPANIED BY:

ROBERT HOWE, ACTING CHIEF, CAPITOL POLICE

ALFONSO E. LENHARDT, SERGEANT AT ARMS, U.S. SENATE, MEMBER, CAPITOL POLICE BOARD

ALAN HANTMAN, ARCHITECT OF THE CAPITOL, MEMBER, CAPITOL POLICE BOARD

OPENING STATEMENT OF SENATOR RICHARD J. DURBIN

Senator DURBIN. We will now turn to the Capitol Police Board which is chaired by the House Sergeant at Arms, Bill Livingood. Welcome to this side of the Rotunda. And also the Acting Chief of Police Robert Howe. We want to welcome Mr. Livingood, Chief Howe, and board members Alan Hantman and Al Lenhardt.

The Capitol Police have really been the front line heroes since September 11th. Before September 11th, we recall the fact that two of our very best, Officers Gibson and Chestnut, gave their lives in defense of the people working in the United States Capitol and those visiting.

Since September 11th, those of us who have watched closely understand the personal and family sacrifices that have been made by the Capitol Police. This has been an extraordinary burden that they have carried on our behalf for a long, long period of time. I have made a point of stopping and saying hello and commiserating from time to time. I understand that it has not been easy for them. We owe them a great debt of gratitude, not just Members of Congress but all of the staff, all the visitors, and everyone in America who treasures this great Capitol complex. The force has performed tirelessly, putting in 12-hour days week after week, month after month, working diligently to protect us.

So we will start this portion of the hearing by thanking all of the officers and their leader, Acting Chief Howe, for his dedicated service. I think it bears repeating that these men and women risk their lives for us every single day. They get up in the morning and put on that badge, hoping that they will come home safely. We should never forget that, in our way that we view them as people, and certainly as an integral part of the Capitol Hill family.

The budget request this year for the Capitol Police totals $212.6 million. It is an increase of roughly 35 percent over the current budget, including $31 million appropriated in supplemental funds in December last year. The increase would support the goal that has been established of attaining a total personnel level of 1,981 FTEs by the year 2004. This is an ambitious goal and we want to be sure that we have the resources and the approach that we need to achieve it.

Senator Bennett.

OPENING STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you, Mr. Chairman. I simply want to echo your comments in support of the Capitol Police and indicate that I, too, discover a very high level of morale as I visit with police officers wherever I go. Maybe that is just because they recognize that I am on the committee that controls their budget, but I think not. I think they do have a sense of pride and satisfaction in a job well done.

We recognize that you face a time of some uncertainty now. You have to hire new officers, which means a lot of training time. You are suffering some attrition as people want to take to the skies and become sky marshals. I am not quite sure what the attraction of that is. I spend enough time on airplanes that I welcome the opportunity not to. But as people move along to other opportunities, that creates more vacancies that have to be filled.

You are in the process of trying to finalize a permanent chief and all of this circumstance does create a situation of some uneasiness. But it has not in any way been translated into a deterioration of the services that they perform. We recognize that and are grateful to the police for that.

Senator DURBIN. Thank you, Senator Bennett.

Mr. Livingood and Acting Chief Howe, your written statements will be made part of the record. At this point we invite you to summarize them and thank you for joining us today.

STATEMENT OF WILSON LIVINGOOD

Mr. LIVINGOOD. Thank you, Mr. Chairman, and thank you for those comments on behalf of the Capitol Police. They have done an outstanding job and thank you for recognizing that.

Mr. Chairman and members of the committee: We are pleased to appear before you, all of us, the three members of the Board, to present the fiscal year 2003 budget estimate for the Capitol Police. I would like to officially introduce Acting Chief Robert R. Howe. Chief Howe is serving as interim Chief, as you are aware, until the Board completes its search process to name a new chief of police. Chief Howe's 31 years of experience with the U.S. Capitol Police has been and continues to be invaluable. Thank you, Chief Howe.

Mr. Chairman, the events on September 11th and the subsequent anthrax attack on October 15th had a profound effect on security within the Capitol complex. In the past, we have testified before this and other committees regarding the terrorist threat we face on a daily basis. The attacks that occurred last fall have only deepened our concern. Regrettably, it is no longer a question of if a terrorism act will again occur on U.S. soil, it is now a question of when and where.

It is for this reason that the Capitol Police must continue to receive the funding required to ensure its continued viability to serve and protect the people of the Capitol complex, and to safeguard the institution of this great Congress.

BUDGET REQUEST

The budget submission for the U.S. Capitol Police for fiscal year 2003 is $220.4 million, which is a 40 percent increase over the fiscal year 2002 base amount. Of the total request, $192.305 million is for salaries and $28.1 million is for general expenses.

Mr. Chairman, we have identified two areas within the budget that are critical to the department in meeting its mission and achieving organizational goals: staffing and police facilities. The issues are inter-related. The annual budget for the Capitol Police is primarily driven by the staffing level required to provide Congress, the public, and the buildings with the requisite level of security and protection in an open threat potential environment.

In the fiscal year 2001 budget cycle, the Capitol Police Board began a major staffing initiative that will increase the number of FTEs to a level commensurate with the mission of the department. Over the course of the next 3 years, we will incrementally increase FTEs until the revised optimum number of 1,981 FTEs is achieved. We are requesting funding for 1,810 FTEs in the fiscal year 2003 budget.

FACILITY NEEDS

With regard to police facilities, I am pleased to report, with the committee's support, we have recently moved our vehicle maintenance operation to 67 K Street, Southwest. The facility is modern, well equipped, and provides a safe work environment for all our personnel. Likewise, steady progress is being made to open a new Capitol Police training facility at the Federal Law Enforcement Training Center in Cheltenham, Maryland. I would really, particularly on behalf of the entire Board and the Capitol Police, like to thank the committee for your support on these projects. It has made a difference.

There are, however, several police facilities that must be addressed. As we add more officers to the department during the staffing initiatives, the space requirements in the Capitol, and the House, and Senate office buildings will exceed our current allocations. Likewise, the Eney, Chestnut, and Gibson Building, which serves as Capitol Police headquarters, can no longer support the growing administrative and operational functions of the department.

In addition, as we learned during the September 11th incident response and the response management and mitigation of the anthrax attack, it is imperative that the police obtain a state of the art command and control facility. These factors, combined with health and safety concerns on certain assigned space, have compelled the Architect of the Capitol to hire a consultant to update the Capitol Police facilities master plan, to determine the comprehensive facilities needs of the U.S. Capitol Police.

Working with the Board, the Architect and the police command staff, the consultant will determine space requirements for the department and locate properties in the vicinity which may be obtained to co-locate police operational and administrative services.

The issue of facilities is imperative to the successful performance of the department's law enforcement, security, and protective missions. Therefore, the consultant's report will be submitted to the committees of jurisdiction for review and approval of funding requests.

EMERGENCY RESPONSE FUND

The Board received $110.75 million from the Legislative Branch Emergency Response Fund. For the 21 projects that are funded, we have started work on 8 and have cancelled 1 project. Three await the formation of our Office of Emergency Planning and Chem-Bio Strike Force. The remaining are in support of future Architect of the Capitol projects.

A major security project is the Senate Office Buildings Perimeter Security. The conceptual design has been completed that will put into place vehicle-rated barriers and provide increased standoff from a vehicle attack. We look forward to meeting with the committees to present these ideas.

Mr. Chairman, as you can see, the U.S. Capitol Police is an agency which is once again in transition. The future of the department is contained in the U.S. Capitol Police strategic plan, which is currently being updated in view of changing priorities. Likewise, several recent security studies of the Capitol complex are being reviewed and condensed into one comprehensive plan.

DEDICATION OF PERSONNEL

However, the most important asset of the United States Capitol Police is its personnel. We, the Capitol Police Board, would like to commend the men and women of the department for continually performing their duty in a diligent and professional manner. The past 7 months have been one of the most challenging periods in the department's history. In the face of increased terrorist threats and in spite of a bioterrorism attack, the personnel of the United States Capitol Police ensured that the national legislative process proceeded uninhibited. They took extraordinary measures, working additional duty hours for extended periods of time, to provide security and protection to the Congress, the congressional community, and visitors.

I know that I speak for all my colleagues when I say that we are proud to be associated with such a fine group of men and women, and we thank them for their service, dedication, and patriotism.

We look forward to working with you to ensure the Capitol Police receive the funding and support required to meet their mission. A detailed budget of the U.S. Capitol Police has been submitted to the committee. We will be happy to answer any questions that you may have.

[The statement follows:]

PREPARED STATEMENT OF WILSON LIVINGOOD

Mr. Chairman and members of the Committee, we are pleased to appear before you today to present the fiscal year 2003 Budget Estimate for the United States Capitol Police.

I would like to formally introduce Acting Chief Robert R. Howe. Chief Howe is serving as interim chief until the Board completes the selection process to name a new Chief of Police. Chief Howe's thirty-one years of experience with the United States Capitol Police have been invaluable.

Mr. Chairman, the events of September 11th and the subsequent anthrax attack on October 15th had a profound effect on security within the Capitol Complex.

In the past, we have testified before this and other committees regarding the terrorist threat we face on a daily basis. The attacks that occurred last fall have only deepened our concerns. Regrettably, it is no longer a question of if a terrorist incident will again occur on U.S. soil, it is now a question of when and where. It is for this reason that the U.S. Capitol Police must continue to receive the funding required to ensure its continued viability to serve and protect the people of the Capitol Complex and to safeguard the institution of the Congress.

The budget submission for the U.S. Capitol Police for fiscal year 2003 is $220,405,000, which is a forty percent increase over the fiscal year 2002 base amount. Of the total request, $192,305,000 is for salaries and $28,100,000 is for general expenses.

Mr. Chairman, we have identified two areas within the budget which are critical to the Department in meeting its mission and achieving organizational goals: staffing and police facilities. These issues are inter-related. The annual budget for the U.S. Capitol Police is primarily driven by the staffing level required to provide Congress, the public, and the buildings with a requisite level of security and protection in an open, threat potential environment. In the fiscal year 2001 budget cycle, the U.S. Capitol Police Board began a major staffing initiative that will increase the number of FTEs to a level commensurate with the mission of the Department. Over the course of the next three years, we will incrementally increase FTEs until the revised optimum number of 1,981 FTEs is achieved. We are requesting funding for 1,810 FTEs in the fiscal year 2003 budget.

With regard to police facilities, I am pleased to report that, with the committee's support, we have recently moved our vehicle maintenance operation to 67 K Street, SW. This facility is modern, well-equipped, and provides a safe work environment for our personnel. Likewise, steady progress is being made to open a new U.S. Capitol Police training facility at the Federal Law Enforcement Training Center in Cheltenham, Maryland. I would like to thank the Committee for your support of these projects.

There are, however, several police facility issues which must be addressed. As we add more officers to the Department during the staffing initiative, the space requirements in the Capitol and the House and Senate Office Buildings will exceed our current allocations. Likewise, the Eney, Chestnut, Gibson Building, which serves as police headquarters, can no longer support the growing administrative and operational functions of the Department. In addition, as we learned during the September 11th incident response, and the response, management, and mitigation of the anthrax attack, it is imperative that the police obtain a state-of-the-art command and control facility.

These factors, combined with health and safety concerns on certain assigned space, have compelled the Architect of the Capitol to hire a consultant to update the Capitol Police Facilities Master Plan to determine the comprehensive facilities needs of the U.S. Capitol Police. Working with the Board, the Architect, and the police Command Staff, the consultant will determine the space requirements for the Department and locate properties in the vicinity which may be obtained to co-locate police operational and administrative services. The issue of facilities is imperative to the successful performance of the Department's law enforcement, security, and protective mission. Therefore, the consultant's report will be submitted to the Committees of jurisdiction for review and approval of funding requests.

The Board received $110,750,000 from the Legislative Branch Emergency Response Fund. For the 21 projects that are funded, we have started work on eight and have canceled one project. Three await the formation of our Office of Emergency Planning and Chem/Bio Strike Force. The remaining are in support of future Architect of the Capitol projects.

A major security project is the Senate Office Buildings Perimeter Security. The conceptual design has been completed that will put into place vehicle rated barriers and provide increased standoff from a vehicle attack. We look forward to meeting with the Committees to present these ideas.

Mr. Chairman, as you can see, the United States Capitol Police is an agency which is once again in transition. The future of the Department is contained in the USCP Strategic Plan which is currently being updated in view of changing priorities. Likewise, several recent security studies of the Capitol Complex are being reviewed and condensed into one comprehensive plan.

However, the most important asset of the United States Capitol Police is its personnel. I would like to commend the men and women of the Department for continually performing their duty in a diligent and professional manner. The past six months have been one of the most challenging periods in the Department's history.

In the face of increased terrorist threats and in spite of a bio-terrorism attack, the personnel of the United States Capitol Police ensured that the national legislative process proceeded unhindered. They took extraordinary measures, working additional duty hours for extended periods of time to provide security and protection to the Congress, the Congressional community, and visitors. I know that I speak for my colleagues when I say that we are proud to be associated with such a fine group of men and women and we thank them for their service, dedication, and patriotism.

We look forward to working with you to ensure the police receive the funding and support required to meet their mission. A detailed budget for the U.S. Capitol Police has been submitted to the Committee. We will be happy to answer any questions that you may have.

Senator DURBIN. Thank you very much. Thank you for joining us here today.

STATEMENT OF ACTING CHIEF ROBERT R. HOWE

Chief Howe, if you would like to make a statement at this time. Your entire written statement will be made part of the record, and if you would like to summarize we would appreciate it.

Chief HOWE. Thank you very much, Mr. Chairman, Senator Bennett. Thank you especially for those most generous remarks. I will ensure that those are passed along to the men and women of the force and I am sure they will appreciate them as well.

I am pleased to appear before you today to present the fiscal year 2003 budget request for the United States Capitol Police. As you said, the bulk of my statement has been submitted for the record, so I would like to abbreviate my remarks.

POLICE PRIORITIES

We have made it a priority to improve the capabilities of the U.S. Capitol Police to deter, detect, and respond, contain and mitigate threats ranging from a single armed individual to an organized terrorist attack. Overall, the department's capabilities are based on four primary factors: adequate staffing, adequate training, adequate facilities, and adequate funding.

It is clear that, given the responsibilities of the United States Capitol Police, it has been understaffed for a number of years, given the physical environment of the Capitol complex and the multitude of duties needed to fulfill our mission. In fiscal year 2001, with your support, we began an initiative to incrementally increase the number of officers each year until we have reached an optimum number of FTEs which is commensurate with our mission. In view of recent events, we have updated that optimum number to a total of 1,981, which we plan to reach by the year 2004. This FTE level will allow us to staff each access point with a minimum of two officers, staff all other police posts, and provide civilian technical and administrative support.

STAFF RECRUITMENT AND RETENTION

As you can see, the annual budget for the department is primarily driven by required staffing levels. The majority of the requested increase can be attributed to salaries and associated personnel costs. The fiscal year 2003 request for 1,810 FTEs is based on our ability to recruit, hire, and retain and train additional personnel. It should be noted that we are losing officers to other law enforcement agencies at an increasing rate. Likewise, we are competing against those same agencies to attract qualified personnel to increase the staffing level and overcome attrition.

The pay adjustment and recruiting and retention incentives you approved last year will help stem the tide. I am confident that the pay adjustment included in the fiscal year 2003 budget request will allow us to continue to remain competitive with other law enforcement agencies regarding recruitment and retention of personnel.

TRAINING

The capability of any organization is dependent upon the level of training, knowledge, and skill of its personnel. That is why I have made training a priority issue in the fiscal year 2003 budget request. We must provide our personnel with high quality training in a myriad of operational, administrative, and management functions. Our employees must receive intensive, realistic, and demanding training that supports our mission. We must take steps to train our officers and civilians so that they are capable of performing their duty at peak effectiveness.

The funds requested will allow us to implement a robust training program for all of our personnel. Funding is also included which will allow our personnel to complete continuing education and certification programs which enable them to maintain mandatory certification requirements.

I would like to thank the committee for your support in enabling us to move the training bureau to the Federal Law Enforcement Training Center in Cheltenham, Maryland. This facility represents a significant step in the professional development of the department and will have a long-lasting positive effect on our ability to train our personnel.

SPACE NEEDS

While the issue of training facilities has been resolved, we still have concern regarding other police facilities and space for police use. As we increase the number of FTEs, we will require increased space for lockers and equipment storage, rollcall rooms, and administrative operations. Moreover, recent events have underscored the need for a secure command and control facility for the Capitol Police to manage emergency situations and monitor special events. Clearly, we have already maximized the space that is available to us. In some cases, assigned space presents health and safety concerns for our personnel. A revision of the 1999 USCP master plan is currently underway to address these and other issues.

CHEM-BIO STRIKE TEAM

With regard to improving our current ability to respond to chem-bio incidents, we have made significant progress in defining the mission, function, and organization of the Office of Emergency Management and the Chem-Bio Strike Team.

While a significant amount of attention has been given to the emergency situations we handled last year, we also continue to provide routine law enforcement, security, and protective services to the United States Congress, its staff and visitors. I have included in my written testimony the crime statistics for fiscal 2001. These statistics are indicative of the threat management and law enforcement responsibilities we carry on on a daily basis.

STAFF RECOGNITION

I am very proud of the level of service, sacrifice, and dedication displayed by the men and women of the department over the course of the last year. Under extremely difficult circumstances, they once again answered the call of duty and took extraordinary effort to protect and serve our community. They do this day in and day out with the knowledge that protecting the Congress, the staff and visitors in these buildings against those who wish to commit acts of violence is in the interest of the Nation.

I would also like to express my appreciation for the support and acts of kindness of the Senate and House staff that they demonstrated to our personnel during the September and October incidents. Many offices provided food and refreshments to our officers who were working extended duty hours, even through the holidays. Others wrote letters or simply said thank you as they passed an officer standing on post. Those acts of kindness and recognition are what bind us to our community and we thank them for their display of concern and support.

In closing, I would like to again thank the committee for the support you have provided to the Capitol Police over the past year. There are many challenges that still lie before us. We all shoulder the responsibility to ensure the safety and security of all those who work and visit within these symbolic and historic buildings. Clearly, the ability of the Congress to fulfill its constitutional responsibility is directly linked to the ability of the Capitol Police to meet its mission.

This budget request is integral to ensuring continued development and operational readiness of the department. With the continuing support of this committee and the Congress, we can ensure the United States Capitol Police remain strong and up to the challenge.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF ROBERT R. HOWE

Mr. Chairman and members of the Committee, I am pleased to appear before you today to present the fiscal year 2003 Budget Request for the United States Capitol Police.

As Mr. Livingood stated, the events of September 11th and October 15th have increased the challenges the Department faces. However, it is important that the Congressional community and the American people understand that our mission, and our commitment to accomplishing our mission, remains steadfast. We will continue to take measures to provide a safe and secure environment which enables Congress to fulfill its Constitutional responsibilities and protects all those who work and visit the Capitol Complex.

We have made it a priority to improve the capabilities of the U.S. Capitol Police to deter, detect, respond to, contain, and mitigate threats ranging from a single armed individual to an organized terrorist attack. Overall, the Department's capabilities are based on four primary factors: adequate staffing, adequate training, adequate facilities, and adequate funding.

It is clear that, given our responsibilities, the U.S. Capitol Police has been understaffed for a number of years given the physical environment of the Capitol Complex and the multitude of duties required to fulfill our mission. In fiscal year 2001, with your support, we began an initiative to incrementally increase the number of officers each year until we have reached an optimum number of FTEs which is commensurate with our mission. In view of recent events, we have updated that optimum number to 1,981, which we plan to reach by fiscal year 2004. This FTE level will allow us to staff each access point with a minimum of two officers, staff all other police posts, and provide civilian technical and administrative support.

As you can see, the annual budget for the Department is primarily driven by required staffing levels. The majority of the requested increase can be attributed to salaries and associated personnel costs. The fiscal year 2003 request for 1,810 FTEs is based on our ability to recruit, hire, and train additional personnel. It should be noted that we are losing officers to other law enforcement agencies at an increasing rate. Likewise, we are competing against those same agencies to attract qualified personnel to increase the staffing level and overcome attrition. The pay adjustment and recruiting and retention incentives you approved last year will help stem the tide. I am confident that the pay adjustment included in the fiscal year 2003 budget request will allow us to continue to remain competitive with other law enforcement agencies regarding recruitment and retention of personnel.

The capability of any organization is dependent upon the level of training, knowledge, and skills of its personnel. That is why I have made training a priority issue in the fiscal year 2003 Budget Request. We must provide our personnel with high-quality training in a myriad of operational, administrative, and management functions. Our employees must receive intensive, realistic, and demanding training that supports our mission. We must take steps to train our officers and civilians so they are capable of performing their duties at peak effectiveness. The funds requested will allow us to implement a robust training program for all of our personnel. Funding is also included which will allow our personnel to complete continuing education and certification programs which enable them to maintain mandatory certification requirements.

I would like to thank the Committee for your support in enabling us to move the Training Bureau to the Federal Law Enforcement Training Center in Cheltenham, Maryland. This facility represents a significant step forward in the professional development of the Department and will have a long-lasting positive impact on our ability to provide training to our personnel.

While the issue of training facilities has been resolved, we still have a concern regarding other police facilities and space assigned for police use. As we increase the number of FTEs, we will require increased space for lockers, equipment storage, roll call rooms, and administrative operations. Moreover, recent events have underscored the need for a secure command and control facility for the U.S. Capitol Police to manage emergency situations and monitor special events. Clearly, we have already maximized the space that is currently available to us. In some cases, assigned space presents health and safety concerns for our personnel. A revision of the 1999 USCP Master Plan is currently underway to address these and other issues.

With regard to improving our current ability to respond to chem-bio incidents, we have made significant progress in defining the mission, function, and organization of the Office of Emergency Management and the Chem/Bio Strike Team.

While a significant amount of attention has been given to the emergency situations we handled last year, we also continued to provide routine law enforcement, security, and protective services to the United States Congress, its staff, and visitors. The following are crime and operational statistics for fiscal year 2001:

—3 assaults occurred in our jurisdiction; 127 in Extended Jurisdiction Zone (EJZ)
—8 robberies occurred in our jurisdiction; 198 in the EJZ
—4 burglaries occurred in our jurisdiction; 189 in the EJZ
—5 autos were stolen in our jurisdiction; 222 from the EJZ
—125 thefts occurred in our jurisdiction, 1,048 occurred in the EJZ.

In fiscal year 2001, the United States Capitol Police made 985 arrests; 576 for traffic offenses, 293 for misdemeanors, and 116 for felony offenses. We also recovered 61 weapons within the Capitol Complex. Attachments A and B provide depictions of the specific areas where we have responded to specific crimes, on the Capitol Hill Complex, against both persons and property.

Also during fiscal year 2001, the U.S. Capitol Police:

—Provided 1,070 protective escorts for visiting dignitaries.
—Conducted 135 security and protective operations for visiting heads of state.
—Provided police services for 606 special events, including 275 demonstrations.
—Conducted 35,744 K–9 explosives searches.
—Conducted 300 protective operations for Members of Congress and Congressional delegations.
—Handled 1,557 threat assessment cases against members of Congress.
—Conducted 1,342 bomb searches and responded to 251 suspected explosive devices or suspected hazardous substances.

These statistics are indicative of the threat management and law enforcement responsibilities we carry on a daily basis.

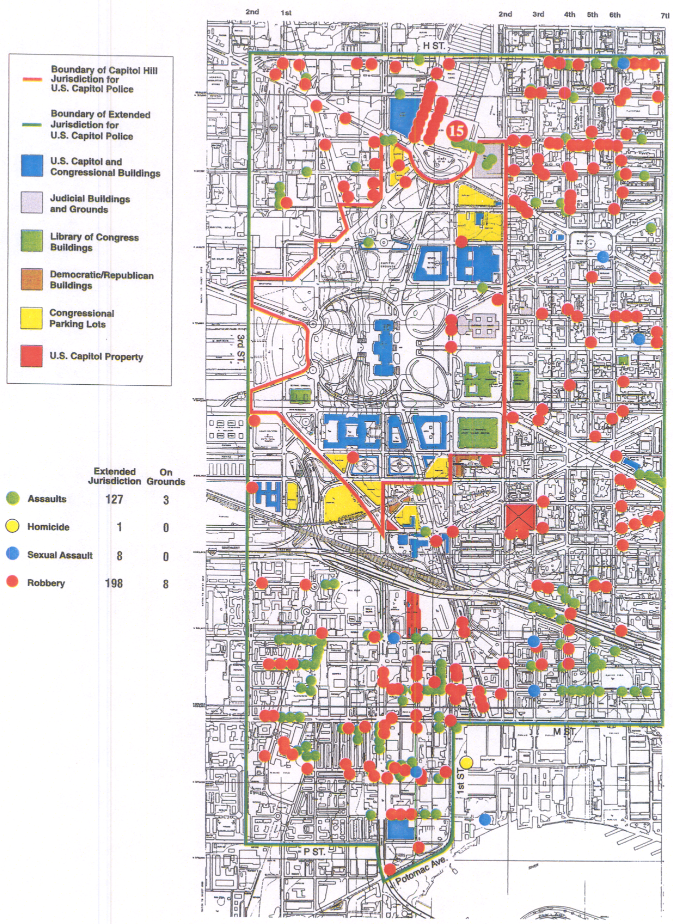
I am very proud of the level of service, sacrifice, and dedication displayed by the men and women of the Department over the course of last year. Under extremely difficult circumstances, they once again answered the call of duty and took extraordinary efforts to protect and serve our community. They do this day in and day out with the knowledge that protecting Congress, its staff, visitors and these buildings against those who wish to commit acts of violence is in the interest of the nation.

I would also like to express my appreciation for the support and acts of kindness the staff gave our personnel during the September and October incidents. Many offices provided food and refreshments to our officers who were working extended duty hours, even through the holidays. Others wrote letters or simply said "thank you" as they passed our officers standing post. Those acts of kindness and recognition are what bind us to the community we serve and we thank them for their display of support.

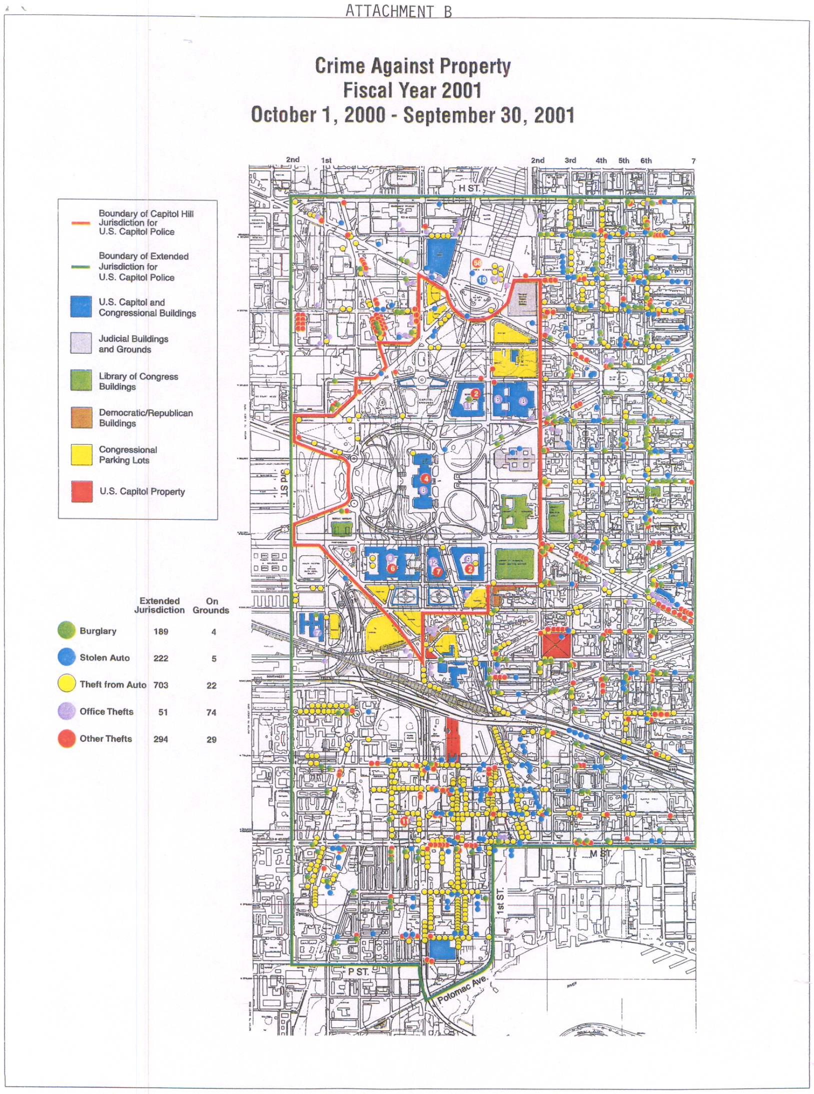
In closing, I would like to again thank the Committee for the support you have provided to the United States Capitol Police over the past year. There are many challenges that still lay before us. We all shoulder the responsibility to ensure the safety and security of all those who work and visit within these symbolic and historic buildings. Clearly, the ability of Congress to fulfill its Constitutional responsibility is directly linked to the ability of the United States Capitol Police to meet its mission. This budget request is integral to ensuring the continued development and operational readiness of the Department. With the continuing support of this Committee and the Congress, we can ensure the United States Capitol Police remains strong and up to the challenge.

ATTACHMENT A

Crime Against Persons
Fiscal Year 2001
October 1, 2000 - September 30, 2001



ATTACHMENT B



OFFICER RECRUITMENT AND RETENTION

Senator DURBIN. Thank you much, Chief Howe.

Let us go to the numbers here and I want to hear your response to what I consider to be a major challenge that we face. Let us start with the premise that 1,981 FTEs by the year 2004 is the right number. We can argue about that a few here, there, or the other place, but if we want to reach a point where the men and women working here have a normal life to lead, I think we understand that we need to have substantially more people on the job.

Now, because the attrition rate, those who have left the Capitol Hill Police over the last year, has been higher than normal, that becomes an even greater challenge. The normal attrition rate I understand is about 10 percent of the force. We have lost about 18 percent in the last few months. It is understandable. There is extreme hardship that is being placed on individuals and some cannot continue meeting their family responsibilities and other needs, and they have made that decision to try something else.

Now let us take another factor into consideration here. Our goal then over the next 2½ years is to find 800 new qualified members for the force to fill the new slots and those that we lose by attrition. We also know that only 1 out of every 10 applicants to become Capitol Hill Police is successful. According to the information we have, about 30 percent do not pass the test, another 14 percent decline to continue with the process after they are told what is involved, about 36 percent are eliminated by background, either by physical, psychological, polygraph, or criminal background test, and then 10 percent decline.

So ultimately, it means that for every officer, our experience has been that we have to have 10 applicants. I hope that changes, but let us assume it does not. As I understand it then, it means in the next 2½ years we need 8,000 applicants for U.S. Capitol Police posts to net 800 officers at the end of this process.

That is an extraordinary challenge for us to face. It has been tough for the Capitol Police to fill 48 slots a year and now we are talking about filling 800 slots over 2½ years. How are we going to do this?

Chief HOWE. One of the biggest challenges we face right at this point is the hiring and retention of individuals qualified to carry out the responsibilities of a Capitol Police officer. We are competing with Federal, State, and local law enforcement agencies throughout the country who are rapidly recruiting officers, some of ours in fact. But even with those challenges, we remain cautiously optimistic that we are going to be able to meet our recruiting goals.

So far in fiscal year 2002, actually since January, we have been able to hire officers as programmed. We need a net hire this year of 218 officers and an increase of 171 officers in fiscal year 2003. We have established a very aggressive recruiting program. Our recruiters are going out to job fairs in multiple States to attempt to attract officers. We have had 4,000 people fill out the initial application so far and of that we have gotten 1,800 people into the process.

Now, some of those are going to fall out along the way, as you mentioned. We anticipate to hire 1 in 10 of those 1,800 people.

Senator DURBIN. Chief, when you say that you have competition for men and women, what do you think is the attraction of other service compared to the Capitol Police force?

Chief HOWE. There are a number of individuals who come to work here, Senator, who use this as a training bed to make themselves more attractive to, what we call in the business, 1811s. That is, Federal criminal investigators. An opportunity to become a criminal investigator with the Capitol Police is very limited because our criminal investigation staff is very, very small, and some people have these as their career goals, and we are going to lose these people anyway.

In almost every year, there is one organization or another who is trying to hire large numbers. In this particular year it happens to be the sky marshals. I agree with Senator Bennett, I do not see the attraction to this employment except maybe large sums of money.

But we have expanded our recruiting effort. We have added additional people. We have done an incredible amount of advertising. We have been very successful in getting applications in, and we have hope that we can meet our hiring goals.

MINORITY RECRUITMENT

Senator DURBIN. Minority recruitment for the Capitol Police, what type of effort is being made to focus on that?

Chief HOWE. We have targeted job fairs at predominantly African-American colleges and places of that nature to ensure that our minority recruitment goals remain high. The United States Capitol Police is the second largest employer of African-Americans among Federal law enforcement agencies and we are just slightly behind the Federal Protective Service in that regard. So we have a history of doing well in that particular arena, and we intend to maintain the standard that we have set in the past.

Senator DURBIN. Thank you very much.

Senator Bennett.

FACILITIES

Senator BENNETT. Thank you, Mr. Chairman.

I want to talk about facilities because a large portion of your budget deals with new facilities. Mr. Livingood told us that the present buildings simply do not house what you need and certainly will not house what you are looking at as you make these additional hires.

Could you describe for us the additional space requirements that you have, and prioritize these requirements? What are they? I used to work with a company that talked about vital, important, and nice to have. I would recommend those categories to you. Tell us what is vital in terms of space and what is important in terms of space, and then the nice to haves, so that if we do find we have to cut back a little on the funding, we are cutting back on the nice to haves rather than the vitals.

I understand there is examination of the old Washington Post building as one possibility, but that you probably would not fill it up, which would mean that other people would have to lease there. Just spend a little time in this whole area with me.

Chief HOWE. I'd be happy to, Senator. As Mr. Livingood mentioned in his opening statement, we are engaged in updating our facilities master plan in cooperation with the Board, the Architect of the Capitol, and an outside contractor. I think the prime driver for space in the organization at this point is facilities to house and support the additional officers we intend to hire.

The second critical issue is a command and control facility. Currently our present command and control structure is fragmented.

Half of it is in one place and half of it is in another place. We need to unify those in one single facility, and space is needed for that.

The study that is ongoing right now has identified two primary concepts for housing the department. One of them is a consolidated concept where everything would be housed in one facility. The other is a dispersed concept where we would put portions of the department in one facility and portions of the department in another facility. Each of those operational concepts has two sub-options for housing the department.

The department is currently looking at its own operational requirements in the context of the concepts that the contractor has provided, and we will submit those to the Board very soon. The due date for that plan is June 6, 2002. Our operational requirements will be incorporated into the plan when it is submitted to the Board for its final review.

Senator BENNETT. Let me understand. The assumption of the consolidated says it is easier to have everything together; the assumption of dispersion, we are less of a target?

Chief HOWE. That is correct, Senator. You are right on the money.

Senator BENNETT. You have not yet made a decision as to which of those you favor?

Chief HOWE. We have to evaluate our operational requirements against those two options and look at the real estate opportunities and other factors that will drive this thing. Without trying to get too far out in front of the planning process, the dispersed option is attractive to us, but we have to weigh our operational requirements against that particular option and see what is available and see what will work.

Senator BENNETT. Well, you are making a decision that will have a very long-lasting impact, so I hope you are thinking not in terms of this is what would work really well right now, but in terms of what makes the most long-term sense for the next 5, 10, 15 years as to how the Capitol Police will operate.

OLYMPICS SECURITY

I just have one other observation. Having just come out of the Olympics, your comments about how attractive a target the Capitol Building is—there was actually some consideration given to cancelling the Olympics because of how attractive a target it would be. Terrorists would love to have 3.8 billion people watching on television while they achieved their goal of blowing something up.

As I stood in the command post with the various agencies involved in security for the Olympics, they said to me: Senator, this is boring; absolutely nothing is going on. In the security business, boring is good. The gentleman who headed that said: We believe that the Olympics have been scoped out by potential terrorist groups, who have now said to their members: Do not bother; they are ready for us.

Part of the security came from an advertisement of that fact, that we made it very clear and very public where we were. Indeed, there was one activist group that had targeted a particular event in the Olympics, not a terrorist group—I want to make that differentiation, but they were an activist group that was very upset with a particular part of the Olympics and had announced that they were going to disrupt it. They were not going to blow it up, they were not going to kill anybody, but they were going to demonstrate and disrupt it.

In the week before the Olympics, they put on their web site to all of their members: Do not bother to go to Salt Lake City. Again, they are ready for us and they are so well organized and so prepared that you would just be wasting your time.

There were, I think, four people arrested the night of the opening ceremonies, all four of whom showed up wanting to be arrested. And the dialogue went something like this: You are doing something that is improper. Yes, we know. If you continue doing it, we will have to arrest you. Yes, we know; we are going to continue. All right, I now arrest you. Thank you. And it was taken care of very quickly. They made their political statement by getting themselves arrested and there was no disruption whatsoever of the opening ceremonies or the transportation to and from the opening ceremonies.

I share that with you because I think sometimes in our desire to keep all of our security activity confidential and classified, which clearly is a logical thing to do, we sometimes overlook the potential of making the overall impact of our classified actions public. The statistic I quoted on the Senate floor: In the Atlanta Olympics they had an average of 200 bomb scares a day, which they were constantly running down to determine whether they were legitimate or not, and of course one of them turned out to be very real and the perpetrator still has not been apprehended. In the Salt Lake City Olympics, there were less than 100 for the entire 17 days of the Olympics. People just knew, they are ready for us. And even the hoaxes did not occur.

So as you make your long-term plans and look at this question of dispersion and how visible it might be in terms of projecting preparedness, I think the Olympics experience is one that could be very helpful and I share that with you.

VISIBILITY

Chief HOWE. Thank you very much, Senator. Visibility plays a big role in what we do in terms of providing security. As everyone knows, there are no fences around the Capitol. There is an utter absence of physical barriers, to attacks on the building. It is one of the principal drivers of the number of people that we need in order to effectively secure the place while maintaining an open environment without fences.

So visibility plays a very important part in what we do. If we are visible and we appear to be ready for any event, it helps protect the place.

Senator BENNETT. I recognize that very much in terms of visibility of the officers, but suggest that you take it into consideration, as you look at this question of dispersion, that you might have visibility of facilities also as part of the consideration. Having everybody in a single place may make for a more efficient operation, but also, frankly, may make a real attractive target for somebody coming along.

But you are the experts. I simply share that experience with you from the Olympics experience, which we found very, very useful and very expensive. So we recognize the need for the budget that you have asked for.

Senator DURBIN. Senator Reed.

MILITARY RECRUITMENT

Senator REED. Thank you very much, Mr. Chairman.

As I did with General Lenhardt, let me commend all of you for your extraordinary service. It is good to see Bill Livingood again from my previous experience on the Hill. Chief, if you can commend individually or collectively all your men and women, they do a great job every day for us and thank you very much.

Just let me follow up on this issue of recruiting. This is an obvious question, Chief, since you are sitting next to General Lenhardt. Have you been actively recruiting from the military?

Chief HOWE. Yes, sir. Actually, that is one of our primary sources. The military runs a great number of job fairs for departing personnel, as well as placement programs. We have linked up with the military and we are very actively hunting for those people who are exiting out of the military and looking for employment.

RECRUITMENT AND RETENTION INCENTIVES

Senator REED. We all understand that one of the great incentives to do any type of work is what you get paid, but there is a certain limit about how much you can pay, which forces you to consider other aspects for recruitment and retention and traditional quality of life issues. Have you developed, if not a formal plan, an appreciation of what things you have to do within the force to make it more appealing in a non-monetary way? And can you share some thoughts?

Chief HOWE. We have, Senator. We have a much-improved benefits package, thanks to the committee. We will have tuition reimbursement coming on line very soon as well as recruiting incentives and retention incentives. We are looking very aggressively at a rotation policy among our personnel so that senior officers do not lock down the good jobs and we can retain the younger officers, which are the ones that we have a tendency to lose. The training program has targeted these activities as well.

Senator REED. Bill or General Lenhardt, any comments about this issue?

Mr. LENHARDT. Thank you, Senator. I do have a few things. I think returning to as normal a shift rotation as we can will improve morale. Training is certainly key to that as well, because the professional image of the department goes a long way to saying to folks, this is the place you want to be. This will attract potential candidates to the U.S. Capitol Police.

I think the department is doing a great deal to think about how it reinvents itself, how it gets ready for the 21st century. The pay increase that the committee approved certainly was part of ensuring the effective recruitment and retention of officers and it went a long way to boosting morale as well. It caused the U.S. Capitol Police to be in a position where other departments are following our example. That was very beneficial. I still hear from officers about the benefits of the recent pay raise.

In addition to that, in terms of just thinking about how do we expand the recruiting area; we now can reach out to other States—Pennsylvania, New Jersey, New York. So that, too, in terms of the population we can draw from, is being worked very diligently by the enhanced recruiting effort that is underway that Chief Howe certainly was instrumental in making all of this possible.

All of that is very beneficial. And in terms of whether or not we can get to this large number of potential applicants to draw from, I think we are going to go a long way to doing that. I think at some point in time we are going to be in such a good position that we will challenge the Federal law enforcement training people to come up with more allocations for us, in order to train the numbers of officers that we will be able to supply.

I have a beneficial prediction of success for the department's recruiting efforts. As you know, my background was in recruiting, recruiting for the U.S. Army, and the things that I see in the department go a long way to addressing many of the ills we saw in the Army that eventually we overcame, resulting in a well-ordered recruiting effort.

Senator REED. Thank you, sir.

Mr. LIVINGOOD. I would just like to say I think we are on the right track, as Al said, and we are moving ahead in recruitment. I think we have done very well considering the competition. We are always going to have that competition, but it has gotten a lot more, a lot of increase in the last 4 months. The training, too, is something we have been trying to do for I guess 6 or 7 years now. The department and Jim Varey, the former Chief, started an initiative and now we have a training facility, thanks to you, at Cheltenham. I think that is going to make a big difference in morale and readiness both.

I agree with everything else that Al said. I think one other thing that maybe we can look at would be other possible pay initiatives somewhere down the line here. That would be possibly additional pay if you stay *x* years and it builds up each year you stay and you get a lump sum payment, or something like that. I was just thinking about that the other day and I was going to explore that possibility, something to give them over and above other people's benefits.

NATIONAL GUARD

Senator REED. Thank you very much.

Just one final question. The National Guard came in here to assist the Capitol Police and now have left. Can you give us a quick evaluation of their participation? The presumption is that you still have an ongoing relationship with the Guard as a major contingency force to call in. If you could elaborate on that, whoever wants to do that. Chief?

Chief HOWE. Certainly, Senator. I cannot say enough about the Guard. The Guard came in, they were all volunteers. They left their families in many cases, showed up, worked shoulder to shoulder with us through the middle of winter in dismal weather, stood side by side with our officers, and did an incredible job. I cannot tell you how much we appreciate the work that the Guard did.

We do have a continuing relationship with the D.C. National Guard and I think, if the circumstances warranted it, they would be happy to come back again.

Senator REED. Just a final point, Mr. Chairman. I do not think—and correct me if I am wrong—that we have done enough formally to thank the Guard for their participation in an official way. Have we done that?

Mr. LENHARDT. I can speak to that. Through the commander, General Freeman, we submitted a recommendation that the Guard's unit be cited for a superior unit award, which, as you know, in the military is quite a plum. The paperwork is underway and I am monitoring closely to make sure that it goes through the various wickets in the Department of Defense and the National Guard Bureau.

I think also there was a resolution passed as well that recognized the Guard and their participation——

Senator REED. Yes.

Mr. LENHARDT [continuing]. As well as a number of other certificates and letters of appreciation that were extended to the various individual members of the Guard. We also had a ceremony——

Senator REED. A going-away ceremony.

Mr. LENHARDT [continuing]. Yes, a send-off for them, as they departed. So I think the relationship is a very solid one and we have those established connectivities now between the Capitol Police and the Guard that will last us well into the future.

Senator REED. Thank you very much, General.

Bill?

Mr. LIVINGOOD. Comments I heard from the Guard—and this was not one; this was probably about 90 percent—was: We really enjoyed being here, wish we were staying. That is the way to leave, with your head high like that.

Senator REED. Thank you.

Mr. LIVINGOOD. They were outstanding and we thank you for allowing us to bring them in.

Senator REED. Thank you.

Senator DURBIN. Senator Reed, my understanding is that the resolution was a House resolution. If you would like to initiate a Senate resolution, Senator Bennett and I would be happy to join you.

Senator REED. Mr. Chairman, I think you should initiate and I will join you.

PREMIUM PAY ISSUE

Senator DURBIN. Great. I will be glad to do that.

A few weeks ago I read in the paper about this premium pay issue and it kind of bothered me, because the story was that the Capitol Police men and women who were working were being paid for overtime, but there was a limitation to how much they could get paid for premium pay, that is for Sundays and holidays, and it had something to do with a statute and a limitation based on someone else's salary.

Do we need to change the law or have you found a way to work this out so that the people who actually work are compensated for the time they have worked?

Chief HOWE. Mr. Chairman, there is draft legislation before the authorizing committees to change that regulation and lift the cap to provide for times of emergency. The executive branch had a similar problem and a similar provision was adopted to allow the lifting of the cap during times of emergency. We now have pending a provision to reimburse people back to September 11th for any money they might have lost.

I think the aggregate amount is somewhere in the neighborhood of $400,000, which we intend to find a way to absorb in our budget.

FACILITIES MASTER PLAN

Senator DURBIN. That is fine. Glad that is happening, because a lot of us were prepared, if necessary, to change the law. Whatever we need to do, they should be compensated for time actually worked, period. There should not be any artificial limitation on that, because they were performing above and beyond the call of duty.

Let me address for a moment here the whole question about buildings. Senator Bennett has already raised this. I will tell you that I come to this with some concern. There was a force at work, and I do not know where it started, during the last appropriation discussion to move through in short order, without much debate, this Washington Post facility on Virginia Avenue. It came from the House side, but I do not know if that is where it started, whether it was from some of the people who are here today or from some other source, to move this building through quickly.

I tried to send the message to them that I was not going to let that happen. I think that is a serious mistake. Like I have said to others who have appeared at this table—and I think my colleagues agree—we should think this through before we turn around and build or buy a building in terms of what we need for the long term.

The idea of taking this Washington Post building and buying it for $50 to $75 million and then putting another $50 to $75 million in it is a major commitment. It is also a major decision about the future of the Capitol Police command.

Now, Mr. Hantman, your office was involved in the 1999 master facilities plan for the U.S. Capitol Police, is that correct?

Mr. HANTMAN. That is correct.

CURRENT SPACE REQUIREMENTS

Senator DURBIN. How does that 1999 plan compare with the current request? For example, on square footage I think the Capitol Police, today, have about 150,000 square feet of space available to them. What did the 1999 plan envision?

Mr. HANTMAN. The 1999 plan, Mr. Chairman, talked about putting the General Services Administration-DOD type standards on the type of space that the police had at that point in time. The magnitude of the space requested at that point in time was 314,000 square feet. Post-9/11, the type of issues that were discussed by the Chief earlier, the new command center, operational services bureau, all of those issues basically have created a delta because of the ramping up of staff as well as these new functions, of going from 314,000 square feet as a need to about 518,000 square feet. This is a change of some 200,000 square feet from what had been envisioned in the 1999 plan.

Senator DURBIN. Let me ask you about that, just that simple statistic. From 150,000 square feet that was envisioned in the 1999 plan, we would move to double the space, slightly more. Now the suggestion is we would more than triple the space that is going to be used for the Capitol Police. What kind of analysis has gone into that? Has there been a similar study as there was in 1999 to justify that kind of square footage?

Mr. HANTMAN. The analysis was based upon interviews with the Capitol Police and the Police Board and again using the type of standards that DOD and GSA have for similar functions. Each of the functions that the Capitol Police currently has in their 150,000 square feet is basically below what those standards call for. So even if we did not grow the force, which we are, as you mentioned earlier, there would be a need for additional space just to house it in an appropriate manner.

Senator DURBIN. I might concede, for those who do not know, that if you will go to some of the Capitol Police facilities now, you will see some very serious overcrowding. The men and women who work out of the Capitol Building, for example, I see them stacked up on top of one another with their rollcalls trying to do their job and do it effectively. Clearly, there is a need for a substantial change in the quantity and quality of space.

I am not a manager. I am trying to look at this from the outside. When you have these dramatic deltas as you mentioned, Mr. Hantman, from doubling the space to more than tripling the space, many of us want to step back and say, now, slow down here; are we doing this in a fashion that we can justify? Because it will involve a pretty substantial investment. So I hope we can work with you in that regard.

Let me just go to the point, though, of the Virginia Avenue building, because if this comes back again at us, the same message, I am going to deliver it for myself, and that is that I am going to resist any effort to have a windshield drive-by meeting with a realtor and the purchase of a major building without some thought as to whether or not this is the right thing to do. There are realtors anxious to sell buildings all over the place, but we ought to be purchasing what is good for the long-term needs of the Capitol Police.

Has a decision been made by the Capitol Police Board on this one facility on Virginia Avenue in this appropriation process?

Mr. LIVINGOOD. No, Mr. Chairman, it has not. We are looking at a list of about 8 to 10 buildings and, depending on the scenario that we go to, no one building sticks out or has been talked about at all in Board meetings.

Senator DURBIN. What process will you use and what timetable will you follow to reach that decision?

Mr. LIVINGOOD. We intend to, hopefully by June 6th, when the master plan is due—to have a concept to present to the committee, either the dispersal from the one building or a combination, and be able to say these buildings fit into these concepts.

FUTURE FACILITIES

Senator DURBIN. In terms of the request for the next year's appropriation relative to that building, will that be included in your appropriations request?

Mr. HANTMAN. The analysis has been done, Mr. Chairman, of the alternative sites that would be available for different scenarios around the Capitol Building and within a reasonable traveling distance, once again depending on the type of operational profile that the Chief talked about earlier.

Mr. LIVINGOOD. I think one of the hardest things is we do not want to have all the police change in one location and we have to bus them or drive them to the Capitol or other locations. Hopefully, we will find nearby facilities or more space in the Capitol or other buildings. It looks like we are going to have to have buildings nearby, smaller places to change and hold rollcall. We are bursting at the seams today, sir.

Senator DURBIN. Maybe more than one building ultimately will serve.

Mr. LIVINGOOD. Yes, sir.

Senator DURBIN. I can see that.

Mr. LENHARDT. Which then supports the dispersal model as opposed to having a single structure.

So I think, Senator, in terms of the Board's action, we are looking at that and trying to decide what is the best, along with the Chief, operational model to consider for housing the police force and specialized equipment.

CHEM-BIO STRIKE FORCE

Senator DURBIN. There has been a request in the budget for 60 FTEs for a chem-bio "strike team", and we do not have any details on that proposal. What can you tell us today and when will you have a final proposal?

Chief HOWE. A final proposal will be coming by July 1. But in essence, the chem-bio strike team spun out of the October 15th anthrax attack. We had a modest chemical-biological response team in place that were stretched to their capacity. We discovered in hindsight, if you will, that we could have done a much better job had we had the right resources and staff, had the right resources trained and prepared to respond to those incidents.

I think it is a critical element of the overall security posture, given the advent of anthrax and the potential for chemical-biological incidents ranging from toxic industrial chemicals to anything else, that we have the capability to get on top of those immediately, because time is critical.

Senator DURBIN. Does it make sense to have our own dedicated strike team? It would seem that perhaps this could be a resource that would be shared by other law enforcement, either in the Federal Government or with the D.C. Police.

Chief HOWE. The resource actually is not there, Senator. The D.C. Fire Department is not prepared to respond. The only similar operation that we are aware of, at this point, is one dedicated to the White House that the Secret Service maintains.

Senator DURBIN. Has any thought been given to sharing this resource, both its expense as well as its availability in an emergency, with other law enforcement?

Chief HOWE. We have not had any formal discussions in that regard, but certainly that could be a consideration.

Senator DURBIN. Well, I do not question the need for it, but I think that it might be something like a bomb squad that comes in in a situation, a rare but very important situation, and is available to a number of different law enforcement agencies.

Chief HOWE. As part of the overall program, we do have an outreach to other assets, to include the Marine Corps' Chemical-Biological Incident Response Force and other elements. But competing priorities become a problem. Depending upon the breadth of the incident, other priorities may negate their ability to respond. So I think we have to be really prepared to do the best we can with our own internal assets.

Mr. LENHARDT. Mr. Chairman, what we discovered during the anthrax incident and the response to it was that these specialized units were in fact occupied doing other duties. The request process was very tedious and time-consuming. So by the time we actually got the asset on board to do what we wanted them to do, it was delayed by as much as 1 week.

To say that we would be able to tie into those assets on a regular basis, does not address the timely response needed for an incident here at the Capitol.

The other thing we discovered during the anthrax incident was that there are not a lot of specialized units out there. So at a position—the Capitol Police—where we would be able to lend assistance to others, the rest of the community would also benefit. We would be a source of help in responding to the Capitol itself, and we would have cooperative arrangements with other departments to assist them as well.

That was one of the experiences that led to our thinking about how we develop our own capability. Now, we could debate the number of people. And, we can debate many other things related to the issue. But in terms of having the ability, having the capability, I think it is very critical to us to have it here on Capitol Hill.

Senator DURBIN. Thank you.

Senator Bennett.

POLICE FORCE MERGER

Senator BENNETT. Thank you, Mr. Chairman.

I just have one last item to raise with you. As you know, for some time I have been interested in the possibility of merging various police forces here on Capitol Hill. The GAO is conducting a study on that, which I understand will be available fairly soon, and I would appreciate it if you pay close attention to what the GAO study says, because it may well be that in the process of merging, it becomes easier to take existing officers and raise their training to the level that they could be synergistic with the present Capitol Police rather than starting completely fresh.

We do have other police forces on the Hill with overlapping jurisdiction, so I just raise the issue one more time and ask you to pay attention to the GAO reactions to it as it comes along.

Mr. LIVINGOOD. We were given a briefing yesterday, just a short briefing, before it was finished. Very definitely, we the Board, are going to look at that very seriously.

Senator BENNETT. Thank you.

Thank you, Mr. Chairman.

Senator DURBIN. Thank you, Senator Bennett.

SUBCOMMITTEE RECESS

Thank you all for your testimony. The subcommittee stands in recess until May 8 at 10:30 in Dirksen 116.

[Whereupon, at 12:15 p.m., Wednesday, May 1, the subcommittee was recessed, to reconvene at 10:30 a.m., Thursday, May 8.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2003

WEDNESDAY, MAY 8, 2002

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:38 a.m., in room SD–116, Dirksen Senate Office Building, Hon. Richard J. Durbin (chairman) presiding.

Present: Senator Durbin.

GENERAL ACCOUNTING OFFICE

STATEMENT OF DAVID M. WALKER, COMPTROLLER GENERAL

ACCOMPANIED BY:

GENE DODARO, CHIEF OPERATING OFFICER
SALLYANNE HARPER, CHIEF MISSION SUPPORT AND CHIEF FINANCIAL OFFICER
RICHARD L. BROWN, CONTROLLER

OPENING STATEMENT OF SENATOR RICHARD J. DURBIN

Senator DURBIN. The subcommittee will come to order. This morning we meet to take testimony from three agencies, the General Accounting Office, the Government Printing Office, and the Congressional Budget Office. We are going to hear first from David Walker, our Comptroller General. Mr. Walker is accompanied by his Deputy, Mr. Gene Dodaro, Ms. Sallyanne Harper, and Mr. Dick Brown, Controller of GAO. Welcome to all of you this morning.

GAO's budget request is $458 million, including offsetting collections of $3 million, and excluding the President's accrual proposal for retirement and health benefits. This is an increase of 6 percent, $26 million over the current fiscal year. The budget includes $22 million in so-called mandatory pay and price level increases. It does not accommodate any additional staffing, but does provide for some enhancements in training and other employee benefit programs.

I would like to thank Mr. Walker for the help the GAO has provided this subcommittee. In particular, we have given you a lot of assignments, and you have responded quickly and professionally. You continue to be of great service to us in dealing with some of the challenges we face here on the Hill. I appreciate the work the GAO has done to look at the Library of Congress retail activities and Capitol Police issues. I welcome you, and at this point would entertain your opening statement and may have a few questions to follow.

Mr. WALKER. Thank you, Mr. Chairman, very much. You have already acknowledged for the record my colleagues who are joining me, and I would just like to supplement the record by noting that this is Dick Brown's 27th appropriations hearing and will be his last. We just cannot say enough good things about Dick Brown, about what he has been able to do for GAO and for the country, and I know he has been a tremendous help for this committee and also on the House side over the years, and I want to acknowledge that for the record.

Senator DURBIN. Well, thank you, Mr. Brown, for your patience, and I am sure you have seen a lot of people come and go in this chair and other chairs at the table, and thank you for your service, not only to the GAO but to the Nation.

PERFORMANCE HIGHLIGHTS

Mr. WALKER. Just a few highlights, Mr. Chairman. As you know, we published our annual performance and accountability report, which has been provided to the committee, which summarizes what we accomplished last year and what we plan for the next several years. Fiscal year 2001 was, in fact, a very productive year. For that year, we achieved $26.4 billion in financial benefits. That is a return on investment of $69 to each dollar appropriated to GAO. There were a number of other nonfinancial benefits. We also published a number of important reports dealing with things like voter access and election reform, as well as an updated high-risk list. We added two new areas to the high-risk list, first the U.S. Postal Service and its transformation effort, which is a major challenge, and frankly a microcosm of some of the challenges that Government faces elsewhere, and second our human capital crisis across the Federal Government, the lack of a strategic approach to dealing with the Government's most important asset, namely its people.

FISCAL YEAR 2003 BUDGET REQUEST

As you have noted, our request for the next fiscal year is a modest one. We are asking for about a 5.9 to 6 percent increase. A vast majority of that deals with mandatory items such as inflation. We are asking for some targeted investments in the area of human capital—education loan reimbursement, transit subsidy, performance-based rewards and recognition, and training. In addition to that, we are asking for $4 million for security enhancements.

As you know, undoubtedly, Mr. Chairman, for the first time since the early 1800s the House of Representatives was required to relocate to alternative facilities, and they relocated to the GAO building. We, therefore, have not only to be able to maintain the security and safety of our building for our own employees and the employees of the Corps of Engineers, which is headquartered in our building, but we also have to consider the fact that we are a contingency site for the House of Representatives and potentially for the Senate from time to time, depending upon whatever events might transpire. So as a result, we are working very closely to make sure that any planned actions meet not only our needs, but also potentially the needs of our clients.

PREPARED STATEMENT

With that, Mr. Chairman, I would be happy to respond to any questions that you may have. I know we have already given you plenty of information, and I will not be redundant by repeating it here.

[The statement follows:]

PREPARED STATEMENT OF DAVID M. WALKER

Mr. Chairman and Members of the Subcommittee: I am pleased to appear before the Subcommittee today as the Comptroller General of the United States and head of the U.S. General Accounting Office (GAO) to report on GAO's fiscal year 2001 performance and results, current challenges and future plans, and budget request for fiscal year 2003 to support the Congress and serve the American public.

Fiscal year 2001 was characterized by a series of unprecedented challenges for the federal government. After a lengthy waiting period to decide the results of the Presidential election, the year began with a new administration and a new policy agenda. Within a short time, the leadership of the Senate changed as well. Although the year began with the nation at peace and with modest economic growth, by year's end, the nation was at war and the economy was in recession. Fortunately, the war is going well and the economy seems to be improving.

Against this backdrop, GAO served the Congress and the American people in a variety of ways. Early in the year, we conducted an extensive analysis of voter access and election reform. Our work was instrumental in enabling the House and Senate to develop election reform proposals and also yielded a series of reports and recommendations upon which the Departments of Defense and State have pledged to act to improve their voting assistance programs for Americans living abroad. In addition, our 2001 *Performance and Accountability Series and High-Risk Update* identified close to 100 major management challenges and program risks at 21 federal agencies and highlighted actions needed to address these serious problems. The series proved useful in carrying out our responsibility under the Presidential Transition Act to serve as a key source of information for the incoming administration and members of the 107th Congress. Among the issues we brought to the Congress's attention was the importance of addressing the future human capital needs of the federal government. This high-risk issue is being triggered by the impending retirements of the baby boom generation, the knowledge and skills gap engendered in part by our changing economy, and the advent of new technologies. Another new issue added to the high-risk list is the Postal Service's transformational efforts and long-term outlook.

Citizens benefited directly from GAO's work as federal agencies and the Congress took a wide range of actions based on our analyses and recommendations. The results ranged from improving services to low-income children and disabled veterans, to protecting consumers from insurance fraud, to identifying billions of dollars in savings and resources that could be reallocated. In total, GAO's efforts helped the Congress and government leaders to save $26.4 billion—a $69 return on every dollar invested in GAO. This is number one in the world for organizations like GAO.

Because of our past work and work in progress, we also were able to provide timely, rapid assistance on the issues raised by the tragic events of September 11. In numerous congressional hearings, GAO's witnesses offered suggestions for strengthening the security of the nation's airports and air traffic control system, for protecting critical information technology infrastructure, and for enhancing government's ability to analyze and manage security risks, including bioterrorism. We also were able to highlight a number of safeguards that could be used in structuring financial assistance to the airlines, several of which were incorporated in the emergency $15 billion financial aid package that was enacted. In addition, soon after the release of our report recommending that the President appoint a single focal point within the Executive Office of the President to oversee the collective efforts of the many agencies involved in combating terrorism, the President announced the creation of the Office of Homeland Security. This office possesses many of the functions and responsibilities that we had advocated for improving interagency coordination.

Closer to home, 2001 was a significant year for GAO because it marked the 80th anniversary of our agency and 50th anniversary of our headquarters building. It also was a year marked by important changes designed to better position our agency for the future.

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

GAO is an independent, professional, nonpartisan agency in the legislative branch that is commonly referred to as the investigative arm of the Congress. Created in 1921 as a result of the Budget and Accounting Act, we have seen our role evolve over the decades as the Congress expanded our statutory authority and called on us with greater frequency for oversight, insight, and foresight in addressing the growing complexity of government and our society.

Today, we examine a broad range of federal activities and programs, publish thousands of reports and other documents annually, and provide a number of other services to the Congress. We also look at national and international trends and challenges to anticipate their implications for public policy. By making recommendations to improve the practices and operations of government agencies, we contribute not only to the increased effectiveness of federal spending, but also to the enhancement of the taxpayers' trust and confidence in their federal government.

For us, achieving our goals and objectives rests, for the most part, on providing professional, objective, fact-based, nonpartisan, nonideological, fair, and balanced information. We develop and present this information in a number of ways to support the Congress, including the following: evaluations of federal policies and the performance of agencies; oversight of government operations through financial and other management audits to determine whether public funds are spent efficiently, effectively, and in accordance with applicable laws; investigations to assess whether illegal or improper activities are occurring; analyses of the financing for government activities; constructive engagements in which we work proactively with agencies, when appropriate, to help guide their efforts toward positive results; legal opinions to determine whether agencies are in compliance with applicable laws and regulations; policy analyses to assess needed actions, develop options, and note the implications of possible actions; and additional assistance to the Congress in support of its oversight and decisionmaking responsibilities.

GAO's strategic plan for serving the Congress: Our first strategic plan for the 21st century, covering fiscal years 2000–2005, was an important milestone, providing a framework for how we would support the Congress and the American people in the coming years. To develop this plan, we worked closely with committee leadership and individual members and their staff, as well as with agency inspectors general, our sister agencies, and numerous other interested organizations and parties. With the plan as our blueprint, we realigned GAO's structure and resources to better address our long-term goals and objectives for helping the Congress in its legislative, oversight, and investigative roles.

We have committed to updating our strategic plan every 2 years, coinciding with each new Congress, to make sure our efforts remain a vital and accurate reflection of the important issues facing the Congress and the nation. The world has changed considerably since our last plan. Two years ago, we were at peace and the economy was growing, with large budget surpluses projected into the future. Today, the country is at war, addressing threats both within and outside our borders. The economic outlook, uncertain before September 11, 2001, continues to be very difficult to predict but seems to be improving. This changing environment has enormous ramifications for national policymaking and, consequently, for GAO. Accordingly, we have prepared a draft strategic plan for serving the Congress during fiscal years 2002–2007, that we will be using to help solidify how we will support congressional needs. The draft is now being discussed with our congressional clients and being made widely available for comment to ensure that we meet the Congress's needs and address the most critical issues.

While the overall framework of our first strategic plan is still valid, we propose placing greater emphasis on the following areas in particular to reflect the altered agenda of policymakers:

—Recognizing that the Congress and the federal government will focus considerable effort and resources on homeland security, we are proposing to increase our emphasis on overseeing the efficiency and effectiveness of efforts across the federal government to protect against and respond to various forms of terrorism.

—In light of changing public expectations and needs, as well as fiscal pressures, we have redefined one of our strategic goals to focus on helping to transform the federal government's role to meet the challenges of the 21st century—what it does and how it does business.

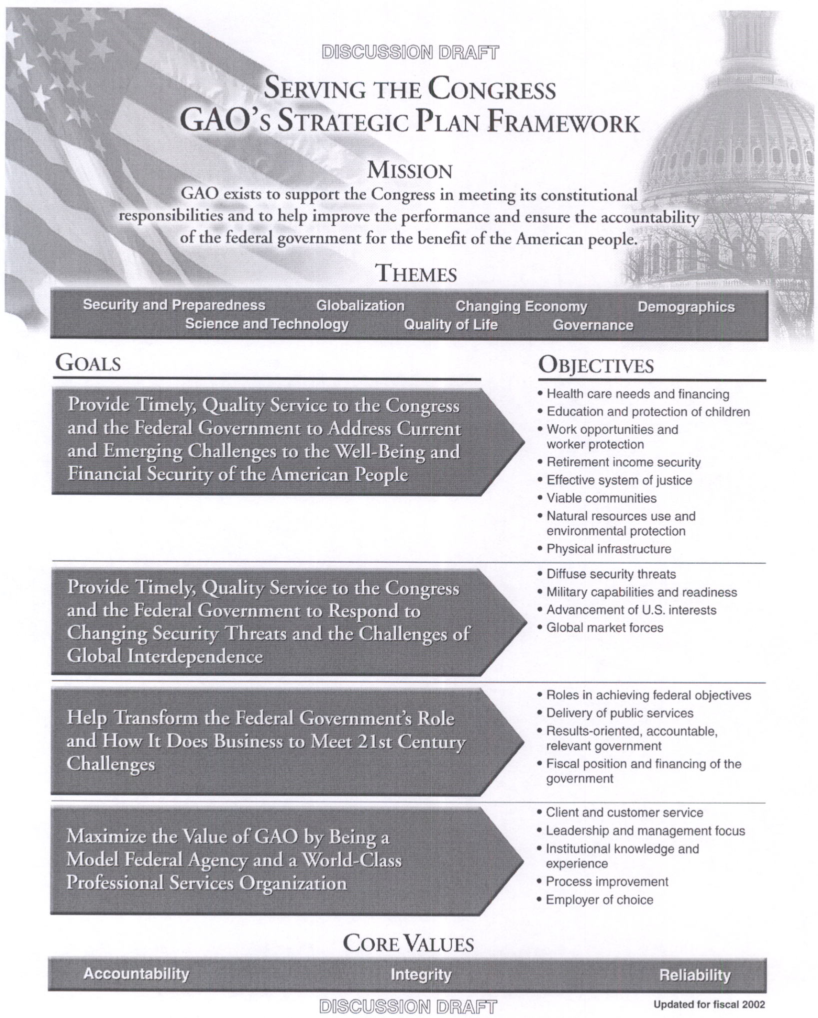
—Because of the emerging serious, long-term, and far-reaching fiscal, demographic, technological, scientific, and other trends affecting our society and the economy, we anticipate assisting the Congress in addressing the effects of these trends on program priorities and budget decisions in both the short and long terms.

Our draft strategic plan takes into account the forces that are likely to shape American society, its place in the world, and the role of the federal government over the next 6 years. As illustrated by the strategic plan framework that follows, we have identified seven themes that have implications for congressional decision-making and, therefore, underlie our strategic goals and objectives:

—Security and preparedness: the national and global response to terrorism and other threats to personal and national security;
—Globalization: the increasing interdependence of enterprises, economies, civil society, and national governments;
—The changing economy: the global shift to market-oriented, knowledge-based economies;
—Demographics of an aging and more diverse population;
—Science and technology and the opportunities and challenges created by the rapid changes in both of these areas;
—Quality of life for the nation, communities, families, and individuals;
—Governance: the diverse and evolving nature of governance structures and tools.

In light of recent trends and in keeping with our mission and responsibilities, we have identified four strategic goals and related objectives that will guide our work to serve the Congress in fiscal years 2002–2007. Our four strategic goals are as follows:

—Provide timely, quality service to the Congress and the federal government to address current and emerging challenges to the well-being and financial security of the American people;
—Provide timely, quality service to the Congress and the federal government to respond to changing security threats and the challenges of global interdependence;
—Help transform the federal government's role and how it does business to meet 21st century challenges;
—Maximize the value of GAO by being a model federal agency and a world-class professional services organization.



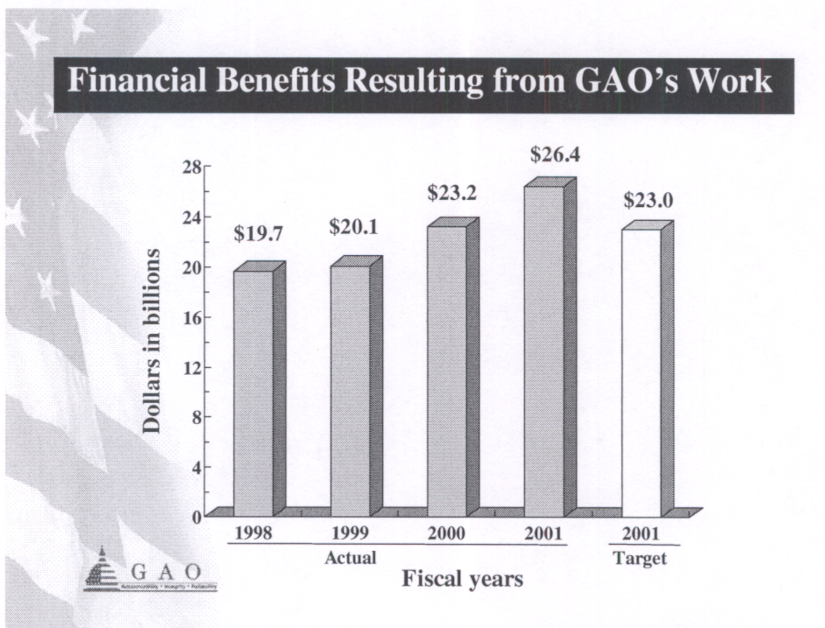
Benefits Resulting From GAO's Work

During fiscal year 2001, GAO recorded hundreds of accomplishments providing financial and other benefits that were achieved based on actions taken by the Congress and federal agencies, and we made numerous other contributions that provided information or recommendations aiding congressional decisionmaking or informing the public debate to a significant extent. Our contributions to legislative and executive actions included: strengthening national security and combating terrorism; advancing and protecting U.S. interests abroad; better targeting defense spending; helping the Congress reduce or better target budget authority; ensuring public health, safety, and welfare; protecting the environment; addressing national election issues; safeguarding government information systems; highlighting management challenges and risks for the new Congress and administration; and fostering more efficient and effective government services and operations.

Our recently issued performance and accountability report and a compact highlights version of it combine an assessment of our accomplishments in fiscal year 2001 with our plans for continued progress through fiscal year 2003. The following is a sampling of GAO's fiscal year 2001 accomplishments.

Financial Benefits Exceeding $26 Billion

For fiscal year 2001, GAO's findings and recommendations to improve government operations and reduce costs contributed to legislative and executive actions that yielded over $26.4 billion in measurable financial benefits. We achieve financial benefits when our findings and recommendations are used to make government services more efficient, improve the budgeting and spending of tax dollars, or strengthen the management of federal resources. As illustrated in the following graphic, the financial benefits achieved in fiscal year 2001 exceeded our $23 billion target for the year, as well as last year's results of $23.2 billion. These financial benefits are equivalent to about $69 for every $1 that was appropriated to GAO for fiscal year 2001.



As described below, our work on military base realignments and closures, restructuring the defense acquisition workforce, and recapturing unexpended balances in a major federal housing program, for instance, together yielded more than $12 billion of the year's financial benefits.

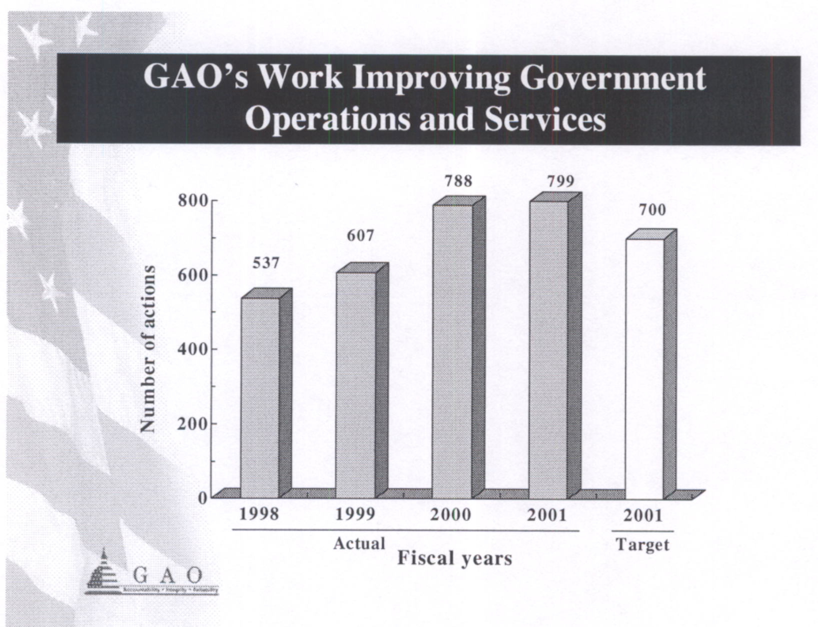
—*Contributing to the Military Base Closure and Realignment Process*.—GAO has issued a number of reports since 1979 documenting excess infrastructure within the Department of Defense and supporting the need for a base closure and realignment process. After the Congress's authorization of such a process, GAO was legislatively required to provide the Congress with a series of reports and testimonies validating Defense's implementation. GAO monitored and assessed all phases of the decisionmaking process, including executive-level sessions, for compliance with congressional requirements. In addition, GAO provided staff to each commission established to recommend base closures and realignments for rounds held in 1991, 1993, and 1995. The staff helped shape the commissions' decisions through analysis of issues associated with closing or realigning specific installations. GAO estimated $6 billion in net savings in fiscal years 1999 and 2000 for the three base closure rounds.

—*Cutting the Cost of Defense's Acquisition Infrastructure*.—In a series of reports and comments on legislation for the House National Security Committee beginning in the mid-1990s, GAO examined numerous facets of the Department of Defense's acquisition infrastructure, of which its acquisition workforce is a major component. GAO's primary messages were that acquisition infrastructure reductions had not kept pace with reductions in other areas of Defense's operations and that the acquisition workforce needed to be consistently defined to effect appropriate reductions. Consequently, Defense redefined the workforce and the Congress directed the department to develop specific plans for reducing its acquisition workforce. These workforce reductions totaled $3.32 billion and freed the funds for other high-priority items.

—*Recapturing Unexpended Balances in a Federal Housing and Urban Development Program*.—GAO reviewed the unexpended balances in the Department of Housing and Urban Development's Section 8 program, in which the department contracts with property owners to provide housing for low-income families. GAO recommended that the department revise the procedures used to review unexpended balances and ensure that excess balances were recaptured from this program. Subsequently, the department recaptured nearly $3 billion of unexpended balances from prior years' budgets. According to the department's officials, the savings directly resulted from their implementation of GAO's recommendation.

Nearly 800 Actions Improving Government Agencies' Management or Performance

Not all actions on GAO's findings and recommendations produce measurable financial benefits. As illustrated below, in fiscal year 2001, we recorded 799 actions that the Congress or executive agencies had taken based on our recommendations to improve the government's accountability, operations, or services. Our audit and evaluation products issued in fiscal year 2001 contained over 1,560 new recommendations targeting improvements in the economy, efficiency, and effectiveness of federal operations and programs that could yield significant financial and other benefits in the future. At the end of the year, 79 percent of the recommendations we made 4 years ago had been implemented. We use a 4-year interval because our historical data show that agencies often need this time to complete action on our recommendations.



The actions reported for fiscal year 2001 include actions to combat terrorism, strengthen public safety and consumer protection, improve computer security controls, and establish more effective and efficient government operations. Following are a few examples of GAO's work that led to improvements in government management and performance:

—*Improving Department of Defense antiterrorism efforts*.—At the request of the House Special Oversight Panel on Terrorism, GAO reviewed the Department of Defense's antiterrorism efforts at domestic installations. GAO identified shortcomings that needed to be addressed to provide installation commanders with the necessary information to effectively manage the risk of a terrorist attack and develop an effective antiterrorism program. The department agreed with GAO's findings and has begun implementing all of the GAO-recommended corrective actions. GAO also worked with the department to update and improve antiterrorism standards and the secure communication capabilities between some Navy facilities. This work provided a foundation for developing a risk management approach that can be applied to other government operations. GAO presented information about this management approach to various congressional committees and other organizations.

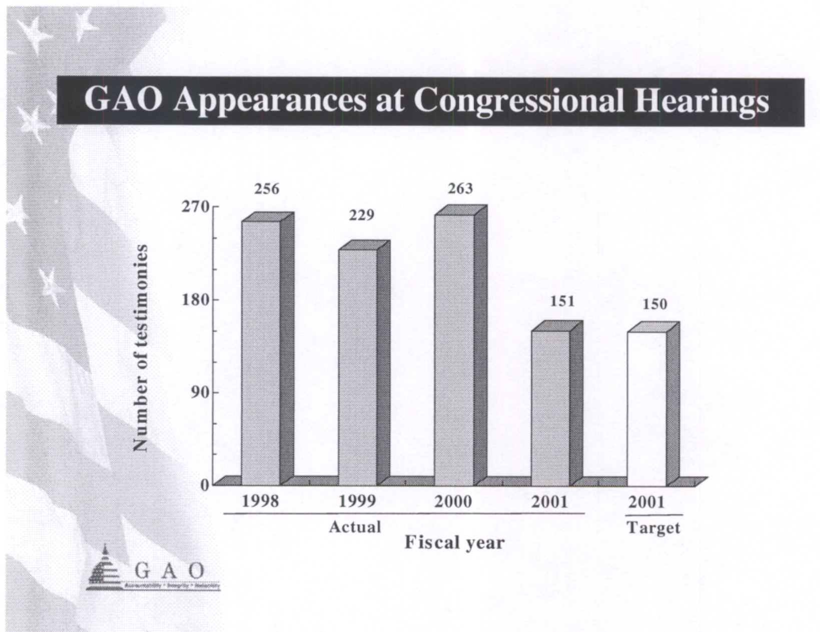
—*Strengthening nuclear nonproliferation and safety efforts*.—Preventing the spread of weapons of mass destruction and ensuring the safety of Soviet-designed reactors are important national security concerns. GAO's work in this area continues to have major impacts, including the implementation of GAO's recommendations designed to strengthen the Department of Energy's program to secure nuclear materials in Russia and sustain the improvements. In addition, Energy has implemented GAO's recommendations to fund only those safety projects that directly improve the operation of Soviet-designed reactors and to focus its Nuclear Cities Initiative funding on only those projects designed to employ Russian weapons scientists. These changes will result in better targeting of limited resources by eliminating projects that did not meet mission goals.

—*Improving food safety*.—Over the years, public awareness of foodborne illness outbreaks has heightened concerns about the effectiveness of the federal system for ensuring the safety of the nation's food supply. GAO has served as an honest broker of information on the shortcomings of the federal food safety system. In particular, GAO's work has been used extensively in congressional deliberations and by federal program mangers to improve the food safety system. For example, GAO's work on seafood safety identified several important weaknesses that compromised the overall effectiveness of the Food and Drug Administration's newly implemented science-based system for seafood. In response, the agency made improvements in 2001 to the science-based system. GAO's work identifying shortcomings in shellfish safety was instrumental in the 2001 adoption of the first national plan to reduce pathogenic bacteria in oysters.

—*Creating a focal point for combating terrorism*.—GAO identified fragmentation among federal efforts to combat terrorism, as several key interagency functions were spread across various agencies and sometimes overlapped. During the summer of 2001, GAO recommended that the President appoint a single focal point within the Executive Office of the President to oversee the collective efforts of the many agencies involved. Soon after the release of GAO's September 2001 report, the President announced the creation of the Office of Homeland Security within the Executive Office of the President. The executive order establishing the office provided it with many of the functions and responsibilities that GAO had advocated for improving interagency coordination.

Over 150 Testimonies Contributing to Public Debate on National Issues

GAO officials were called to testify 151 times before committees of the House and Senate in fiscal year 2001, as illustrated in the following graphic. In addition, we provided nine statements for the record. Our number of appearances for fiscal year 2001 was lower than for previous years because external factors such as the extended Presidential transition, a new Congress and administration both beginning work, and the unprecedented mid-session shift in control of the Senate reduced the number of congressional hearings and, therefore, occasions for GAO to testify. Nonetheless, we testified on a broad range of subjects, including combating terrorism, energy prices, the federal budget, and September 11 issues.



Maximizing GAO's Effectiveness, Responsiveness, and Value

In addition to the financial and other benefits resulting from our work over the past year, we continued to make great progress toward achieving our fourth strategic goal of maximizing the value of GAO by being a model organization for the federal government. We strive to ensure that GAO's operations reflect the highest standards. As discussed in the following sections, we expanded congressional outreach efforts to ensure our responsiveness to client needs. We also implemented numerous human capital initiatives following best practices, to ensure that GAO has the appropriate mix of staff and skills needed to address issues of interest to the Congress. In other areas, such as information technology, financial management, and security and safety, our operations also reflect prevailing best practices. Following are some examples of the key efforts we have taken to strengthen GAO and maximize our productivity.

Cultivating and Fostering Effective Congressional and Agency Relations

In fiscal year 2001, we continued our efforts to strengthen relationships and improve communications with our congressional clients, federal agencies, and other key stakeholders. For example, we implemented a set of congressional protocols—policies and procedures—to guide our interactions with and ensure our accountability to the Congress. In addition, we drafted similar protocols to guide our interactions with federal agencies, foreign ministries and governments, and international organizations, and we plan to pilot the federal agencies and international protocols in fiscal year 2002.

We also began efforts to revamp our communications strategy to better meet the needs of our clients. In fiscal year 2001, we developed a new reporting product line entitled *Highlights*—a one-page summary that provides the key findings and recommendations from a GAO engagement. We plan to examine other means during fiscal year 2002 to better communicate the results of our work.

During fiscal year 2001, we also expanded and improved access to GAO information for our congressional clients and other stakeholders. We implemented a Web-accessible active assignment list for congressional clients, established a transition Web site to assist the new administration in learning about GAO's work and to facilitate key contacts, enhanced the search capability for GAO products on our external Web site, and expanded electronic access to GAO reports issued since 1985.

We also worked with the Office of Management and Budget (OMB) and Cabinet-level officials to assist in the congressional and Presidential transitions and to provide new legislators and officials with information about the challenges facing them. These and other constructive engagement efforts are helping focus increased attention on major management challenges and high-risk issues, leading to good government. For example, the President's recently issued management agenda for reforming the federal government mirrors many of the management challenges and program risks that GAO reported on in its 2001 *Performance and Accountability Series and High-Risk Update*, including a governmentwide initiative to focus on strategic management of human capital. We also continue our efforts to work across boundaries and encourage knowledge sharing by networking through various boards and panels, including the Comptroller General's Advisory Board, the Educators' Advisory Board, the Accountability Advisory Board, and other global and domestic accountability organizations.

We continued to look for more efficient ways to obtain systematic feedback from congressional members and key staff. In fiscal year 2001, we developed a Web-based process to more effectively collect feedback from congressional clients on our reports and products. This new system, which we plan to pilot in fiscal year 2002 and implement in fiscal year 2003, uses E-mail and a Web site to obtain client feedback on (1) product timeliness and (2) communications and professional conduct during an engagement for a sample of recently issued products.

In addition to working with accountability agencies and organizations in the United States, we continued to work with our counterparts in other countries and with international organizations to strengthen accountability around the world. We are working with the International Organization of Supreme Audit Institutions to help combat government-related corruption around the world. For example, we plan to support a multilateral training effort with Russia, other former Eastern bloc countries, and selected South and Latin American countries on audit standards, policies, and methodologies. In addition, we are working to provide bilateral technical assistance with the Russian Chamber of Accounts to collaboratively undertake a joint audit of the program to dispose of Russia's chemical weapons.

Implementing a Model Strategic and Annual Planning and Reporting Process

GAO's strategic plan continues to be a model for aligning our organization and resources, and for ensuring that we remain responsive to the needs of the Congress. Our strategic planning process provides for updates every 2 years with each new Congress, ongoing analysis of emerging conditions and trends, extensive consultation with congressional clients and outside experts, and assessments of internal capacities and needs. In addition, the plan has become the basis for allocating resources and managing organizational performance.

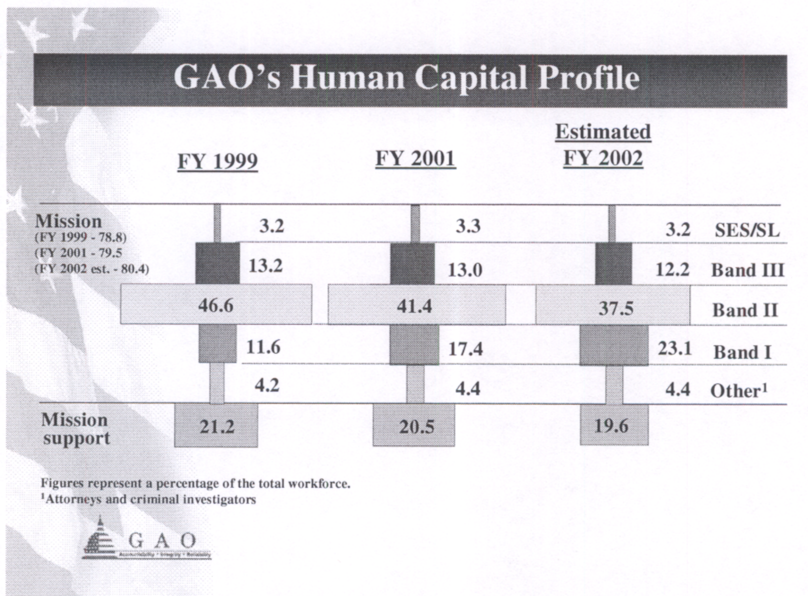
Our strategic plan also has helped serve as a model in providing clearer accountability to the Congress and the American people. In fiscal year 2001, we published our first Performance and Accountability Report, combining information on performance in achieving the plan's goals and objectives with financial information on the costs of achieving results. The report also included GAO's performance plan for fiscal year 2002, linking planned activities and performance with the resources requested in our annual appropriation.

Aligning Human Capital Policies and Practices to Support GAO's Mission

Over the past 3 years, we have made great progress toward addressing a number of human capital issues that GAO was facing when I arrived at the beginning of fiscal year 1999. At the time, our workforce was sparse at the entry level. We faced major succession-planning issues with a significant percentage of our senior managers and evaluator- and related workforce becoming eligible to retire by the end of fiscal year 2004. The development and training of our senior executives in key competencies, such as leadership, communications, project supervision and conflict resolution, had been at drastically reduced levels since 1993. In addition, new technical skills were unavailable in needed quantities within the agency, especially actuarial and information technology skills, to effectively assist the Congress in meeting its oversight responsibilities.

We have confronted these issues through a number of strategically planned human capital initiatives that have begun to yield results. For example, we have intensified our recruiting efforts targeted at the entry level and areas requiring specialized skills and expertise; enhanced our recruitment and college relations programs; implemented our early-out authority, recently acquired through GAO's human capital legislation; enhanced our training programs; revamped and modernized the performance appraisal system for analysts; enhanced performance rewards and employment incentives to attract and retain high quality staff with specialized skills; implemented a succession-planning program; conducted an agencywide assessment and inventory of our workforce's knowledge and skills; established an office of opportunity and inclusiveness, whose head reports directly to the Comptroller General, to oversee GAO's efforts to foster a work environment that ensures that all members of its diverse workforce are treated fairly and their differences are respected; and completed an organizational realignment and resource reallocation.

As illustrated in the following graphic, by the end of fiscal year 2002, we will almost double the proportion of our workforce at the entry-level (Band I) as compared with fiscal year 1999. Also, the proportion of our workforce at the mid-level (Band II) will have decreased by about 9 percent. In addition, we are steadily increasing the proportion of our staff performing direct mission work.



We also have taken steps to better link compensation, performance, and results in achieving our strategic plan and goals for serving the Congress. In fiscal year 2001, we developed a new performance appraisal system for our analyst and specialist staff that links performance to established competencies and results; this system is being implemented in fiscal year 2002. We also have begun creating similar performance systems for our attorneys and mission support staff. Also during fiscal year 2002, we plan to assess our pay systems and structures to identify ways to increase the percentage of our staff's compensation that is tied more directly to performance and results. Currently, levels of annual compensation increases are automatic, as is required by law.

Developing Efficient and Responsive Business Processes

We completed a number of major initiatives in fiscal year 2001 directed at enhancing our business operations and processes. For example, we implemented a major organizational realignment to increase our ability to achieve the goals and objectives of our strategic plan. The realignment provides for a clearer and more transparent delineation of responsibilities for achieving our strategic goals and meeting the needs of the Congress. We also centralized certain administrative support services to more efficiently provide human capital, budget and financial management, information systems desk-side support, and other services to agency staff. The centralization will allow us to devote more resources to GAO's mission work and to obtain economies of scale by providing central and shared services.

To facilitate our staff's efforts in conducting engagements, we developed a comprehensive desktop tool—an Electronic Assistance Guide for Leading Engagements (EAGLE)—that provides immediate access to GAO's most current policies and procedures and eliminates the need to print and distribute documents. We also developed a new engagement database to track congressional requests, monitor their status, and provide information on engagement reviews and results. In addition, we are reviewing our job management processes to identify opportunities for improvement based on best practices of other organizations.

Building an Integrated and Reliable Information Technology Infrastructure

Information technology is critical to our productivity, success, and viability. As such, we have been working on a number of initiatives to guide and protect our investments in information technology. In fiscal year 2001, we completed a comprehensive review of our information technology; made substantial progress in implementing an enterprise architecture program—a blueprint for operational and technological change; expanded information systems security efforts to protect our information assets; developed an information technology investment process guide to ensure that our investments are clearly linked to and support our strategic objectives and business plans; prepared an information technology plan for fiscal years 2001–2004 that identifies major initiatives and investments that directly support our strategic plan; and rechartered and reestablished our Information Technology Investment Committee to provide high-level vision, review, and approval of program initiatives to transition from the current technological environment to the target one.

We also undertook a wide range of other efforts during fiscal year 2001 to improve efficiency by providing new enabling technology to staff and improving access to GAO resources from any place at any time. These efforts have included piloting notebook computers; expanding the availability of cellular phones to GAO's senior management; and testing new, emerging technologies such as personal digital assistants and video broadcasts to the desktop. In addition, we upgraded remote access capability, improving the speed and reliability of dial-up connections to GAO's information technology facilities; completed communications upgrades to the field to provide high-speed, reliable connectivity to the GAO network; replaced aging videoconferencing equipment with current technology; and began planning communications upgrades to support evolving video technologies.

Fiscal Year 2002 Plans and Future Challenges

During fiscal year 2002, we will continue focusing our work on issues of national importance facing the Congress, including homeland and national security, Social Security solvency, education, economic development, Medicare reform, international affairs, government management reforms, and government computer security. Other issues about which we will contribute to the national debate include the concerns emanating from the sudden collapse of Enron and other corporate failures: the determination of what systemic reforms are needed regarding accounting and auditing issues, regulatory and oversight matters, pensions, executive pay issues, and corporate governance.

We also will be working with congressional budget committees and others on reviewing, reassessing, and reprioritizing what the federal government is doing in light of the nation's long-range fiscal challenges. This effort will involve raising key questions about government programs, tax incentives, regulations, and policies from the perspective of what works and what does not, as well as examining selected budget and performance reporting issues. Under a recent mandate, we have begun pilot testing several approaches for providing technology assessment assistance to the Congress. In addition, as noted earlier, we plan to issue two new sets of protocols governing our relations with executive branch departments and agencies, and with international organizations.

Internally, we must continue our efforts and initiatives to address human capital and information technology challenges at GAO. While we have made good progress in addressing many of these issues, we continue to view them as significant challenges. We also are reassessing our security and safety issues, in light of the far-reaching effects of the September 11 terrorist attacks.

After a decade of downsizing and curtailed investments in human capital, it became increasingly clear that GAO needed new human capital strategies if we were to meet the current and emerging needs of the Congress and the nation's citizens. The initiatives we have in progress or plan to begin in the coming months should build on the progress we have made during the past 2 years, yielding further improvements in how we recruit, develop, evaluate, compensate, and retain our staff. We will continue to develop a human capital strategic plan that both supports our strategic goals and ensures that diversity, skills, leadership, and retention issues are addressed.

As with human capital, information technology investments at GAO declined significantly during the mid- to late 1990s as a result of mandated spending reductions. Consequently, information technology became a management challenge as we entered the 21st century. We have made progress in building an integrated and reliable information technology infrastructure that supports the achievement of our goals and objectives, but we must sustain these efforts and begin others to ensure that we can continue to provide quality, timely, efficient, and effective services to the Congress and the public. Our information technology plan for fiscal years 2001 through 2004 is providing a foundation for initiatives and investments, and we are expanding and accelerating our efforts to protect our agency's information assets.

The safety and security of GAO's people, information, and assets are necessarily a top priority. In the aftermath of the September 11 terrorist attacks and the subsequent anthrax incidents, we designated safety and security a management challenge for our agency. We are conducting threat assessments and a comprehensive evaluation of security that we plan to complete this year. Guided by these assessments, we will develop an implementation plan to strengthen security and safety within GAO. We also plan to review and update our emergency preparedness and response plan and to develop a continuity of operations plan so that we are prepared for, can respond to, and will recover from any major threat or crisis.

GAO's Fiscal Year 2003 Budget Request to Support the Congress

To support the Congress as outlined in our strategic plan and continue our efforts to strengthen and maximize the productivity of GAO, we have requested a budget of $458 million for fiscal year 2003. This funding level will allow us to maintain current operations; continue initiatives to enhance our human capital and supporting business processes; ensure the safety and security of our staff, information, and other resources; and support our authorized level of 3,269 full-time equivalent (FTE) personnel.

Almost 80 percent of our request is for employee compensation and benefits. The next largest proportion of the budget—about $50 million—is for contract services supporting both GAO's mission work and administrative operations, including information technology, training, and building maintenance and operations services. About $12 million is for travel and transportation, critical components to accomplishing GAO's mission to follow the federal dollar and ensuring the quality of our work. The remaining funds are for office equipment and space rentals; telephone, videoconferencing, and data communications services; and other operating expenses, including supplies and materials, printing and reproduction, and furniture and equipment.

During fiscal year 2003, we plan to increase our investments in maximizing the productivity of our workforce by continuing to address two key management challenges: human capital and information technology. On the human capital front, we will target increased resources to continue initiatives begun in fiscal year 2000 to address skill gaps, maximize staff productivity, and increase staff effectiveness; update our training curriculum to address organizational and technical needs; and train new staff. We also will continue to focus our hiring efforts in fiscal year 2003 on recruiting talented entry-level staff. In addition, to ensure our ability to attract, retain, and reward high-quality staff, we plan to devote additional resources to our employee benefits and training programs. For example, we will continue investments in our student loan repayment program, which we are planning to begin offering in fiscal year 2002, and mass transit subsidy benefits to enhance our recruitment and retention incentives. In addition, major efforts are underway to implement our new performance appraisal system for our analyst staff and to develop new performance systems for our legal and mission support staff.

On the information technology front, we plan to continue initiatives designed to increase employees' productivity, facilitate knowledge-sharing, maximize the use of technology, and enhance employee tools available at the desktop. We also will devote resources to reengineering the information technology systems that support job management processes, such as our engagement tracking system, and to implementing tools that will ensure a secure network operating environment.

Finally, we will make the investments necessary to enhance the safety and security of our people, information, facilities, and other assets.

Following are additional details supporting the funding increase we have requested for fiscal year 2003 to cover mandatory and uncontrollable costs and a few modest, but important, program changes.

Mandatory and Uncontrollable Costs

We are requesting $19,935,000 to cover mandatory pay and benefits costs resulting primarily from federal cost-of-living and locality pay adjustments, annualization of prior year salary increases, increased participation in the Federal Employees Retirement System, and an increase in the estimated number of retirees. Also included are funds needed to cover performance-based promotions and merit pay increases.

Most of these increases are automatic, as required by current law. We plan to review our pay systems and structures during fiscal year 2002 to identify ways to increase the percentage of our employees' compensation that is tied directly to performance contributions and results.

We also are requesting $2,090,000 for uncontrollable inflationary increases in travel and per diem, lodging, postage, printing, supplies, contracts, and other essential mission support services, based on OMB's 2-percent inflation index and other factors.

Program Changes

A net increase of $3,832,000 is being requested to fund essential agency programs. This increase includes an overall reduction of $168,000 in ongoing or recurring programs and a one-time, nonrecurring request for $4 million to fund critical security and safety enhancements, as illustrated in the following table and accompanying narrative.

Requested Program Changes

[Dollars in thousands]

Budget category	*Fiscal year 2003 change*
Recurring:	
Recruitment, retention, and recognition benefits:	
Education loan reimbursement	$810
Transit subsidy	335
Performance-based rewards and recognition	114
Subtotal	1,259
Training	434
Printing and publishing services	(360)
Contract services	(2,000)
Offsetting collections	499
Subtotal	(168)
Non-recurring: Security and safety enhancements	4,000
Net program changes	3,832

Recruitment, retention, and performance recognition benefits.—$1,259,000 is requested to maintain and expand current recruitment, retention, and performance-based recognition programs to levels comparable to those of the executive branch and to help ensure our ability to attract, retain, and recognize high-caliber staff. This requested increase includes:

—$810,000 to fund the second year of benefits under our education loan repayment program, which increases total funding for the program to $1.2 million. This funding level will allow GAO to meet current program commitments, offer benefits to new recruits, and provide more retention benefits to current staff in critical skills areas.

—$335,000 to fund the annualized cost of benefits under the transit subsidy program, which was increased from $65 to $100 a month during fiscal year 2002, and to extend the program to new hires. This increase will raise the program's funding level to $1.5 million.

—$114,000 for performance-based reward and recognition programs to ensure comparability with public- and private-sector entities. This represent a 4-percent increase in these programs, commensurate with the average mandatory compensation increases, and will raise the program funding level to $2.7 million, which is less than 1 percent of our total compensation costs.

Training.—We are requesting $434,000 to implement a new core training curriculum and expand essential training opportunities to staff at all levels to ensure staff competency in skill areas critical to achieving our strategic plan.

Printing and publishing services.—During fiscal year 2002, we will be implementing changes in the distribution and retention of GAO reports and products. We estimate savings in fiscal year 2003 of $360,000 in printing, publishing, and related costs and plan to use these savings to offset other program needs.

Contract services.—During fiscal year 2002, we will be contracting for expertise not readily available within the agency to respond to congressional requests related to security and terrorism issues, assess our internal security and information technology requirements, and conduct a congressionally mandated technology assessment pilot. As these contract requirements are nonrecurring, we plan to reduce contract services in fiscal year 2003 by $2 million and to use these savings to offset other program needs.

Security and safety enhancements.—We are seeking nonrecurring funds of $4 million in fiscal year 2003 to implement critical security and safety enhancements identified through assessments conducted of our security and potential threats following the September 11 attacks and subsequent anthrax incidents. This funding will enable us to implement some of the recommendations made in these assessments, such as enhancing our building access and perimeter security, expanding protection against chemical and biological intrusions, and increasing the number of background checks and security clearances for GAO and contractor staff. Implementing these measures will help ensure that we are prepared for, can respond to, and will reduce our vulnerability to major threats or crises in the future.

Offsetting collections.—We are requesting authority to increase the use of revenue we receive from rental income and audit work from $2,501,000 to $3,000,000, to continue renovation of the GAO building.

Finally, if a legislative proposal from the administration to transfer accountability for retirement costs is enacted, we are also requesting budget authority of $21,283,000 to cover our related costs for fiscal year 2003. The President has proposed a governmentwide initiative to transfer accountability for accruing retirement and post-retirement health benefits costs from the Office of Personnel Management to individual agencies. This initiative represents a shift in the accounting treatment of these costs, which are presently a component of mandatory costs and in the future will be included in discretionary budget authority. Implementation of this proposal is contingent upon enactment by the Congress of authorizing language submitted by the administration.

Concluding Remarks

As a result of the support and resources that we have received from this Subcommittee and the Congress over the past several years, we have been able to make a difference in government, not only in terms of the financial benefits and improvements in federal programs and operations that have resulted from our work, but also in strengthening and increasing the productivity of GAO, and making a real difference for our country and its citizens. Our budget request for fiscal year 2003 is modest, but it is essential to sustaining our current operations, continuing key human capital and information technology initiatives, and ensuring the safety and security of our most valuable resource—our people. We seek your continued support so that we will be able to effectively and efficiently conduct our work on behalf of the Congress and the American people.

As the Comptroller General of the United States on GAO's 80th anniversary, I take great pride in the many years of service GAO has provided the Congress and the nation. Building on this legacy, we at GAO look forward to continuing to help the Congress and the nation meet the current and emerging challenges of the 21st century.

REORGANIZATION OF GAO

Senator DURBIN. Let me ask you a few general questions. In 1998, GAO initiated a reorganization or realignment of the agency. How has this changed the GAO?

Mr. WALKER. The realignment has made a significant difference, Mr. Chairman. We sought to reduce organizational layers to make it a flatter organization, to reduce the number of silos or units that we have, to reduce the number of field offices, and to end up having a lot more focus horizontally across the organization and externally with our clients, the accountability community, and other parties.

It has gone extremely well. Our productivity has been enhanced within existing staffing allocation levels and, as you might imagine, any time you go through a major change like that, there are some people that are concerned about it. But by and large, I think it has gone extremely well, and it has certainly improved our efficiency and effectiveness.

STUDENT LOAN REPAYMENT PROGRAM

Senator DURBIN. You have asked for $810,000 for a student loan repayment program, which is roughly double the amount budgeted for the current fiscal year. I am a strong proponent of this program, and we have basically said to the agencies that we have the responsibility for, we are going to give you the resources you need and provide the greatest flexibility possible in using those for retention, recruitment, and morale. Could you tell me how you are using current funding, and why this increase is in your budget request?

Mr. WALKER. Mr. Chairman, there are many individuals who want to do public service who at the present time are faced with a double whammy. On the one hand, they can make more money by working in the private sector, but in many cases they have a significant amount of college debt that they have to repay. So if they choose public service, they are not only going to make in some cases less money, but they have to be able to deal with this debt. We want to use college loan repayments as one of a number of tools that we have in our portfolio to attract and retain top talent.

Mr. Chairman, 95 percent of the people that we hired in the last year for our professional staff had masters or doctorate degrees from some of the top schools in the country. A significant percent of those individuals have debt. We are looking to target the loan repayment to critical occupations initially, areas where we have a supply and demand imbalance, and where we are having difficulty attracting an adequate number of qualified candidates. We are going to allocate part of the money for recruiting, and we will determine the need for this on a year-by-year basis, depending upon what the market does and what our experience is. Second, we want to target a greater proportion of the funds to be able to retain top-quality professionals, especially during years 1 through 4.

What we find is, if we can get people to stay with GAO for at least 3 years, then the likelihood that they are going to stay with the organization increases significantly. So, we will target funds for retention purposes during that critical time frame for individuals who are good performers and who have the skills and knowledge that we need.

Senator DURBIN. So you do not look at all of the workforce and consider how many are facing student loan obligations. You are really trying to focus in on those two particular areas, critical need, as well as the early-year retention.

Mr. WALKER. That is correct, and as you know, Mr. Chairman, there are statutory requirements. We do not have total, unfettered discretion. There are certain statutory requirements as to how these funds should be used. We want to make sure that this is not something that we are just using as an across-the-board increase in compensation. We want to use it in a targeted fashion. We want to use it in conjunction with other tools that we have such as hiring or retention allowances in order to attract and retain top talent.

NATIONAL ENERGY POLICY DEVELOPMENT GROUP

Senator DURBIN. Let me ask you—of course, the GAO has received more attention than usual over the question of the National Energy Policy Development Group, chaired by Vice President Cheney. What is the status of this issue, and what specifically do you need to obtain from this effort to feel that you have met your statutory obligation?

Mr. WALKER. Well, first let me say for the record, Mr. Chairman, I was not pleased with having to file suit. On the other hand, I believe it was absolutely the right thing to do under the circumstances. I have to do what I think is right, irrespective of who the players are.

In this particular case, we tried very, very hard to avoid litigation. I personally spent about 6 months trying to see if we could end up getting the administration interested in coming up with a reasoned and reasonable approach. In the end, they refused. As a result, we have two principled parties with a difference of opinion. That is what the judicial system is for.

It is now in the U.S. District Court, Washington, D.C. It has been assigned to a judge. The judge has approved a schedule. That schedule calls for various filings with the court between now and the end of the summer, and oral argument is scheduled for September 18, 2002. I would expect that a decision might come this fall. Now, that is at the district court level, and depending upon what that decision would be, and if we are not otherwise able to reach an accommodation in the interim, then the decision could end up being appealed to the circuit court, and ultimately to the Supreme Court.

The real issue here is the right of the Congress to use the GAO to obtain facts; to conduct professional, objective, nonpartisan and nonideological analyses; and to issue reports to the entire Congress and to the American people. We believe it is a very important issue with regard to transparency and accountability for Government, and we are still hopeful we might be able to work something out with the administration, but they have to show a willingness to do that.

Senator DURBIN. Who represents the GAO as attorneys in this?

Mr. WALKER. The law firm of Arnold & Porter. Carter Phillips is our lead attorney.

Mr. DODARO. Sidley, Austin, Brown and Wood.

Mr. WALKER. I misspoke. I have got too many things on my mind. Sidley & Austin. Carter Phillips is our lead attorney. Carter Phillips, as you undoubtedly know, was a former official in the Reagan Justice Department. He has appeared before the Supreme Court 20-plus times, an extremely able professional. The firm, Sidley & Austin, is a top-quality firm, one of the top five in the country of its size.

EVIDENCE SOUGHT IN NEPDG SUIT

Senator DURBIN. What specific information is GAO seeking?

Mr. WALKER. What we are seeking simply is who met with whom, when, about what, and what did it cost? We are not seeking deliberative information, we are not seeking what was recommended to the President, and we are not seeking the notes and minutes of the meeting. Our view is that if GAO cannot obtain that type of information for the Congress, then we have got a real concern, because it is not just the issue of the energy task force, it is the ability of the administration to use this type of a vehicle to circumvent oversight.

Senator DURBIN. Is there precedent for the administration providing this information to the GAO?

Mr. WALKER. There is. We have throughout various administrations obtained information on issues such as the Clinton Health Care Task Force, the Clinton China Trade Task Force, and the National Performance Review, which was headed by Vice President Gore, a variety of different things. There are some similarities and there are some differences between this circumstance and those.

We have tried very hard to make sure that we are being reasonable about this and, in fact, we have scaled back the request from what the original requesters wanted, but as you know, Senator, we now have a request from four Senate full committee and subcommittee chairmen for this information, and under our statute it says we shall do work for a committee, so we feel compelled to move forward.

Senator DURBIN. Now, haven't other groups also sought information about this task force? Has there been a disclosure pursuant to other litigation, or other legal action?

Mr. WALKER. The Natural Resources Defense Council and Judicial Watch have both filed separate pieces of litigation in connection with this matter. In some cases they are seeking similar information to what we are. In others, they are not seeking as much as we are.

For example, we are seeking certain information with regard to the staff that were assigned to the White House on a temporary basis for the purpose of staffing this task force. At least one of those suits does not seek that information.

We are also seeking with whom the Vice President and other members of the task force met. Neither of the other suits is seeking that information. They are bringing their action generally under the Freedom of Information Act and, as you know, Mr. Chairman, our rights extend far beyond the Freedom of Information Act.

We are, however, coordinating very closely with those two organizations to the extent that they receive information that would be helpful in discharging our responsibilities to Congress. We obtain access to that information from the relevant agencies such that we can narrow what the differences are between what has been made available and what we need to do our job.

FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD [FASAB]

Senator DURBIN. There is a little-known organization, the Federal Accounting Standards Advisory Board, and it is my understanding that you have been part of an effort to change the composition of this board. Could you describe that?

Mr. WALKER. I would be happy to. I am the chairman of the Joint Financial Management Improvement Program, which is comprised of the Secretary of the Treasury, the Director of OMB, the

Director of OPM, and the Comptroller General of the United States.

The Federal Accounting Standards Advisory Board is the body which has received recognition from the American Institute of Certified Public Accountants as the authoritative standard-setting body for generally accepted accounting principles for Federal Government entities. One of the things that we wanted to try to achieve is to make sure that that board was comprised of a majority of individuals who did not have to comply with the rulings that that board makes.

In other words, we believe that it was very important that a majority of that board be independent, not only in fact but in appearance, and that there not be individuals who were with Federal Government entities who had to comply with the pronouncements that were promulgated by the FASAB. As a result, we looked to revise the composition to increase to six non-Federal Government members from three along with the three Federal Government representatives from GAO, OMB, and the Treasury Department, which happen to be the three signators of this document.

We are also looking to have two or three ex officio members of the board, who would have rights to all the information and would have the rights to be heard, but they would not be voting members. We have a meeting next week of the principals, and I expect at that meeting we are going to discuss this possibility. I would recommend that CBO, the Department of Defense, and possibly one civilian agency have an ex officio capacity. They would have access to all of that information and would be able to express their views on issues of interest and concern.

But we believe it is very important that a majority of the voting members of the board be independent and not be subject to the standards that are being promulgated.

I might also add that the people who would get appointed could be former Federal Government employees. They are not necessarily coming from the private sector, so this is not a private sector versus Government issue. It is independence from having to apply the standards versus not being independent with regard to that.

Senator DURBIN. I have two questions. It is interesting that you have taken this approach at a time when committee after committee on Capitol Hill is investigating the private sector accounting profession and whether or not their standards are sufficient to give, I guess, transparency and credibility to Corporate America. I went to a hearing yesterday where the board of directors of Enron, former members and current members of the board of directors of Enron basically pointed to everyone but themselves and said, "they just are not doing their job." Well, that would include the auditors and accountants.

At a time when people are calling into question as to whether or not we ought to establish new oversight standards for the accounting profession, you have decided on this board to go heavy on the private side, as opposed to public sector accounting. Why did you do that?

PURPOSE SERVED BY CHANGING FASAB BOARD

Mr. WALKER. Well, first, I think it is very important, Mr. Chairman, that this is not a private sector versus public sector issue. In other words, we want six individuals who are not current Federal Government employees who would not have to comply with the pronouncements of this body. Those individuals could be former Federal Government employees, and they may not have ever worked for the private sector, so it is really not private sector versus public sector. It is six individuals who are independent from having to comply with the standards.

One of the current board slots is the DOD representative, in certain situations, he impeded the ability of this body to improve the transparency and accountability of Federal accounting and reporting. I am not talking about individuals, but rather the institution—impeded the ability of the FASAB to be able to make progress. Part of it was because they had to comply with the standards, and it was going to be difficult for them to comply with the standards.

And so, we want knowledgeable professionals, a majority of whom are independent from having to comply with these standards. I have already sought to make sure that we look for former officials, former Federal Government officials, as candidates for some of these 6 slots.

CBO REPRESENTATION ON FASAB BOARD

Senator DURBIN. Let me ask a second question, and that is a question about the CBO not being on the board. Do you think the legislative branch is adequately represented?

Mr. WALKER. I do. The Comptroller General of the United States is clearly a legislative branch officer, and GAO will continue as a voting member of FASAB. I firmly believe that the CBO ought to have the right to have an ex officio member on FASAB as well. Ex officio means they are at the table, they receive the information, just like the other board members do, in advance. I think that is important. That will enable them to be able to articulate whatever views they have at the outset of each meeting and to participate to the extent that they believe it would be appropriate. So in summary, I do believe the legislative branch is adequately represented.

TECHNOLOGY ASSESSMENT PROGRAM

Senator DURBIN. We appropriated $500,000 this year to conduct the pilot to evaluate whether the Senate needs to expand its technological assessment capabilities. What is the status of that pilot?

Mr. WALKER. Well, as you know, the Senate approved that, and it was $500,000. We have undertaken a project dealing with——

Ms. HARPER. Biometrics.

Mr. WALKER [continuing]. Biometrics at the border. We are looking at the use of biometrics at the border for security purposes. We have entered into a cooperative arrangement with the National Academy of Sciences. That is one example of where we are trying to have partnerships with other organizations to try to help get our job done. We expect that we will brief the appropriate parties by mid-June on the status of that effort, and then we will issue our report by August.

Gene, is there anything you want to add to that?

Mr. DODARO. That is correct. We have already had one discussion with a national panel of experts and are scheduled to gather information. We are on target to produce the report later this summer.

Senator DURBIN. A question it raises for me is whether or not we can do this under the current setup. Historically, the Office of Technology Assessment developed that type of expertise. They were given that type of assignment, and now that they are gone, I guess the question presents itself, can we match their performance with the current cooperative arrangement that we have described?

Mr. WALKER. Mr. Chairman, I would say that the Office of Technology Assessment obviously did important work, but it was also a very small office, with a limited amount of resources. My personal view is that GAO is well positioned in partnership with other parties such as the National Academy of Sciences to do this type of work, and that in general it may make sense to try, to the extent that you can, to utilize existing entities to accomplish objectives rather than creating new ones.

Mr. DODARO. Basically, the pilot assessment process required us to build in an evaluation of how well the pilot worked. So part of the pilot report that we are going to issue this summer will include an independent evaluation on how well this process worked and what alternatives and options could be pursued to do this on a somewhat broader scale.

EMERGENCY RESPONSE FUND

Senator DURBIN. In the fiscal year 2002 supplemental, you received $7.6 million. Will you be obligating all of those funds this fiscal year?

Mr. WALKER. That is for the security arrangements, as I recall.

Ms. HARPER. Yes, the security enhancements.

Mr. WALKER. Mr. Chairman, we are putting together a proposed security enhancement plan. We are in the process of trying to finalize our consultations with the House of Representatives. As I mentioned before, we have to consider not just what GAO's needs are, but also the fact that we may be a contingency site for the House of Representatives, and even potentially, on occasion, for the Senate.

We are in the process of finalizing those discussions. If, after they are finalized, it turns out that we do not need all of those funds, I commit to you that I will advise you, but we are not at the point yet that we can give a definitive statement, because we have not finalized those discussions.

Senator DURBIN. I believe you have asked for $3 million more.

Ms. HARPER. Four million dollars more.

Mr. WALKER. Right. In other words, if you look at the supplemental last year plus the $4 million, we are looking at a total of $11.6 million. If it turns out—and we will finalize this, I think, within the next month or two—that we do not need all of that, I can assure you I will not hesitate to tell you.

CLOSING REMARKS

Senator DURBIN. Let me just say for the record that Senator Bennett had an unavoidable conflict and could not be here today, but he may have some questions that he wishes to submit to you and the other witnesses. I want to thank the GAO and all of you for the good work you are doing, and I appreciate your testimony.

Mr. WALKER. Thank you, Mr. Chairman.

GOVERNMENT PRINTING OFFICE

STATEMENT OF MICHAEL F. DiMARIO, PUBLIC PRINTER

ACCOMPANIED BY:

ROBERT T. MANSKER, DEPUTY PUBLIC PRINTER
FRANCIS J. BUCKLEY, JR., SUPERINTENDENT OF DOCUMENTS
ROBERT B. HOLSTEIN, COMPTROLLER
WILLIAM M. GUY, BUDGET OFFICER
ANDREW M. SHERMAN, DIRECTOR, CONGRESSIONAL RELATIONS
CHARLES C. COOK, SR., SUPERINTENDENT, CONGRESSIONAL PRINTING MANAGEMENT

Senator DURBIN. Our next witness is Mr. Mike DiMario, the Public Printer, Mr. DiMario is accompanied by Robert Mansker, the Deputy Public Printer, Francis Buckley, Superintendent of Documents, Robert Holstein, Comptroller, William Guy, Budget Officer, Andrew Sherman, Director of Congressional Relations and Charles Cook, Superintendent of Congressional Printing Management.

GPO's budget request is roughly $122 million, $90 million for the congressional printing and binding appropriation, and $32 million for the Superintendent of Documents salaries and expenses.

Mr. DiMario, we expect that this may be your last appearance with the subcommittee. The President has announced his intention to nominate Bruce James as Public Printer. I want to thank you for your many years of public service, including 9 years as the Public Printer. Thank you for coming here today. We certainly wish you the best, and we invite you at this point to give your testimony.

OPENING REMARKS

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

GPO's original request for fiscal year 2003 was for a total of $129.3 million. There is a difference between the number that you use and the number that I use, and that is because we included $6.9 million in accordance with the administration's instruction to charge agencies for the full cost of post-retirement benefits for the employees covered by these appropriations. And I put that into the record for those people who may have read my prepared statement that I gave to you, so they understand the difference.

Our appropriation request includes $95.3 million for the congressional printing and binding appropriation and $34.1 million for the salaries and expenses appropriation of the Superintendent of Documents. Those appropriations have prorated to them the portion of the $6.9 million that they would be responsible for. For clarity I make that statement.

Since the time of our original budget request, we requested a supplemental for $7.9 million. That is to fund a shortfall of $5.9 million in the fiscal year 2001 congressional printing and binding appropriation, and $2 million for asbestos abatement in our central office buildings. If that supplemental appropriation request is approved, our total requirements for fiscal year 2002 would be reduced to $123.4 million, a lesser amount than we originally submitted. If it is not approved, we will still need the shortfall funding restored in order to have adequate funding to carry out our mission to support the Congress.

For congressional printing and binding, the funding level that we are requesting should be sufficient to ensure that the cost of Congress's printing and information products are fully covered. We have received shortfalls in the past, but we are not anticipating that at this point in time for 2003, assuming the appropriation is given to us.

In 2002, at the current time, we do not anticipate any shortfall. 2002 is not a complete year, however, so we just do not know what the final budget numbers will be, but currently it appears that we have adequate money in that appropriation.

For the salaries and expenses appropriation we are asking for an increase to replace obsolete format servers and other equipment, and for improvements to enhance online services provided through GPO Access. It is essential that we enhance our data archiving capabilities, including data migration activities, to refresh essential legislative and regulatory online files.

The salaries and expenses appropriation is for the Superintendent of Documents function, which is our distribution function.

Online formats are now the primary means of dissemination in the Federal Depository Library Program. We are continuing to transition the publications distributed to the depositories to electronic formats as quickly as we can without jeopardizing public access to the titles for which there are no dependable electronic equivalents.

Finally, we are seeking a legislative change to adjust the statutory pay for the Public Printer and Deputy Public Printer. This will restore appropriate comparability with other legislative branch agency heads, senior staff in the House and Senate, and senior staff in the executive branch. We make this request for the interests of future GPO leaders. As you noted, this will be in all likelihood my last appropriation hearing, so it is certainly not in my interest that I advance that.

PREPARED STATEMENT

Mr. Chairman, this concludes my opening remarks. We have given you a prepared statement which I ask be placed in the record.

Senator DURBIN. Your statement will be included in its entirety.

Mr. DIMARIO. Thank you. We are prepared to answer any questions that you may have.

[The statement follows:]

PREPARED STATEMENT OF MICHAEL F. DIMARIO

Chairman and Members of the Subcommittee, I am pleased to be here today to present the appropriations request of the Government Printing Office (GPO) for fiscal year 2003.

FISCAL YEAR 2003 APPROPRIATIONS REQUEST

For fiscal year 2003, the Government Printing Office (GPO) is requesting a total of $129.3 million: $95.3 million for the Congressional Printing and Binding Appropriation and $34.1 million for the Salaries and Expenses Appropriation of the Superintendent of Documents. At the direction of the Office of Management and Budget, the request includes $6.9 million in accordance with the Administration's proposal to charge agencies for the full cost of post-retirement benefits for the employees covered by these appropriations. It also includes $5.9 million to cover a shortfall in fiscal year 2001 Congressional Printing and Binding funds.

Exclusive of the amounts for post-retirement benefits and the shortfall, our requested increase over fiscal year 2002 (including emergency supplemental funding approved in the wake of the September 11 attacks) is $1.9 million, or 1.7 percent. These funds are primarily to cover mandatory pay costs and workload changes in congressional printing, as well as additional capability for the Superintendent of Documents to provide public access to the growing volume of online Federal information made available through GPO Access, our online information service (www.gpo.gov/gpoaccess). Approximately 225,000 titles are now made available through this service, which is used by the public to retrieve more than 31 million documents every month. Overall, our request represents an increase of $14.7 million, or 12.8 percent, over the amount approved for fiscal year 2002 (including emergency supplemental funding), with most of the increase ($12.8 million) for the shortfall and post-retirement benefits.

Fiscal Year 2002 Supplemental.—Last month, I submitted a supplemental appropriations request for fiscal year 2002. I requested the $5.9 million for the fiscal year 2001 shortfall and $2 million for a necessary project to abate asbestos in the buildings comprising GPO's central office complex on North Capitol Street. If this supplemental request is approved, the $5.9 million for the fiscal year 2001 shortfall in the Congressional Printing and Binding Appropriation would no longer be needed as part of the fiscal year 2003 request.

Congressional Printing and Binding Appropriation.—The Congressional Printing and Binding Appropriation covers the estimated costs of producing the Congressional Record, bills, reports, hearings, documents, and related products required for the legislative process. This appropriation is critical to the maintenance and operation of GPO's in-plant capacity, which is structured to serve Congress' information product needs. It also covers database preparation work on congressional publications disseminated online via GPO Access.

Salaries and Expenses Appropriation.—The Salaries and Expenses Appropriation of the Superintendent of Documents pays for documents distribution programs and related functions that are mandated by law. The majority of the appropriation is for the Federal Depository Library Program (FDLP), under which congressional and other Government publications and information products are disseminated to approximately 1,300 academic, public, Federal, law school, and other libraries nationwide where they are available for the free use of the public. While some of the funding for the FDLP is for salaries and benefits, most is for printing and disseminating publications (including publications in CD–ROM and online formats, which are now the majority of items in the program) to depository libraries. Related statutory functions covered by this appropriation are cataloging and indexing, by-law distribution, and the international exchange distribution of U.S. Government publications. Finally, through the FDLP, this appropriation provides the majority of funding for the operation of GPO Access. GPO's other major documents distribution functions—the sales program and agency distribution services—are structured to be funded by revenues earned and receive no appropriated funds.

CONGRESSIONAL PRINTING AND BINDING APPROPRIATION

Our request for $95.3 million for the Congressional Printing and Binding Appropriation includes funding to cover Congress's estimated printing requirements for fiscal year 2003, a prior year shortfall in this appropriation, and the Administration's retirement plan, and, as follows:

Estimated Fiscal Year 2003 Congressional Printing and Binding Requirements

[In millions of dollars]

Committee hearings	21.3
Congressional Record (including the online Record, the Index, and the bound Record)	20.4
Miscellaneous Printing and Binding (including letterheads, envelopes, blank paper, and other products)	16.8

Estimated Fiscal Year 2003 Congressional Printing and Binding Requirements—Continued

Bills, resolutions, amendments	7.4
Miscellaneous Publications (including the Congressional Directory and serial sets)	4.5
Committee Reports	3.4
Documents	2.5
Committee Prints	2.4
Details to Congress	2.3
Business and Committee Calendars	2.3
Document Envelopes and Franks	1.0
Subtotal	84.3
Elimination of the Fiscal Year 2001 Shortfall	5.9
Post-Retirement Benefits	5.1
Total	95.3

Fiscal Year 2003 Estimated Requirements.—Exclusive of the amounts for post-retirement benefits and the fiscal year 2001 shortfall, the funding we are requesting for Congress' fiscal year 2003 printing requirements represents a net increase of approximately $3.3 million, or 4 percent, compared with the approved level for fiscal year 2002. As our Budget Justification shows, there is an estimated $3.7 million in price level increases due to contractual wage agreements as well as higher costs for materials and supplies. These price level increases are offset by an estimated $400,000 reduction resulting from projected volume decreases in all production workload categories except for hearings and committee prints. Estimates of the changes in workload volume are based on historical data from previous first session years.

Fiscal Year 2001 Shortfall.—In addition to the funding required for congressional work to be performed in fiscal year 2003, we are requesting $5.9 million to eliminate a shortfall for work performed in fiscal year 2001.

Last year, in the fiscal year 2001 Legislative Branch Appropriations supplemental, Congress provided funding to eliminate a cumulative shortfall in the Congressional Printing and Binding Appropriation through fiscal year 2000. At that time, we projected and disclosed a developing shortfall for fiscal year 2001, but we did not request funding to cover it because the fiscal year had not concluded. The $5.9 million we are now requesting will eliminate all existing shortfalls through fiscal year 2001. At this time, no shortfall is anticipated for fiscal year 2002.

SALARIES AND EXPENSES APPROPRIATION

The programs covered by our request of $34.1 million for the Salaries and Expenses Appropriation of the Superintendent of Documents are as follows:

[In millions of dollars]

Program	*Estimated Requirements*
Federal Depository Library Program	27.3
Cataloging and Indexing Program	4.0
International Exchange Program	.7
By-Law Distribution Program	.3
Subtotal	32.3
Post-Retirement Benefits	1.8
Total	34.1

Exclusive of the request for post-retirement benefits, the funding we are requesting for fiscal year 2003 represents a net increase of approximately $2.7 million, or about 9 percent, over the approved level for fiscal year 2002.

The majority of the increase, or $2.6 million, is to replace obsolete formats, servers, and other equipment and for equipment improvements to enhance GPO's online services. It is essential that we enhance our data archiving capabilities, including data migration activities to refresh essential legislative and regulatory online files. Several of these files date back to 1994, while generally accepted practices call for systematic data maintenance on at least a 5-year cycle.

The requested increase also includes $482,000 for mandatory pay increases, including anticipated COLA's, promotions, within-grade increases, and transit subsidies for covered employees; $404,000 to cover price level changes affecting materials and supplies at the anticipated rate of inflation of approximately 2 percent; $348,000 to cover depreciation for the modernization of legacy automated systems supporting the FDLP; and $91,000 for 3 additional FTE's for the FDLP to assist in the management of the FDLP Electronic Collection. The additional FTE's are directly related to the increased workload of managing the expanding range of files available to the public through GPO Access.

These increases are offset by a projected workload reduction of approximately $1.2 million, attributable primarily to the continuing decline of paper copies distributed to depository libraries. The decline is part of the ongoing migration of the FDLP to a predominately electronic program.

Transition to More Electronic Dissemination.—The transition to a more electronic FDLP is continuing, as projected in the Study to Identify Measures Necessary for a Successful Transition to a More Electronic Federal Depository Library Program (June 1996) and in fulfillment of direction from Congress in fiscal year 2001 that "emphasis should be on streamlining the distribution of traditional copies of publications which may include providing online access and less expensive electronic formats."

Nearly 61 percent of the 37,600 new FDLP titles made available during fiscal year 2001 were disseminated electronically. For fiscal year 2002 to date, 66 percent of the new titles made available to the public through the FDLP have been online. Through its electronic information dissemination component, the FDLP now delivers more content to users than ever before. In order to preserve public access, the distribution of tangible formats continues for those titles for which there is no acceptable online alternative.

Withdrawal of Publication from FDLP.—In the wake of the September 11 attacks, the Superintendent of Documents requested Federal depository libraries to withdraw and destroy their depository copies of a United States Geological Survey (USGS) CD–ROM entitled *Source Area Characteristics of Large Public Surface-Water Supplies in the Conterminous United States: An Information Resource for Source-Water Assessment, 1999*. The CD–ROM contains information relevant to public drinking water supplies.

The Superintendent's October 12, 2001, letter was issued pursuant to a letter from the USGS, dated October 5, 2001, which asked GPO to "request that depository libraries receiving the [Source-Water CD–ROM] be instructed to destroy their copies." The Superintendent's request went to the 335 Federal depository libraries which had selected this document for their collections.

The Superintendent of Documents' request followed established policy for the withdrawal of documents from the FDLP. The Government may request the removal of materials from depository libraries since under Title 44 of the U.S. Code all FDLP materials remain Government property. Requests to withdraw happen rarely, however. Since fiscal year 1995, the GPO has distributed 230,019 tangible product (print, microfiche, and CD–ROM) titles to depository libraries, and recalled just 20 (16 to be destroyed, 3 returned to the agency, 1 removed from shelves). Such actions are taken only on the request of the issuing agency, most commonly because the titles contain information that is erroneous or has been superseded. The Superintendent has no statutory ability to deny agency document withdrawal requests, but instead serves as the statutory conduit for carrying them out. Prior to initiating any withdrawal request, however, GPO policy is to carefully review each request and ensure that all such requests are made in writing.

GPO is working closely with the library community on the issue of withdrawing documents and is keeping the community, as well as the Joint Committee on Printing, informed. Because our mission is to promote public access to Government information, we take very seriously any Federal agency's request to restrict access to Government information that has been made public. However, we also have a duty under the law to cooperate with Federal agencies in the appropriate distribution of the official information they publish. Since the September 11 attacks, the USGS CD–ROM is the only document that the Superintendent of Documents has been asked to be withdrawn from depository libraries. Any future agency withdrawal requests will be handled in accordance with law and established policy.

REVOLVING FUND

Financial Results for Fiscal Year 2001.—GPO's fiscal year 2001 consolidated financial statements were audited by the firm of KPMG LLP. We have been advised that GPO will receive an unqualified, or "clean," opinion on the statements.

GPO ended the year reporting a loss of approximately $1.6 million from the results of normal business operations, a margin of two-tenths of one percent on $712.4 million in total revenues. However, this figure does not reflect two unusual accounting adjustments: a $12 million write-off of the cost of the Sales Program's Integrated Processing System (IPS), and a required actuarial increase of $31.4 million in the long-term estimated liability of workers' compensation benefits under the Federal Employees Compensation Act (FECA). Altogether, these factors resulted in a reported loss of $45 million. Our statements have been prepared to reflect the uniqueness of the two adjustments. The loss will be covered by GPO's retained earnings and will not require additional appropriations.

The implementation of IPS, which will replace the Sales Program's legacy automated systems, has been delayed by modification work on the original off-the-shelf system to make it fit the Program's needs. The modifications have nearly been completed. IPS has been certified by the GPO's Inspector General to be capable of operations, and training is currently being undertaken to implement the system. During the period in which IPS was under development it was not depreciated, in accordance with generally accepted accounting principles (GAAP). However, for fiscal year 2001, GPO's auditors recommended several options for making an accounting entry for IPS. A one-year write-off of IPS' capitalized costs was among the recommended options. We selected this option because it obviates the need to assign these costs via depreciation to future years at a time when the Sales Program is cutting expenses to meet reduced order volume. All of the system's acquisition costs have been paid for and the one-time write-off causes no additional reduction of GPO's available funds.

The adjustment to the long-term liability of GPO's workers' compensation program is based on actuarial assumptions that are different from those used to compute this liability in prior years. The difference has arisen due to changes in the assumptions used by the Department of Labor affecting the computation of this liability governmentwide, a figure which is currently forecast at $24.7 billion. The adjustment in GPO's liability conforms to accepted Government accounting practice. As adjusted, this liability is essentially a 37- to 55-year forecast of what GPO's responsibility for workers' compensation could be in view of historical benefit payment patterns, current information related to benefit claims, and Labor Department assumptions. The required reporting of this forecast does not cause any expenditure by GPO, does not affect GPO's printing rates, and does not reflect a reduction in GPO's available funds. It is important to note that the FECA adjustment is not indicative of an increase in GPO's workplace injury and illness rates, which remain comparable to other Federal agencies with substantially industrial missions, such as the Bureau of Engraving and Printing and the U.S. Mint.

Effect on Revolving Fund of Funding Post-Retirement Benefits.—The Administration's proposal to have agencies pay the total cost for their employees' post-retirement benefits would increase GPO costs by nearly $17.9 million in fiscal year 2003. Of this amount, $6.9 million has been included in this request for the two appropriations made directly to GPO. The balance of nearly $11 million would have to be charged to GPO's Revolving Fund, which finances operations that provide for the Government's printing, printing procurement, sales of publications, agency distribution, and related services. Recovering this cost would require that GPO's rates charged to Federal agencies and the prices charged to the public for the sale of publications be significantly increased. Imposing these price increases would be a heavy burden on GPO's agency and public customers.

Police Merger.—We are cooperating with the General Accounting Office in its current review of a proposal to merge the GPO police force with the Capitol Police. As we have stated previously, our main concern is that we continue to have effective input into the management of GPO's unique security needs in the wake of any consolidation that Congress may decide upon.

Status of Air Conditioning Project.—In the fiscal year 2001 supplemental appropriations act last year (Public Law 107–20), Congress provided $6 million for more energy-efficient air conditioning and lighting systems at GPO. The air conditioning project is underway. The architecture and engineering study, which details the system design and equipment requirements, has been completed. Bids for the air conditioning contractor have been solicited and were due to GPO by March 25. A contract has been awarded and the work schedule calls for the new system to be installed and operational by the end of March 2003. Work on the lighting improvements will follow.

Emergency Preparedness Projects.—Last fall, Congress provided $4 million to GPO in supplemental transfer authority for emergency preparedness (Public Law 107–117). As we have communicated to the Senate and House Appropriations Committees, our plan for spending these funds includes $1.1 million to replace GPO's ageing fire protection, signaling, and public address systems to protect GPO personnel and property. The balance of $2.9 million is to establish a limited remote printing capability at GPO's Laurel, MD, warehouse, which will provide for continuity of necessary printing operations in support of Congress. These funds are also being used to establish a remote mirror site for GPO Access outside of Washington, DC. We are currently reviewing GPO field offices for placement of this site. Both Committees have approved our proposal for spending these funds.

GPO Emergency Support for Congress.—In the wake of the anthrax attacks last fall, GPO provided temporary work space for personnel from the Senate Office of Legislative Counsel and some personnel from the Office of the Clerk of the House. Since that time, as the result of the closure of the Capitol's off-site delivery center, we have provided space at our warehouse loading docks off North Capitol Street for use by the Capitol Police in screening all trucks bound for congressional offices for the distribution of supplies, equipment, and food. Up to 70 trucks a day have passed through this operation. At the request of the Chairman of the Committee on House Administration, we are providing space to support off-site computer operations for House Information Resources.

Sales Program.—In recent years, the volume of sales through GPO's sales of publications program has the been declining. The free availability of publications on GPO Access and other Government web sites has been the primary reason for this decline, although competition from other Government publications sales outlets has contributed to it. The losses have been temporarily financed through GPO's Revolving Fund.

We have taken a number of steps to reduce program costs and increase revenues. In the past 5 years, we have cut FTE's in the sales program from 529 to 392, or 26 percent. Further FTE reductions of 25 and 35 are planned for fiscal year 2002 and 2003, respectively, yielding an additional reduction of 15 percent during that period. We have reduced warehouse space for the program by closing our Springbelt, VA, paper warehouse and consolidating paper warehouse operations in our documents warehouse space in Laurel, MD. We have made across-the-board pricing adjustments of 20 percent over the past two years. In addition, we are emphasizing our online ordering service, and we have implemented an 800-ordering number and expanded credit card payments to include American Express.

Along with these actions, we have begun closing those GPO retail bookstores around the Nation that no longer are economically viable. Closing these stores will reduce costs, and we expect to retain a substantial portion of store revenues through our online, fax, phone, and mail order operations served by our warehouse. Quick turnaround service for purchasers can be provided by express overnight delivery. At the same time, free public access to Government information will remain unaffected through local Federal depository libraries as well as Internet availability.

To date, we have proceeded with the closure of 6 stores: San Francisco, Boston, the McPherson Square store in Washington, DC (one of 3 in the Washington, DC, area), Philadelphia, Chicago, and Birmingham, AL. We provided advance notification to the respective House and Senate delegations for these 6 stores our plans, as well as the Joint Committee on Printing. Other closures are pending and we will be providing notification soon to the respective delegations about these stores.

In spite of the decline in the volume of publications sold, we believe the continued operation of a sales program that provides the public with an opportunity to purchase their own copies of Government documents, pursuant to the provisions of chapter 17 of Title 44, is justified. Our objective is to reduce the costs of this program to a level consistent with the program revenues.

However, part of the costs of the sales program are indirect overhead expenses that impose a proportionally greater burden on the program as revenues have declined. This overhead includes many expenses that are unique to Government agencies, such as costs for personnel and budget offices, EEO and Inspector General operations, security personnel, and other administrative costs. As GPO strives to find a way to continue providing the public service afforded by the sales program while minimizing its costs, it may become necessary to discuss other funding options for the program. For example, until 1978, the program received part of its funding from appropriations to cover general and administrative expenses.

FTE Level.—I am requesting a statutory ceiling on employment of 3,222 FTE's. This is a decrease of 38 from the previous year, and reflects a reduction of 6 FTE's from printing and binding operations and 35 from the sales program, offset by the increase of 3 under the Salaries and Expenses Appropriation. Total GPO FTE's have dropped 39 percent between fiscal year 1990 and fiscal year 2001, 36 percent since fiscal year 1993 alone, when I first took office. GPO is now at its lowest employment point in the past century, principally due to our use of electronic information technology.

ADDITIONAL ISSUES

Legislative Changes.—We are requesting a change to section 303 of Title 44, regarding the pay of the Public Printer and the Deputy Public Printer, in order to maintain pay parity with other comparable legislative branch officials as well as appropriate comparability with senior staff throughout the Government. Changes in the pay levels for the Public Printer and Deputy Public Printer have been provided through the appropriations process, as they last were in the early 1990's.

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

ADMINISTRATION'S PRINTING POLICY

Senator DURBIN. Well, thank you very much.

Mr. DiMario, the decision last week announced by the Bush administration in their executive order to permit agencies to bypass the Government Printing Office will certainly have an impact on the agency. First, do you question the authority of the administration to make this decision by Executive order?

Mr. DIMARIO. I certainly do, because we are dealing with a statutory provision of law that requires the agencies to prepare printing requirements by requisition to the Government Printing Office, subject to certain statutory exceptions that exist and/or waivers that have been granted to them from time to time by the Joint Committee on Printing, again based upon statutory provisions that allow those waivers to be granted. So to amend the statute, or attempt to, or provisions of a statute by the issuance, or future issuance, of a regulation which stems from the statute, seems to me to be inconsistent. You have to have regulations that follow statutes, that do not modify statutes.

Senator DURBIN. Does the Government Printing Office plan to take legal action to assert its statutory rights as you outline them?

Mr. DIMARIO. Well, at this point in time we are probably not in a position to take legal action as such. The Office of Management and Budget has essentially issued to the agencies of Government in the executive branch a notice stating this is what their intention is. But for them to accomplish this, which is to change the Federal Acquisition Regulations, we believe they have to do so in accordance with the Administrative Procedures Act.

The Administrative Procedures Act requires that they give public notice, and that would be in the Federal Register; that there be comment periods; and that others who are impacted by the proposed rule may comment as to that impact that they might have. I cannot speak to the time frame. OMB is talking about September 2002 implementation. I do not know, given the Administrative Procedures Act provisions, whether September is a realistic time to anticipate that. But certainly we would offer comments during this period of time, and we would also hope that other affected organizations would do the same, that they would offer their comments either favorable to what is being proposed, or from my judgment, unfavorable to it, because it is an item that has been looked at many, many times, and has been proposed in the past.

Senator DURBIN. Let us assume for a moment that it does go forward and address that hypothetical. Let me ask you, what impact would that have on the volume of work done by the Government Printing Office?

Mr. DIMARIO. Well, this would have to be speculative on my part. The way I believe their regulation would be worded is not to say they could not come through GPO. We would be a voluntary source for them, but it would not be mandatory to use us.

Currently, we do about 50 percent of all Federal printing. It comes through the Government Printing Office.

Senator DURBIN. Excuse me. Now, when you say 50 percent, is that actual printing, or printing that you contract out?

Mr. DIMARIO. That is the portion of all Federal printing that GPO handles. Of that 50 percent, we contract out approximately 70 to 75 percent. Virtually the bulk of the executive branch work that comes to us currently is contracted out. We have a network of contractors on our bid list, 10,000 or more contractors, including some very active contractors, in the range of 3,000 or 4,000, that pursue Government contract work. They are located around the country. It is a program that was put in place by the Congress many, many years ago. It is the Federal printing program of the Joint Committee on Printing. It is about 50 years old.

As I noted, 50 percent of all Federal printing is work that is currently coming through us. The other 50 percent does not go through GPO. There are waivers or other provisions of law that authorize other operations in printing. As an example, classified printing does not have to come through us, so the National Security Agency, the Central Intelligence Agency and related agencies have classified printing programs and are authorized to produce that work without coming through GPO.

Senator DURBIN. Let me just try to zero in here, because I am trying to follow the percentage of a percentage, and I am losing track of it here. Let me ask you this. If the OMB regulation, recommendation is implemented, and if you assume that there is no work that will be coming from the executive branch then from the Government Printing Office, what impact does this have on your current work load? What percentage of your printing, either inhouse printing or contracted printing, would be eliminated?

Mr. DIMARIO. If no work is coming from the executive branch, it would eliminate the majority of the work that is coming to us.

Senator DURBIN. Give me a number. Is it 90 percent of the workload?

Mr. DIMARIO. It has got to be 80 percent. Currently our in-plant work is about 50–50 for the executive branch and the Congress. It would impact virtually all of our procured printing—I guess $475 million last year, and roughly $80 or $90 million in plant.

Senator DURBIN. So if 80 percent of your printing responsibility is tied up with executive contracts, executive assignments, and it could be eliminated on the basis of this executive order, what percentage of your FTEs would be affected by that?

Mr. DIMARIO. It would probably knock out, again, 75, 80 percent. The people that we actually have procuring printing, as opposed to manufacturing printing, those people would for the most part be gone, and a lot of those are in the field, and the central office. If we lost half of the in-house printing, then the question is, we would have to lose part of that workforce.

Could we lose all of the workforce one for one? I do not know. For example, on the same presses we do the Congressional Record and the Federal Register. Under the assumption that we lose all executive branch work, there would be an assumption you would lose the Federal Register, which is a separate statute altogether, and yet we would still have to maintain a workforce to keep that press capability for Congress.

So these are numbers that I am picking off the top of my head with respect to FTEs, but it would be substantial impact on GPO.

EMPLOYMENT LEVELS

Senator DURBIN. And currently you have how many FTEs, 3,000, roughly?

Mr. DIMARIO. Yes, about 3,000.

Senator DURBIN. I want to make certain it is clear for the record here, and that I understand, I want to give you an opportunity to look at it more closely and maybe come back with more precise figures, but your general observation is, if the OMB recommendation goes through, that 75 percent of this workforce of roughly 3,000 could be negatively affected?

Mr. DIMARIO. Yes, sir, and I say it that way. Not all the workforce deals with the printing side, but the Superintendent of Documents' distribution side would be affected too. If the agencies are in compliance with the provision in OMB's suggested regulation, well, they may still furnish documents, which they are currently required to do, to the Superintendent of Documents for his decision to distribute them to the 1,300 Federal Depository Libraries. There is a chance that that portion of the workforce would not be impacted at the same level as those people who are either procuring printing, who would be decimated by this, or those people who are producing work in-plant.

Senator DURBIN. I want to follow through on that question. But so that it is clear for the record, it is your estimate, and it is only an estimate, and I am going to certainly give you great accommodation here because you are just trying to be helpful to the subcommittee at this moment in coming up with an idea, but if the OMB recommendation goes through, approximately 2,200 of the 3,000 employees at the GPO would be out of work.

Mr. DIMARIO. It could be that many, yes, sir.

Senator DURBIN. I think it is safe to assume that if the OMB proposal goes through, that each agency of Government then would have to assign an FTE to assume the new responsibility when it comes to printing. I do not know how we would avoid that.

Mr. DIMARIO. Yes, sir. Some agencies currently have employees who deal with printing, but they are not procuring printing, so they would have to take on that burden. We have people with specialized skill in procuring printing, but the agencies would have to do that. Currently, the number of billing address codes, locations throughout the executive branch and other places of Government that we deal with, is about 6,300. These are locations from which we are receiving requests for printing Government documents throughout the United States Government. Each of these locations in all likelihood would have to have some administrative burden to be able to procure their own product, unless they created a series of centralized procurement activities for printing, or brought them into an agency already in being.

So yes, there would be duplication and there would be administrative costs. As a result, in our judgment, the cost would go up sharply for Government.

Senator DURBIN. I think you said earlier, and our staff has indicated as well, there is still an option under the OMB proposal where the executive agencies could use the services of the Government Printing Office.

Mr. DIMARIO. Well, I believe so, because they are telling them under the regulation they no longer have to mandatorily follow the statutory provisions requiring the use of GPO but they cannot wipe out that statutory provision.

Senator DURBIN. It says in the press report that Mr. Daniels' memo would allow agencies to use GPO services if they were the cheapest available.

Now, here is the problem we are facing. First, we do not know if OMB has the statutory authority to make this decision. Second, we do not know when the decision will be finalized. It could be September, it could be later. Third, we are being asked to appropriate a lot of money for the Government Printing Office to cover your FTE needs which could range somewhere from 800 people to 3,000, depending on how much the OMB circular ultimately leaves executive agencies to use your services.

Mr. DIMARIO. Yes, sir. The congressional printing and binding appropriation would have to cover some of the workforce that does some executive work, the in-plant work. For procured printing, we recover moneys by charging a surcharge to the agencies, including a great deal of the overhead——

Senator DURBIN. Transcripts for the agencies coming in——

Mr. DIMARIO. We charge, roughly a 7-percent surcharge, or a rush surcharge of about 14 percent.

Senator DURBIN. Depending on the OMB recommendation, a great deal of that is at risk.

Mr. DIMARIO. Yes, sir. I am not contradicting your position. I am just saying that it is not this appropriation that is dealing with the entire impact. The Superintendent of Documents appropriation again, if they were to continue through the current requirements of law and agencies make available to the Superintendent of Documents adequate copies to be distributed to the Federal Depository Library System, then that might not impact the Superintendent of Documents' workforce to the maximum potential extent.

Senator DURBIN. I hope you understand the predicament.

Mr. DIMARIO. I understand it.

Senator DURBIN. I am trying to estimate the appropriations needs of the Government Printing Office in light of this contingency that could dramatically impact the number of people actually working.

Mr. DIMARIO. Yes, sir.

Senator DURBIN. I do not believe that any of us want to be in a position that we are appropriating for FTEs who frankly do not have work to do, or do not have transfers from other agencies to cover expenses. I think that would be an irresponsible approach.

Mr. DIMARIO. I totally understand that concern. I guess what I am saying is, the greater impact may be in the areas that are not currently covered directly by any of these appropriations. It would be from the surcharge moneys and other transfers that we receive.

Put it this way, if I may. We are talking about approximately $32 million of surcharge revenue that we use to fund the agency in addition to the appropriations that we are requesting from you, so we would lose right up front that $32 million. We would also lose roughly $80 million for in-plant work that we currently charge the agencies for products such as the Federal Register, passports, and postal cards, that kind of work. That is executive branch work.

Let us say roughly $80 million plus $32 million of our current funding not coming through this appropriation would be lost.

PUBLIC ACCESS

Senator DURBIN. You have acknowledged in your testimony, and I have noted for the record here, that there has been a dramatic increase in online access to publications, lessening significantly the need for GPO's printed publications. You have estimated a decline of 25 employees, FTEs this year, an additional 35 FTEs next year in the sales program. It sounds to me like this is a resource for the GPO that is diminishing because of new technology. The receipts from sales and such have obviously been negatively impacted by online access.

Mr. DIMARIO. Yes, sir. I made the decision to put the products up for free online. When Congress passed the 1993 GPO Access Act, it directed us to put the Congressional Record up online and also the Federal Register. We have added many publications. The law would allow us to recover very, very little money for any additional distribution.

Once we went up with free access, we became victims of our own success. Our sales program went downhill, especially when we put the Code of Federal Regulations up online. A number of regulatory materials which the public needed, the business community needed, suddenly were available for free access, a tremendous service. But the success of our online program undercut sales of printed products, and now we are trying to recover from that.

Senator DURBIN. Let me ask you, yesterday I had a meeting with the Illinois Library Association, and they were the first ones to bring this to my attention, because they are concerned about the impact if the documents, that the GPO has produced over the years, are not sent to the Federal Depository Libraries. This is a pretty ambitious undertaking. Is it not, in terms of what your office does and the number of libraries that are served?

Mr. DIMARIO. Yes, sir. We have currently—and Fran can speak to this—some 1,300 out there that receive publications. Not all of them receive every publication. There are 50 regionals, and then there are selective libraries that select certain publications. They provide free public access to the American public, a tremendous service.

The business community uses the libraries as much as researchers, but research libraries and public libraries are all included in this structure, and it is just one of the great benefits to the American public that goes unnoticed, for roughly $30 million each year. It is not a huge sum of money that goes into it. The program includes cataloging and indexing, and foreign exchange distribution.

You mentioned the Illinois Library Association. Jean Simon, Senator Paul Simon's late wife, was one of our great friends, my personal great friend, was a supporter of that association, and I know that you worked closely with Senator Simon in your earlier career. Jean actively supported our depository program, and she was a great friend of the library community, and just a tremendous loss to all of us.

Senator DURBIN. Yes.

Mr. DIMARIO. I went out to Carbondale, and Fran went with me, at Jean's request. She was undergoing her surgery down in Texas, and she actually introduced me to a symposium at Carbondale by a telephone connection that we had at the hospital.

Senator DURBIN. Well, let me ask you, what impact would this OMB order or regulation have on these Federal Depository Libraries?

Mr. DIMARIO. Fran can answer it.

Mr. BUCKLEY. Well, as Mr. DiMario has said, currently agencies, if they produce a publication on their own, are supposed to provide it to the depository program at their own expense. That is in the law. Needless to say, the law is honored more in the breech than in practice, and we have therefore a great many fugitive documents that we do not have access to automatically. We have access to those that are produced through GPO. We can ride those requisitions and obtain copies of those easily, but if the agency produces publications themselves, despite laws that they both provide them to us for cataloging and for depository distribution, they tend not to.

Not long ago, the Inspector General of the Health and Human Services Department did an audit of publications by the National Institutes of Health. The research institutes have a legislative exemption from printing through GPO, but it only affects the printing, and the IG investigated their compliance with the cataloging requirements and the depository library requirements.

This review disclosed that over 78 percent of the titles that were appropriate for the depository program that they reviewed were not provided to GPO. Now, it was not that NIH does not have a tremendous program for disseminating their information. You know, they mail a lot of things out, but those things that are not provided to the depository program then do not go into libraries for permanent retention, and they are not cataloged into the national bibliography, so it is harder over time for people to find access to them.

Senator DURBIN. Excuse me. Can they meet the requirement by providing this information online as well?

Mr. BUCKLEY. If they provide it to us. If you just put it up online, that is fine, but then the agency does not have any requirement to keep it up online.

Senator DURBIN. But I mean, could they transfer it to you, and could the GPO——

Mr. BUCKLEY. If they notified us, we would then copy it. We would catalog it and we would then enter it into our digital archives.

What we are doing currently with agencies who put things up on their own, if we know about the things, if we find them or if they notify us, we will catalog the items, because it is, again, part of the national bibliography. We either will try to work out a cooperative agreement with them for permanent access and permanent retention, or we will copy the item into our own digital archive so if they take it down we would have a backup copy for the public.

Mr. DIMARIO. OMB made a little footnote about depository distribution requirements in their memorandum issued last week. It is almost an afterthought that they put at the very end of the requirement.

Let me also note that if the OMB proposal goes through, the cost of congressional work will go up, and I think that is part of what I was suggesting to you about the policy. We are doing the work for Congress in the plant. We would have an impact on supporting personnel that are important to get the job done, so there would definitely be an increase that we would anticipate for congressional work. In the process of producing the Congressional Record we use vegetable-based inks, soy in particular. I know you have a personal interest in that aspect.

We have accommodated a range of congressional purposes in producing the Congressional Record. We use recycled paper, as an example. We have accommodated a number of issues in the process. I would anticipate that over time, obviously, the paper products are going down, and we are not just trying to preserve things, but we do important work.

COST OF DOWNSIZING

Senator DURBIN. If under the worst-case scenario there were 2,000-plus employees who were jeopardized by this OMB order, this new rule, can you at this moment speculate on expenses of changing the workforce at the Government Printing Office from over 3,000 to 1,000? What would be the obligation of the Federal Government to those employees that have been terminated?

Mr. DIMARIO. I really cannot speak intelligently to it in real numbers, but there are provisions in title V that provide for severance pay, and you have those kinds of things if people lost their jobs under a reduction-in-force action, and whether that would be any kind of adequate compensation would be a real question of judgment.

We are informed that the average RIF cost is $35,000 per employee. You are going to have a significant cost. There is a clear cost, and we would follow the provisions of title V with respect to any forced downsizing.

Senator DURBIN. I am going to ask you, Mr. DiMario, and this is a tough assignment for you, something you probably did not want to do at this point in your career, but I am going to ask you if you could help us by coming back with at least a realistic scenario, if this goes through, as to what this means to the Government Printing Office in the next fiscal year, the employees who would be impacted, those who would have a continuing obligation regardless of this OMB decision, and those that might be jeopardized, the impact that it might have on the cost of congressional work for the Congressional Record, so we can have some indication there.

I hate to ask you to do this, but I do not know any other way to approach it. I have to at least consider this possibility as we try to construct appropriation for the next fiscal year.

Mr. DIMARIO. I would be delighted to do it, and I am certain that my staff will put forward their best effort to do it.

Senator DURBIN. Well, it also is going to give us, I think, a better opportunity to assess the real impact of this. According to Mr. Daniels the Government stands to profit by $50 to $70 million a year, a figure which you do not agree with, and if we make it clear what the cost of this will be, perhaps it could put it in perspective.

Mr. DIMARIO. That figure, even arguably taking his figure, is spread across the entire Government. It is a very, very minuscule sum of money. I would refute it, as you noted, and I think we have an analysis of that issue already prepared. It is preliminary. It is not the final analysis, and I would certainly like to make it available to you and your staff to look at.

Senator DURBIN. Good. That is great.

[The information follows:]

LETTER FROM MICHAEL F. DIMARIO

JUNE 5, 2002.

The Honorable RICHARD J. DURBIN,
Chairman, Subcommittee on Legislative Branch Appropriations, Committee on Appropriations, U.S. Senate, Room 119, Dirksen Office Building, Washington, DC 20510.

DEAR SENATOR DURBIN: At the hearing of the Government Printing Office (GPO) before your Subcommittee on May 8, 2002, you asked us to develop a cost impact scenario of what might happen as the result of the policy change announced by Office of Management and Budget (OMB) Memorandum M–02–07, "Printing and Duplicating Through the Government Printing Office" (May 3, 2002). The enclosed report responds to your request.

In our view, significant adverse cost impacts both on GPO and executive branch agencies would occur if the OMB memorandum is implemented. While OMB claims there will be savings of $50 million to $70 million by permitting agencies to perform or procure their own printing, our analysis shows that if all executive branch printing were to be removed from GPO, the cost to the Government could potentially increase over current levels by a range of $231.5 million to $335.2 million in the first year, and from $152.8 million to $256.5 million annually thereafter.

These increases would include a 60 percent rise in the cost of printing covered by the Congressional Printing and Binding Appropriation; a transfer to the executive branch of $4.2 million in depository printing costs currently covered by the Salaries and Expenses Appropriation of the Superintendent of Documents; and $78.7 million in first year costs to cover the expense of downsizing GPO's staff and paying for close-out costs for GPO facilities nationwide. The balance would be for potential increases in executive branch printing costs resulting from inefficient, duplicative printing and printing procurement operations throughout multiple departments and agencies, as well as reduced competition in Government printing contracts.

In addition to increased printing costs, the OMB memorandum—if implemented—would also lead to a number of non-quantifiable cost impacts on Government printing, as well as economic impacts on the private sector printing industry, especially the small businesses that currently handle most of the orders procured by GPO. There are likely to be serious adverse impacts on the public's ability to access Government information through Federal depository libraries. The decentralization of Government printing will also effectively terminate the ability of GPO's sales program to serve the public for anything other than legislative branch publications.

As I stated during the hearing before your Subcommittee, the OMB memorandum contradicts existing law that requires executive branch agencies to obtain their printing from GPO. As you may be aware, the most recent addition to this law was enacted at the instance of the Senate and House Appropriations Committees in 1994, and is currently codified as a note to section 501 of Title 44, U.S.C.

Observance of the requirements of the public printing and documents chapters of Title 44 by Federal departments and agencies is necessary in order to achieve the taxpayer economies that the law is designed to promote. Compliance with the law is also essential if the system of public access provided by GPO's documents distribution programs is to continue to be effective. Both of these sound public policy objectives will be severely undermined if the OMB memorandum on printing is implemented.

Mr. Chairman, I genuinely appreciate your interest in this very serious matter, and I am at your disposal should you require additional information.

Sincerely,

MICHAEL F. DIMARIO,
Public Printer.

COST IMPACT SCENARIO: LOSS OF EXECUTIVE BRANCH WORK FROM GPO UNDER OMB MEMORANDUM M–02–07, "PRINTING AND DUPLICATING THROUGH THE GOVERNMENT PRINTING OFFICE" (MAY 3, 2002)

Background.—Section 501 of Title 44 of the United States Code requires Federal agencies of the executive branch to use the Government Printing Office (GPO) for their printing and printing procurement needs. Office of Management and Budget (OMB) Memorandum M–02–07, "Printing and Duplicating Through the Government Printing Office" (May 3, 2002), is an attempt to devolve authority for printing executive branch documents away from GPO and to executive branch agencies themselves.

The OMB memorandum requests that the Federal Acquisition Regulation (FAR)—the rules under which executive branch agencies procure goods and services—be revised. Presumably, a revision to the FAR would be accompanied by a period of public notice and comment, so the policy announced in the OMB memorandum would not take effect immediately. However, for those agencies not covered by the FAR, OMB has indicated a target date of September 1, 2002, for implementation of its printing policy, near the beginning of fiscal year 2003.

The OMB memorandum echoes earlier efforts to transfer printing authority to executive branch agencies. This policy was pursued by the Reagan Administration in 1987 with a proposal to revise the FAR regarding printing. It was pursued by the Clinton Administration in 1993–94 as part of its "reinventing Government" initiative. In the former case, the FAR revision was withdrawn after Congress enacted a law requiring executive branch agencies to procure printing for their publications (including forms) through GPO. In 1994, following hearings on the issue, Congress declined to take up legislation to effect the transfer of authority.

Cost Impact Scenario Summary.—There would be significant adverse cost impacts both on GPO and executive branch agencies if the OMB memorandum is implemented. While OMB claims there will be savings of $50 million to $70 million by permitting agencies to perform or procure their own printing, our analysis shows that the cost to the Government could potentially increase over current levels by a range of $231.5 million to $335.2 million in the first year, and from $152.8 million to $256.5 million annually thereafter. These cost increases would result from:

—$49 million in increased costs to GPO's Congressional Printing and Binding Appropriation, a 60 percent increase from the current level of $81 million to $130 million annually, to cover GPO's fixed costs of maintaining a large printing facility solely to support congressional printing needs;

—$78.7 million in first year costs to cover the combined expense of a retirement incentive program and reduction-in-force (RIF) to reduce GPO's current staffing requirements by half, to fund approximately 3 months of continued employment for the current workforce until these reduction actions can take effect, and to pay for the cost of lease terminations/close-outs in GPO facilities nationwide; and

—$103.8 million to $207.5 million annually to cover the increased cost of executive branch printing resulting from the establishment of duplicative printing procurement operations, and/or the expansion of duplicative in-plant printing operations, throughout the executive branch, as well as reduced competition in contracting.

In addition, assuming that agencies comply with OMB's requirement that they provide copies of their publications to the Superintendent of Documents for distribution to depository libraries, there would be a net transfer of about $4 million in depository printing costs from the legislative branch to the executive branch (actually, because executive branch printing costs are likely to be higher under the OMB memorandum, the cost impact of this transfer may be greater). However, because the probable level of compliance by agencies with depository distribution requirements under the OMB memorandum is highly questionable, the potential extent of this cost transfer is not clear.

If agencies fail to provide printed copies to GPO for depository distribution, there would be significant adverse impacts on public access to Government information provided through Federal depository libraries. There are also likely to be similar impacts on public access to Government information through GPO's sales program, and there would be adverse impacts on the small businesses that make up the majority of the contractors from whom GPO procures Government printing work. These impacts have not been quantified by this analysis.

Assumption.—The OMB memorandum would permit executive branch agencies to continue using GPO "if GPO can provide a better combination of quality, cost, and time of delivery . . ." This provision establishes a "best value" standard that makes it difficult to objectively determine the amount of executive branch work that may or may not be performed by GPO if the OMB memorandum is implemented. GPO has many long-term established relationships with executive branch agencies that would most likely continue based on the efficiency and effectiveness of the services provided. However, any loss of executive branch work from the current level of operations will have an adverse cost impact on GPO. For the purposes of this analysis, we have assumed that all executive branch agency work would be removed from GPO in order to illustrate the potential impact the OMB memorandum could have on remaining GPO operations as well as the cost of Government printing and public access to Government information.

Impact on GPO Staffing and Fixed Cost Requirements.—Excluding the cost of procured printing that passed through GPO from customer agencies to private sector printers, in fiscal year 2001 GPO received over 60 percent of its total revenues (after eliminations), or about $187.7 million out of $296.9 million, from executive branch agencies. These revenues were for in-plant printing and printing procurement services (including sales of blank paper), sales of executive branch publications to the public, reimbursable distribution services performed for executive branch agencies, and the distribution of executive branch agency publications to depository libraries and other statutory recipients.

Based on the current distribution of GPO's workforce by major program area, revenues from executive branch agencies support 1,919 employees, or 63 percent of GPO's current workforce of 3,026 full-time equivalents (FTE's). These employees include those who directly perform printing, printing procurement, and documents distribution services for executive branch agency publications, as well as employees indirectly supporting these services via support functions such as executive offices (including budget, legal, inspector general, and congressional affairs), equal employment opportunity, occupational health and safety, personnel, finance, engineering, security, and information resources management. Some of these functions are specifically required by statute, such as GPO's inspector general. Others are required to manage GPO both as a printing and distribution enterprise and as a Federal agency. Unlike most Federal agencies, however, GPO does not receive appropriations to fund these employee costs, but must do so through the rates and prices charged for printing and distribution services. Both direct and indirect employee support costs are allocated to GPO's printing and distribution operations in accordance with relevant provisions of Title 44 and generally accepted accounting principles.

GPO has 1,095 employees supported by revenues from legislative branch work, along with an additional 12 employees supported by judicial branch revenues (which represent about 0.4 percent of total revenues). These employees would continue at GPO under OMB's policy. However, we estimate that approximately three-quarters of the employees currently performing general and administrative functions would still be required even if all executive branch work were removed from GPO. They perform functions that would be required regardless of the workload level. For example, GPO's police force protects all GPO buildings notwithstanding the amount of printing work GPO performs. In addition, despite the loss of executive branch agency work, staffing requirements in GPO's Library Programs Service area would most likely remain unchanged in order to devote resources to locating "fugitive" publications in a decentralized printing system. Retaining all of these capabilities would lead to a staffing requirement of approximately 1,500, at an annual cost of $100.9 million.

In addition, GPO has other fixed costs for supplies and materials; rents, communications, and utilities; transportation; and depreciation of existing equipment. These costs are associated with maintaining a large printing plant whose primary purpose is to provide for congressional printing needs. As originally envisioned by Congress, the plant would produce congressional work when Congress is in session and executive branch work during congressional recesses. In this manner, GPO's fixed costs can be covered by maximizing the use of available plant capacity. In fiscal year 2001, GPO's fixed costs totaled about $95 million. With the removal of executive branch work, they could be reduced by about a third due to reduced requirements for materials and supplies (assuming GPO retains its statutory role in providing blank paper to Federal agencies in the national capital area), the elimination of rents for GPO's regional printing procurement offices and bookstores nationwide, and significant reductions in the cost of publications sold and surplus publications. Approximately $60.8 million in these costs would continue.

GPO would also continue to perform a small amount of printing procurement for legislative and judicial branch entities, at an annual cost of about $8.3 million.

Impact on GPO Appropriations Requirements.—The annual costs to GPO of required personnel, fixed expenses, and printing procurement work that would remain after the loss of executive branch agency work would total $170 million. GPO would have only three sources of revenue to cover these costs: the Salaries and Expenses appropriation of the Superintendent of Documents; miscellaneous revenues; and the Congressional Printing and Binding Appropriation.

The Salaries and Expenses Appropriation of the Superintendent of Documents, which is currently about $30 million, would decrease to $26 million. The OMB memorandum requires agencies that print elsewhere than GPO to supply copies of their publications to the Superintendent of Documents for distribution to Federal depository libraries. Under current law, GPO pays for the cost of copies distributed to depository libraries when the printing is performed through GPO; otherwise, agencies must pay for the cost of depository copies provided to GPO. In fiscal year 2001, approximately $4.2 million was spent by GPO on printing executive branch agency publications for depository distribution. Assuming that all executive branch agency work is removed from GPO, the OMB printing policy would transfer responsibility for this expense from the legislative to the executive branch (and this cost may increase as the result of increases in overall executive branch printing costs). However, the remaining level of funding for the Salaries and Expenses appropriation would still be required to fund staff capability to track down "fugitive" publications in a decentralized printing system and expand efforts to locate, catalog, and provide permanent public access to electronic executive branch agency documents.

Miscellaneous revenues would be about $14 million, primarily comprising sales of blank paper to Federal agencies (assuming that GPO would retain this role as provided by section 1121 of Title 44.) In fiscal year 2001, revenues from blank paper sales totaled $12.3 million. Also, GPO would still generate revenues from the sale of congressional and other legislative branch publications. In fiscal year 2001, about $2.1 million was generated from such sales. There may also be miscellaneous revenues from printing procurement for legislative branch entities, the sale of waste and scrap, and GPO's pay parking program.

Section 309 of Title 44 requires GPO to recover its costs "at rates which include charges for overhead and related expenses, [and] depreciation of plant and building appurtenances . . ." Accordingly, all fixed and variable costs that are not recovered through the Salaries and Expenses Appropriation and miscellaneous revenues would have to be recovered through GPO's remaining source of revenue, the Congressional Printing and Binding Appropriation. With $170 million in costs, and $40 million in revenues provided through other sources, the remaining costs would require an annual appropriation of approximately $130 million for congressional printing, representing an increase of 60 percent over the current level of $81 million.

Costs of Reducing GPO Staffing Levels.—In addition to increasing overall funding requirements for GPO's annual appropriations, GPO would need to request appropriations to cover the cost of downsizing its workforce by 1,500 staff.

GPO has retirement incentive authority provided by the Legislative Branch Appropriations Act for Fiscal Year 2002. This authority authorizes "buy-out" payments of $25,000 or the affected employees' severance, whichever is less. It also requires that GPO pay the Office of Personnel Management (OPM) a premium of 15 percent of the affected employees' salaries to offset reductions in Federal pension programs resulting from the "buy-out." At an average salary of $55,000 (not including benefits), reducing the rolls by 1,500 staff using this retirement incentive authority could cost $33,250 per employee, or $49.9 million. Currently, slightly more than half of GPO's workforce is eligible for either optional or early retirement, so a retirement incentive program may be effective in achieving the necessary reduction.

However, while such a program can induce retirements, it cannot force them, and it may be unattractive to younger employees. A "buy-out" also needs to be managed so that GPO does not lose employees who are essential to continued operations. If a "buy-out" does not achieve the necessary staffing reductions in non-essential areas, GPO would have to impose a reduction-in-force (RIF). Under Federal law, employees subjected to a RIF are entitled to accumulated leave and severance payments. In the mid-1990's, OPM reported that these costs resulted in an average RIF cost to the Government of approximately $35,000. Assuming that half of the necessary reduction is achieved through a "buy-out," the other half would have to be achieved through a RIF, which alone would cost $26.3 million. Combined with a cost of $24.9 million from a "buy-out," the total cost could reach $51.2 million. A RIF is enormously disruptive to a workforce, as it forces out younger employees at the expense of those with more service time. Also, RIF's tend to fall disproportionately on minority employees. Currently, minorities comprise 63 percent of GPO's workforce.

Additional First Year Costs.—GPO would likely sustain about $27.5 million in additional first year costs as the result of losing executive branch work. Apart from the costs of a "buy-out" or RIF, it would take approximately 3 months to implement either program. During that time, the cost for 1,500 excess employees would be approximately $25 million.

In addition, GPO would incur costs for early lease termination, or letting leases run out, for its regional and satellite printing procurement offices in Atlanta; Charleston, SC; Boston; Chicago; Columbus, OH; Dallas; New Orleans; Oklahoma City; San Antonio; Denver; Hampton, VA; Los Angeles; San Diego; New York City; Philadelphia; Pittsburgh; San Francisco; Seattle; and St. Louis. Leases would also have to be terminated or allowed to run out for Superintendent of Documents warehouse distribution facilities in Laurel, MD, and Pueblo, CO. In addition, leases for bookstores in Atlanta; Dallas; Houston; New York City; Portland, OR; Seattle; Cleveland; Denver; Jacksonville, FL; Los Angeles; Columbus, OH; Detroit; Kansas City, MO; Milwaukee; and Pittsburgh would have to be terminated or allowed to run out (while GPO has plans to close several of these bookstores, the closures are to be phased out, not implemented at once.) The OMB policy would also put at risk a documents sales inventory that currently is valued at approximately $10 million.

Problems With OMB's Cost Analysis.—The OMB memorandum claims that $50 million to $70 million would be saved by executive branch agencies annually if they are permitted to perform or procure their own printing. OMB appears to base this assessment on the avoidance of GPO's 7 percent procurement surcharge and its 14 percent rush surcharge (and to a lesser extent, the avoidance of GPO's in-plant rates; however, the vast majority of executive branch printing sent to GPO is procured). The memorandum also complains that GPO does not return prompt payment discounts to customer agencies.

For a surcharge of 7 percent (on jobs worth up to $285,715; the surcharge declines thereafter), GPO earns revenues that support its procurement program. A maximum rush surcharge of 14 percent can be charged, but is rarely used. It was imposed on only 2.9 percent of all procurement job orders in fiscal year 2001, and virtually always at the request of the ordering agency in order to move their jobs to the front of the procurement line. The rush surcharge reflects the cost of the additional effort to immediately bid rush jobs, sometimes in a matter of hours.

The surcharge covers the cost of a wide variety of services: GPO reviews requisitions and offers suggestions for economizing; develops specifications; competes, awards, and administers contracts; performs press inspections and other on-site reviews to assure quality; performs quality control reviews utilizing a unique program that quantifies quality ranking factors that has become widely recognized throughout the industry; provides voucher examination and payment services; provides legal advice on contracting; and makes available a dispute resolution service through GPO's Board of Contract Appeals. These same services would have to be provided by every executive agency that opts to procure printing itself under the OMB memorandum.

No funds are appropriated by Congress to GPO to support its printing procurement program. Revenues from the surcharge cover the cost of GPO's 330 procurement personnel, who are located in Washington, DC, and in 20 regional and satellite procurement offices around the country to support the printing needs of executive branch agencies nationwide. The many Federal entities with whom GPO does business are currently represented by approximately 6,300 billing address codes in all three branches of Government, with the preponderant number in the executive branch.

Buying printing is not like buying paper clips. A knowledge of printing requirements and processes is essential to ensure the acquisition of the best possible value. GPO printing contracts are developed and carried out by knowledgeable printing experts via a package of procurement support services. This package of services is highly economical. The vast majority of GPO's procured print jobs are worth $2,500 or less, yielding a surcharge of about $175 to cover all the services available to support the procurement.

For each job, whether it is worth $100 or $1 million, GPO charges a nominal processing fee of $7.50 ($15.00 for the rare rush-surcharged order). This fee helps recover procurement costs on small dollar orders. For 147,800 orders in fiscal year

2001, this fee recovered a little over $1 million. For fiscal year 2001, GPO generated total printing procurement revenues of $431.7 million; total surcharge revenues (including the revenues from the flat fee per procurement) were $32.5 million, not $50 million to $70 million.

From its total procurement revenues for fiscal year 2001, GPO earned prompt payment discounts of $6.6 million (an effective rate of 1.5 percent, not 5 percent as stated by OMB). GPO is able to make prompt payments usually in 28 days or less due to its specialization in dealing with private sector printers, a record that is not always matched in the executive branch. GPO's Revolving Fund benefits executive branch agencies by operating as a temporary funding mechanism. GPO pays the contractor promptly upon evidence of performance. The ensuing collection by GPO from the agency may sometimes take longer. Because GPO's Revolving Fund is able to make the payment and finance the lag, there is continuity of printing services to the agency. In a decentralized system of printing, if there are delays in payments by agencies, the cost of future printing orders with contractors could increase.

Significant Cost Increases for Executive Branch Printing Are Likely.—In addition to cost impacts on GPO itself, which would have to be borne by legislative branch funding, there are likely to be significant cost impacts on the executive branch. Previous studies have indicated that decentralizing authority for printing among executive branch agencies could lead to significant cost increases in Government printing. The extent of the cost increases would vary depending on how agencies decide to handle their work.

The most significant cost increase would occur if agencies produce their printing work in their own printing and duplicating facilities. Previous studies by the General Accounting Office, the Office of Technology Assessment, the Joint Committee on Printing, and various Inspectors General have shown that it can be has much as 50 percent more expensive for agencies to print in-house than to procure their printing through GPO. That alone could result in an annual cost increase of $207.5 million over current GPO printing procurement costs. There is a strong potential that agencies will pull work out of the procurement stream and produce it in their own facilities. Currently, GPO only sees about half of all Federal printing needs, as itemized in OMB's object class analysis of the Federal budget. In our view, rather than establishing the sophisticated print procurement services that GPO currently provides, there is a strong potential that most agencies would opt to produce printing in their own facilities. A significant amount is already produced this way (GPO handles less than half of all Federal printing).

If agencies procure work themselves from the private sector, earlier analyses have suggested that they would be likely to pay more for their own procurement costs. As noted above, agencies would be required to perform the same contract-support services that GPO provides. Yet without GPO's economies of scale, agency procurement costs are likely to be substantially higher than GPO's.

Previous analyses have also indicated that the prices that agencies pay for printing itself are likely to be higher. Agencies are unlikely to maintain the same universe of competition among private sector printers that GPO achieves (10,000–12,000 printers). The resulting decrease in competition could result in significant price increases, by some estimates as much as 25 percent, or $103.8 million over GPO's current printing procurement costs. Private sector firms would have to deal with procurement process established by the FAR instead of GPO's Printing Procurement Regulation. Decreased competition could also lead to increased opportunities for favoritism and corruption.

In addition, with the loss of GPO's one-stop-shopping alternative for printing contracts, private sector printers would need to increase their costs to locate contracting opportunities among the multitude of agencies seeking vendors. They would also lose the standardization for bidding for printing jobs that currently is available through GPO, potentially increasing their paperwork costs. For large private printing firms, these costs may not impact price appreciably, but for smaller firms there could be a substantial impact. Currently, 77 percent of all GPO printing procurement orders are handled by small businesses.

Recent Examples of Higher Executive Branch Printing Costs.—Along with previous studies, two recent real life tests have strongly suggested the probability of increased executive branch printing costs in a decentralized system. In 1997, the printing program of the National Institutes of Health (NIH), which has its own printing authority by law, was reviewed by the Inspector General of the Department of Health and Human Services (HHS), working with GPO's Inspector General. The review disclosed that NIH internal printing procurement costs ran between 10 percent and 18 percent of the value of procured work, more than double GPO's surcharge. It also disclosed that NIH's printing costs were higher than GPO's.

GPO's recent experience with the loss of the Commerce Business Daily (CBD) provides another example. When the National Performance Review was issued in 1993 it contained a section regarding the executive branch's use of GPO. Like the current OMB memorandum, one of the ideas advanced was that GPO should compete for executive branch work; if it was the low bidder, GPO would receive the contract. In 1996, the Commerce Department, acting on OMB's desire to automate the CBD and make it available in electronic format to private sector contractors, solicited bids to accomplish the project. GPO bid on and won the project, and subsequently developed the online CBDNet project in 3 months at a cost of about $125,000.

CBDNet made it easy for Federal procurement offices to enter notices into the system and for private sector contractors to find the notices. The cost of system development and daily operations was recovered by billing Federal procurement offices $5.00 for each notice they entered. GPO offered a variety of electronic payments systems and provided the agencies with detailed reports showing the title of each notice submitted. GPO operated the system for the Commerce Department for 5 years without raising the price. Recently, however, the General Services Administration (GSA) spent millions of dollars to create FedBizOpps, a system that performed essentially the same functions as CBDNet plus a few enhancements. There was no bidding or competition for FedBizOpps by the executive branch, and GPO was not given an opportunity to compete for this project.

FedBizOpps became fully operational in 2002 and CBDNet was discontinued. A few months later, GPO received a bill from GSA for placing procurement notices into FedBizOpps that is 22 percent higher than what GPO was charged under CBDNet. The bill is an estimate of future usage and does not contain any specific information about the notices actually submitted, as was the practice under CBDNet. In summary, the executive branch spent millions of dollars to develop a duplicate computer system that provides less billing information to customer agencies. It now operates FedBizOpps at a cost that is 22 percent higher than the operating cost of the discontinued system.

Other Negative Impacts on Government Printing.—Earlier analyses have acknowledged that there could be other impacts on Government printing under a system of decentralized printing authority. While it is difficult to quantify these impacts in terms of cost, there nevertheless is a strong potential for these problems to occur. GPO would no longer be able to apply uniform standards of print quality to Government work. As a result, it would be difficult to ensure standardization of quality governmentwide, leading to problems in contract disputes between vendors and agencies. GPO would be unable to monitor and enforce the consistent application of requirements for the use of recycled paper, alkaline and permanent papers, and vegetable oil-based printing inks, all required by law. With the prospect of reduced printing jobs flowing to the private sector, or increased costs for those jobs, the financial stability of many private sector printing firms could be jeopardized.

Public Access Could be Impaired.—More important than the effects on the cost of printing would be the impact of decentralizing printing authority on public access to Government information. All previous discussions of this issue have focused heavily on the problems that would arise from breaking the efficient link between production and distribution of Government documents that currently exists in GPO. Without this link, the public's access to Government publications and information would be significantly impaired.

This link currently serves as the source of publications for GPO's Federal Depository Library Program (FDLP), which GPO operates in partnership with approximately 1,300 academic, public, law, and other libraries nationwide, and which serves millions of citizens every year. Also impacted would be GPO's cataloging and indexing program, statutory distribution program, and international exchange program, as well as GPO's Internet information service, GPO Access (www.gpo.gov/gpoaccess). These programs are funded by legislative branch appropriations. Some observers have suggested that decentralizing printing authority to executive agencies would effectively transfer the responsibility for ensuring public access to Government information from the legislative branch, where this responsibility resides closest to the elected representatives of the people, to the executive branch.

There are significant concerns that compliance with OMB's depository distribution policy would be low. Publications that belong in the FDLP and related programs but are not included are called "fugitive documents." Already, the rate of fugitive documents is high: prior estimates have placed it in the neighborhood of 50 percent, which corresponds roughly to the amount of Federal printing not coming through GPO. With the decentralization of printing authority to Federal agencies, the rate of fugitive documents would be likely to increase. A 1998 HHS Inspector General review of NIH's publications program found that 78 percent of NIH's publications qualified as fugitive documents. The IG's report said: "NIH did not always provide copies of printed publications to GPO for distribution to [depository libraries], or provide single copies to GPO for [cataloging and indexing] . . . By NIH not providing copies of publications to GPO for FDLP distribution, depository libraries, and the public who use them, do not have ready access to documents to which they are entitled, that were being printed with taxpayer money . . .''

While GPO's distribution programs are increasingly electronic, print, microfiche, and CD–ROM products continue to play an important role in providing public access to Government information. There is still a substantial amount of Government information for which no reliable online alternative exists, and problems with ensuring permanence and other issues are still present for many online products. In fiscal year 2001, GPO distributed a total of 5.9 million copies of approximately 14,700 tangible titles (from all three branches of the Government) to depository libraries. GPO achieves important economies of scale in the distribution of tangible products by combining multiple products from different agencies in shipments to the libraries. For thousands of Federal entities to ship thousands of products annually to 1,300 libraries in an organized, cohesive system would be cost prohibitive, and likely would not be done at all by executive branch agencies.

The success of GPO Access, which makes available nearly 225,000 Government information titles, and from which the public retrieves more than 31 million documents per month, is dependent in part on the centralized system established by Title 44. GPO uses that system to monitor for new electronic products which can either be loaded on GPO's servers or to which GPO can link. Without it, the current level of comprehensive access would likely be diminished.

The public would also lose the convenience of locating and ordering their own copies of Government publications, which they currently enjoy through GPO's sales program. Although the scope of this program has declined markedly in recent years with the introduction of free Government information via the Internet, it is still a sizable operation: in fiscal year 2001, the program earned $42.4 million in revenues. Nearly 95 percent of these revenues were from the sale of executive branch agency publications, primarily subscriptions. Unlike the Federal depository library program, there is no requirement in law that agencies which print elsewhere than GPO supply the Superintendent of Documents with copies for the sales program. The only authorization available is one under which agencies may turn over surplus copies of publications to the Superintendent of Documents for public sale. Without a system of centralized printing as a source of supply, the sales program would be restricted to sales of legislative branch products and whatever could be sold from the existing inventory, currently valued at approximately $10 million. In fiscal year 2001, legislative branch products—which include many valuable historical titles—earned not quite 5 percent of total sales program revenues.

Summary.—The implementation of OMB Memorandum M–02–07 is likely to lead to significant cost increases in Government printing in both the legislative and executive branches. There are also likely to be non-quantifiable cost impacts on Government printing, as well as economic impacts on the private sector printing industry, particularly the small businesses that currently handle most of the orders procured by GPO. Finally, there are likely to be adverse impacts on the ability of the public to access Government information products through Federal depository libraries, and the decentralization of Government printing will effectively terminate the ability of GPO's sales program to serve the public for anything other than legislative branch publications.

Title 44 of the U.S. Code continues to require that executive branch agencies obtain their printing and printing procurement needs through GPO. Observance of the requirements of the public printing and documents chapters of Title 44 by Federal departments and agencies is necessary in order to achieve the taxpayer economies that the law is designed to promote. Compliance with the law is also essential if the system of public access provided by GPO's documents distribution programs is to continue to be effective. Both of these sound public policy objectives will be severely undermined if the OMB memorandum on printing is implemented.

ADDITIONAL COMMITTEE QUESTIONS

Senator DURBIN. Is there anything else you would like to add? If not, thank you for joining us today.

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

[The following questions were not asked at the hearing, but were submitted to the Office for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

GPO BOOK STORES

Question. There has been a dramatic increase in on-line access to publications, lessening significantly the need for GPO's printed publications. This has been felt in the sales program which has been experiencing significant losses—about $7 million last year. GPO has 24 bookstores and has closed 6 stores to date, including one in Chicago.

Do you need to keep any of the stores open when you have on-line and telephone ordering?

Answer. GPO had 24 bookstores. With the closing of six stores, we have 18 remaining. One of these is a retail sales outlet at our warehouse in Laurel, MD. In addition to on-line, telephone and mail order capability, the bookstores provide the public with a high level of customer service and convenience, and they also process local mail and telephone orders. Some of the stores are economically viable at this time. The closures are directed at those stores determined not to be economically viable. Ultimately, however, the sales program may decide to end all retail bookstore operations.

Question. When do you expect the sales program to be in a break-even posture? You estimate the decline of 25 FTE this year and an additional 35 FTE for next year in the sales program. This will bring down total FTE to 332. Where do you need to be in order to be self-sustaining? Do you project sales to continue to decline or have they stabilized?

Answer. Based on current conditions, it would be feasible to achieve a break-even in two to three years. This assumes that sales revenue will stabilize at about $35 million, a decline of $7 million from the fiscal year 2001 level of $42 million, and would require continued restructuring of program operations and staffing decreases of one-third to 50 percent below the current level. The major unknown in projecting a break-even is the volume of sales. Sales volume declined by about 60 percent over the past four years, and continues to decline at rates approaching 18 percent per year. If this trend continues for several more years, it will not be feasible to reach a break-even and fund the program solely through sales revenue. Alternatives to the present program and funding structure will be necessary.

It should be noted that implementation of the recently announced OMB printing policy would negate the possibility of the program returning to a break-even. It would become difficult for GPO to obtain copies of executive publications for sale and those that GPO could obtain would cost substantially more. The public would lose the current one-stop shopping provided by GPO.

STRATEGIC PLAN

Question. Does GPO have a strategic plan? If so, what are your vision, goals, and objectives for the next 5 years?

Answer. Yes, GPO has a strategic plan, which has been accessible online since 1999, at http://www.access.gpo.gov/. An excerpt from the plan follows:

VISION

GPO will be the primary provider and guarantor of information creation, replication, and dissemination services for the Federal Government and the public, into the next millennium.

Mission

GPO's mission is to provide a broad spectrum of cost effective and timely services to Congress and the various agencies of the Federal Government in creating, replicating, and disseminating a full range of Government information products, and to provide the public with equitable, timely, and reliable access to Government information.

General goals and objectives

To accomplish our mission, GPO must in all circumstances:

A. Emphasize Customer Service

—GPO will produce, purchase, deliver, and disseminate products and/or services in accordance with standards and schedules agreed to with our customers.

—GPO will treat customers with courtesy and respect, providing them with a rewarding and satisfying business experience.

—GPO will ensure that work for its customers is safeguarded and accomplished under appropriate security conditions.

B. Produce High Quality and Timely Products

—GPO will continue its evolution from an operation based on traditional print technologies toward an integrated information processing operation utilizing electronic technologies in the creation, replication, and dissemination of Government information products.
—GPO will produce or acquire printed and other products and/or services in accordance with the highest standards.
—GPO will continue to strive to provide simplified and equitable access to Government information using the most timely and cost-effective methods of product and service delivery.
C. Maintain A Sound Financial Structure
—GPO will provide products and services to customers using the most efficient and economical alternative.
—GPO will continue controlling the cost of its operations to ensure financial stability.

Question. Throughout the federal government, departments and agencies are facing many human capital challenges. Have you completed an assessment of your human capital and what challenges GPO is facing?

Answer. Two studies have been conducted, one by Booz-Allen Hamilton in 1998 and the other by the Office of Personnel Management (OPM) in 2001, which reviewed our human resources programs. The Committees on Appropriations of the Senate and the House directed the 1998 study. We are implementing or have implemented recommendations from both reports. GPO faces challenges in the human resources area. As with most of the rest of the Federal government, we expect to lose a large number of experienced personnel by retirement over the next five years. We face challenges in training the workforce in new skills required by evolving technology. In the Sales Program, we will need to continue reducing the size of the workforce performing functions, which are impacted by declining workload and changes in processes, while maintaining adequate service to the public.

SPACE UTILIZATION

Question. What recent assessments has GPO made of its space utilization, and what have you done about looking for opportunities to release underutilized space for other uses?

Answer. We have surveyed space to determine what could possibly be made available. There are small amounts of space available. GPO is able to assist the Congress in meeting space needs, as we did when anthrax forced the closure of House and Senate office buildings. GPO provided temporary space for personnel from the Office of the Clerk of the House and the Senate's Office of Legislative Counsel to continue their work. We turned over the loading docks at our paper warehouse on North Capitol Street for the temporary use of Capitol Police in screening deliveries to Capitol Hill, with up to 70 trucks a day passing through this process. In the past, GPO provided temporary offices for small groups from the Federal Aviation Administration and the Census Monitoring Board. GPO has reduced facilities. Several years ago, GPO returned 25,000 square feet of rental space in the Laurel warehouse to reduce cost. GPO closed the warehouse in Springbelt, VA, and relocated the paper storage operation to the Laurel warehouse, eliminating about 180,000 square feet. This reduced costs in the sales program, which gave up 23,000 square feet of its leased warehouse space in Laurel, MD, to be used for paper storage by GPO. In addition, within the past ten years, we closed all but one of our six regional printing plants, six of 24 bookstores, and vacated 61,000 square feet of leased office space at Union Center Plaza in Washington, DC.

ADDITIONAL SUBMITTED STATEMENT

[CLERK'S NOTE.—The subcommittee has received a statement from the American Association of Law Libraries which will be inserted in the record at this point.]

PREPARED STATEMENT OF THE AMERICAN ASSOCIATION OF LAW LIBRARIES, AMERICAN LIBRARY ASSOCIATION, ASSOCIATION OF RESEARCH LIBRARIES, AND MEDICAL LIBRARY ASSOCIATION

On behalf of the American Association of Law Libraries (AALL), the American Library Association (ALA), the Association of Research Libraries (ARL) and the Medical Library Association (MLA), we write in support of the fiscal year 2003 budget request of the Government Printing Office (GPO). Collectively, these three associations represent thousands of individuals and institutions serving communities throughout the Nation, including the more than 1,300 federal depository libraries located in nearly every congressional district.

AALL is a nonprofit educational organization with over 5,000 members dedicated to promoting and enhancing the value of law libraries, fostering law librarianship and providing leadership and advocacy in the field of legal information and information policy. ALA is a nonprofit educational organization of 64,000 librarians, library trustees, and other friends of libraries dedicated to improving library services and promoting the public interest in a free and open information society. ARL is an Association of 123 research libraries in North America. ARL programs and services promote equitable access to and effective use of recorded knowledge in support of teaching, research, scholarship, and community service. MLA is an educational organization of more than 1,000 institutions and 3,800 individual members in the health sciences information field.

Fiscal Year 2003 Budget Request Essential

We urge your support for the Public Printer's fiscal year 2003 budget request of $129.3 million for the GPO that includes $34.1 million for the Salaries and Expenses (S&E) Appropriation of the Superintendent of Documents and $95.2 million for the Congressional Printing and Binding (CP&B) Appropriation. The S&E request includes $27.3 million to fund the Federal Depository Library Program (FDLP), $4.0 million for the Cataloging and Indexing Program, $.7 million for the International Exchange Program and $.3 million for the By-Law Distribution Program. This amount includes necessary increases to support the continued operation of the FDLP, its continuing electronic transition plans and the increased demands upon GPO Access. We urge you to approve the full S&E appropriations request for fiscal year 2003.

Growth of GPO Access and the Electronic Collection Impressive

The FDLP is a unique program and one of the most effective, efficient and successful partnerships between Congress and the American public. The FDLP provides your constituents with equitable, ready, efficient and no-fee access to Federal government information in an increasingly electronic environment. Today Congress, government agencies, and the courts increasingly are relying on state-of-the-art technologies to create and disseminate government information through the Internet. One of the critical keys to GPO's successful transition to a more electronic program has been the growth of the GPO Access system, a central access point within the GPO for electronic government information that today makes available to the public approximately 225,000 titles. Created by Public Law 103–40, GPO Access has grown into a unique digital collection of official government databases from all three branches of government including the Congressional Record, the Federal Register and the Code of Federal Regulations. Currently an average of 31 million documents are downloaded by the public each month, a substantial increase from last year that attests to the importance and value of this award-winning system to the American public.

The FDLP and GPO Access are vital to the dissemination and access of Federal government information to our citizens. We believe that the fiscal year 2003 S&E budget request is essential to the continued transition to a more electronic program and the continued success of GPO Access. We urge you to approve the requested increase that includes $91,000 to hire 3 additional FTEs to assist in managing the FDLP Electronic Collection and $2.6 million for equipment and systems improvements necessary to enhance GPO Access. Since GPO is responsible for permanent public access to the content of its Electronic Collection, funding to strengthen digital archiving and migration capabilities is essential.

GPO has continued to make excellent progress over the past year in enhancing its Electronic Collection. GPO constantly adds new data and products to the system, building a current collection of valuable new electronic resources. At the same time, GPO provides permanent access to core legislative and regulatory information and to agency information managed by GPO on GPO servers. Each year, the historic electronic collection grows, requiring GPO to meet its responsibility for ensuring permanent public access. This function presents probably the most difficult challenge of the networked electronic environment. Just as the government has an affirmative obligation to provide current access to its information, in the digital arena this obligation extends to ensuring the preservation of and permanent public access to electronic government publications.

FDLP Libraries' Significant Services and Investments

FDLP libraries are doing their part by investing in technologies to assist them in accessing electronic government information. These investments exemplify the substantial costs that participating depository libraries incur in order to provide your constituents with equitable, ready, efficient and no-fee access to government information in both print and electronic formats. These costs include providing highly trained staff, adequate space, necessary additional materials, expensive equipment and Internet connections. The success of GPO Access cannot be measured without acknowledging the substantial costs covered by libraries. Depository libraries serve as important channels of public access to government publications and contribute significantly to the success of this program. The government's responsibility to make available to depository libraries government publications in both tangible and electronic formats is successful because of the necessary partnerships developed between the Federal government, the GPO, and the Federal depository libraries. In order for GPO to continue to increase the amount of government information available for current and future public access through the Internet and in order for the Federal government to fulfill its responsibilities of the partnership, it is critically important that Congress provide adequate funds to support the transition to a more electronic program.

Importance of Full Funding for the CP&B

We also urge your support for the Public Printer's request of $95.2 million for the Congressional Printing and Binding (CP&B) appropriation. This amount includes $5.9 million to cover a budget shortfall in the fiscal year 2001 appropriations that will not be needed if Congress approves GPO's fiscal year 2002 supplemental appropriations request submitted last month. Broad public access to legislative information, including the Congressional Record, the text of bills, as well as committee hearings, reports, documents and other legislative materials, is crucial to the ability of our citizenry to engage in the political process. Indeed, recent polls have demonstrated the public's increasing awareness of and thirst for information from their government, including Congress. Full support for the CP&B request will ensure the necessary electronic infrastructure to make congressional materials available in a timely manner for permanent accessibility through GPO Access and will maintain GPO's in-plant printing operation for Congress.

OMB Memorandum Concerning Procurement through the GPO

Chairman Durbin, we were pleased with the thoughtful questions that you posed to Public Printer Michael DiMario during the Subcommittee hearing on May 8, 2002 on the impact of the recent OMB memorandum regarding the "Procurement of Printing and Duplicating through the Government Printing Office" (M–02–07). The library community has opposed previous efforts by the Office of Management and Budget to eliminate GPO's centralized role in the procurement of government publications because of the negative impact it would have on public access through the Federal Depository Library Program. The FDLP is successful in its distribution of tangible government publications—in print, microfiche, and CD–ROM—because of the transparency that exists between the procurement functions of GPO and the distribution of government publications procured or produced by GPO to depository libraries. While the government has made progress in providing greater Internet access to online government information, there remains a sizeable number of materials that continue to be produced by agencies in tangible formats. According to GPO's fiscal year 2001 statistics, 5.9 million copies of 14,700 titles were distributed in tangible formats to depository libraries. That figure remains constant for fiscal year 2002.

To destroy the important link between procurement and distribution by allowing each executive agency to procure its own printing would result in a substantial increase in the number of fugitive documents that already exist because of agency in-house printing and privatization efforts. While the memorandum includes a footnote that "Departments and agencies shall continue to ensure that all government publications, as defined in 44 U.S.C. Part 19, are made available to the depository library program through the Superintendent of Documents," there is no mechanism for this to occur and past history tells us it would be ineffective and inefficient.

Indeed, the Department of Health and Human Services' Review of the National Institutes of Health Printing Program focuses on several National Research Institutes that in 1988 were given the authority to publish outside of the GPO but were required to ensure that GPO received sufficient number of copies of such titles for distribution to depository libraries and one copy for GPO's Cataloging and Indexing. Additional, the National Institute of Health (NIH) was to report to GPO monthly a list of publications that had been published outside of GPO. The results of the review illustrate a lack of compliance with 44 U.S.C. Chapters 17 and 19 (cataloging and distribution) and the reporting requirement by these entities at NIH. Thus most publications of these institutes became fugitive documents and, although created by government employees and paid for by taxpayer dollars, they were not made available to the public through the FDLP as required by the printing waiver.

The transparent link between the procurement and printing of publications through the GPO and distribution through the FDLP is a system that has worked efficiently for over 100 years and served the government, Congress and the American public very well. Destroying this important link by allowing agencies to procure their publications on their own as proposed by OMB M–02–07 would decimate the depository library program and deprive the public of access to tangible government publications paid for by their tax dollars through their local depository library. The library community strongly opposes this proposed change.

We are very grateful to you and to the Subcommittee for your past support of GPO Access, the Federal Depository Library Program and GPO's Congressional Printing and Binding services. The investment in systems and services to provide the public with government publications in all formats will ensure that valuable electronic government information created today will be preserved for future generations. We respectfully urge your continued support by approving the Government Printing Office's fiscal year 2003 appropriations request in its entirety. We ask that you please include this statement as part of the May 8, 2002 hearing record. Thank you very much.

CONGRESSIONAL BUDGET OFFICE

STATEMENT OF DAN L. CRIPPEN, DIRECTOR

ACCOMPANIED BY BARRY B. ANDERSON, DEPUTY DIRECTOR

Senator DURBIN. Let me invite our final witness this morning, Dan Crippen—thank you for joining us—Director of the Congressional Budget Office. I welcome you and your Deputy, Barry Anderson.

The fiscal year 2003 budget for CBO puts forth totals roughly of $32 million and 236 FTEs, an increase of $3 million, or 5.2 percent over the current year, and four additional FTEs. I invite you to proceed with your statement. Your written statement will be made part of the record.

Mr. CRIPPEN. Thank you, Mr. Chairman. Not to complicate your life further, but I understand OMB is thinking up a proposed regulation that would eliminate CBO.

Senator DURBIN. Well, we have to consider that contingency.

OPENING REMARKS

Mr. CRIPPEN. Mr. Chairman, thank you, and before I address our budget directly, let me say that, as one of your other witnesses has this morning, this is likely to be my last appearance before the committee. My term is up at the end of the year, and unless you call us back for other reasons, this may well be my last chance to address this committee.

Senator DURBIN. Well, thank you for being here today, and thank you for your service. I have enjoyed working with you.

Mr. CRIPPEN. Thank you, and I want to thank the committee for all its support, and you in particular. You have been very helpful to the agency and to me personally, and your recent help in getting us access to Census data was very important. We think that is going to be accomplished. We are not there yet, though we are making progress.

Senator DURBIN. Good.

VISITING SCHOLARS' PROGRAM

Mr. CRIPPEN. Mr. Chairman, as you said, our budget request for this year is a modest, if you will, increase of 5.2 percent, mostly for pay and fringe benefits. The primary addition is a request for four additional FTEs, which we would use to establish what I hope to be a more permanent guest scholar program.

We currently have guest scholars on occasion. We try to keep one or two around to bring us new ideas, but also to help us fill gaps in knowledge that we cannot buy. Many of our guest scholars are chaired professors, who have academic careers, and they are not willing to chuck all that and come to Washington and work at

CBO, but we can talk them into spending some time with us. They have been a very valuable addition.

I have created a position called Chief Economist, which is a rotating position filled by a visiting scholar. Most recently, this was a woman from Northwestern, who was a chaired professor there in the Kellogg School, just a terrific economist and a finance analyst. That kind of talent we could not attract on a permanent basis. A guest scholar program would allow us to start what I hope would be a little more competitive program, something that might have a reputation such that people would want to come and spend time with us—rather than having us go searching for them. So that is what the additional FTEs are for, to begin that kind of program.

PREPARED STATEMENT

Other than that, things are fairly vanilla-flavored in my submitted request, and I will stop for your questions.

[The statement follows:]

PREPARED STATEMENT OF DAN L. CRIPPEN

Mr. Chairman and Members of the Subcommittee, I am pleased to present the fiscal year 2003 budget request for the Congressional Budget Office. The mission of CBO is to provide the Congress with the objective, timely, nonpartisan analysis it needs about the economy and the budget and to furnish the information and cost estimates required for the Congressional budget process.

Overview of CBO's Budget Request for Fiscal Year 2003

Excluding the cost of the Administration's proposal to charge each agency the full cost of federal retirees, we are requesting $32,390,000 for fiscal year 2003—roughly 5.2 percent over the agency's fiscal year 2002 appropriation. Our budget continues to be driven by the need to be competitive in a specialized labor market, with nearly all of the increase going to mandatory increases in personnel costs. Specifically, we are asking for a 5.8 percent increase in mandatory pay and benefits, which will allow us to remain competitive in our recruitment and retention efforts. Other increases—for four additional positions, inflation in administrative spending, and maintaining a disaster recovery capability—are largely offset by savings in time-sharing costs and a year-to-year reduction in technology purchases.

Adding four additional positions would allow us to expand our visiting scholars' program, with which we appoint postdoctoral and midcareer economists with highly specialized expertise in areas such as health, finance, tax, and macroeconomics. This program has proven to be highly cost-effective in attracting specialists for assignments of 12 to 18 months in areas where we have great difficulty recruiting permanent employees. In the last three years, the contributions of such scholars to CBO have been considerable.

We also want to (1) increase slightly our budget for recruitment bonuses, which is currently limited by report language; (2) begin using our student loan repayment authority; and (3) establish a new professional development program to enhance the abilities and effectiveness of CBO employees through extended study or external work experiences in specialized areas where we have difficulty recruiting staff.

As noted above, technology spending will decrease (by $491,000) as we realize savings in time-sharing costs from replatforming major analytical programs—the Budget Analysis Data System, SAS, and APT—and as expenses for software and hardware drop to a more normal level after increases in 2002 in response to potential data security threats and disaster recovery needs.

Specifically, the fiscal year 2003 request would do the following:

—Support a workload estimated at 1,960 legislative cost estimates and mandates cost statements, 30 major reports, 43 other publications, and a heavy schedule of congressional testimony.

—Provide a pay adjustment of 4.1 percent for staff below the level of senior analyst, consistent with the increase requested by other legislative branch agencies.

—Raise our staffing ceiling to 236 full-time-equivalent positions (FTEs), four more than in fiscal year 2002, to allow us to appoint academic experts for limited-term research fellowships in technical areas where we have difficulty attracting permanent employees. The cost of these positions would be largely offset by savings in time-sharing and other administrative expenses, as noted above.

—Fund a combination of within-grades, promotions, and merit increases for staff below the level of senior analyst and provide performance-based raises for managers and senior analysts who no longer receive automatic annual salary increases.

—Allow us to increase our budget for bonuses (recruitment and performance) to 1.25 percent of the pay base. This budget has been limited by report language to 1 percent of the pay base since we received the authority in fiscal year 2000. Recruitment bonuses have been helpful in hiring specialists, but the funding limitation has constrained their use.

—Fund price increases of $131,000 for technology and administrative support spending and maintain the disaster recovery capability we are now working to develop in 2002, assuming we receive a transfer of funds from the emergency supplemental.

We are also requesting two changes in our legislative authority. The first would allow us to provide employees with advanced training in difficult-to-acquire specialities, through study or work experiences at other government agencies or in the private sector. This approach would allow us to build our capacity in highly competitive disciplines where recruitment alone has proven insufficient. Such assignments (which are authorized for all executive branch agencies) would be accompanied by a substantial service commitment. The other authority would restore an expired provision that exempted CBO from a burdensome and obsolete procurement statute, originally enacted in 1861 and from which the executive branch has been exempted for 50 years. These changes are explained in greater detail in an appendix at the end of my statement.

Accomplishments in Fiscal Year 2001

Fiscal year 2001 presented major challenges for the Congress as it worked to mitigate the effects of a slumping economy and protect the country from terrorist attacks. We assisted the Congress as it debated a variety of legislative responses to the economic and terrorist threats while we also carried out our core duties under the Budget Act and continued to build on our long-term estimating capability.

CBO produced 450 bill cost estimates and more than 800 estimates of the impact of unfunded mandates on state and local governments and the private sector, experiencing the usual cyclical dip in mandated workload while the first session of the 107th Congress organized. Major legislative initiatives in fiscal year 2001 with a significant budgetary impact included The Economic Growth and Tax Relief Reconciliation Act of 2001, the authorization of new education programs, the Bipartisan Patients' Bill of Rights Act, the National Defense Authorization Act for Fiscal Year 2002, the Farm Security Act of 2001, aviation security measures, federal insurance for future terrorist attacks, prescription drug coverage for the elderly, and the taxation of Internet sales.

An important part of the agency's mandate is the preparation of regular economic forecasts and detailed analyses of the state of the economy and of the Administration's economic forecast. This effort is supported by the advice of a distinguished panel of advisers who represent a wide spectrum of economic views. As the economy slowed in 2001, we devoted significant resources to collecting and analyzing data bearing on the rate at which the economy was growing and the impact that would have on the federal budget. We also provided testimony on reforming the federal budget process and on extending the Budget Enforcement Act provisions that expire at the end of fiscal year 2002.

Overall, we testified before the Congress 16 times in fiscal year 2001 on a variety of significant budget and economic issues, and we expect the number of appearances to grow in 2002.

Responding to requests from Congressional committees for analyses of budgetary and programmatic issues is an important function of the agency. As the following discussion shows, CBO studied a broad range of policy initiatives and proposals in 2001.

Social Security.—During fiscal year 2001, a major effort was the construction of an analytical framework for examining proposals to restructure Social Security. That framework was utilized in preparing Social Security: A Primer, which was released early in fiscal year 2002 and which we hope will be useful to the Congress and the public in understanding the issues and debate regarding Social Security reform. We also produced estimates of the costs of proposals to eliminate the retirement earnings test and to make other changes to the program.

During the year, we used our long-term actuarial model of Social Security to produce new long-term budget projections (75 years) for CBO's Budget and Economic Outlook. We also devoted significant resources to a second long-term modeling project—namely, a dynamic microsimulation model that projects outcomes for a representative sample of the population. It takes into account how the population changes over time and could provide more realistic cost projections. We also extended our long-term models to include the impacts of Medicare and other significant federal benefit programs, as well as macroeconomic feedback.

Medicare and Other Health Issues.—Major CBO work efforts provided analyses and extensive testimony on proposals to add prescription drug benefits to Medicare. Our staff also worked closely with the House Ways and Means, Senate Finance, and House Energy and Commerce Committees in formulating proposed drug benefit bills, providing extensive feedback and technical advice. With the help of an expert panel of researchers and private industry experts, we undertook a thorough review of our methodology for examining and estimating the potential costs of drug proposals. We also analyzed dozens of specific legislative proposals to alter how Medicare providers (hospitals and doctors) are reimbursed.

Finally, we analyzed a variety of approaches to increasing the number of Americans with health insurance coverage and provided estimates of the budgetary and private sector costs of proposals for a patients' bill of rights, including analyzing the private health insurance cost impacts of every provision of all four major bills.

National Security.—In fiscal year 2001, defense-related accomplishments included support to the Congress through direct assistance and significant published reports. For example, an overview study summarized trends in spending by type of operation and maintenance (O&M) cost, and a related study analyzed the effects of aging on the O&M costs of maintaining military equipment; a project on Alternatives for the Future U.S. Navy identified a shortfall between the long-term costs to support the Navy and present and projected budgets. In June 2001, we also convened a symposium of experts on how we could best contribute to the homeland security debate. We were subsequently asked by the House Committee on Intelligence to identify the resources being spent on counterterrorism and critical infrastructure protection by each federal agency and trace those resources back to the authorizing and appropriating committees. In addition, we completed two reports on NATO—Integrating New Allies Into NATO and NATO Burdensharing After Enlargement. Finally, we provided informal support and information to the Armed Services, Budget, and Foreign Affairs/International Relations Committees.

Domestic Economic, Tax, and Financial Issues.—Our efforts to better understand the economy and the economic impact of legislation included work on the "New Economy" and how it has changed the economic outlook, the effect of an aging population on the long-term outlook for the budget and the economy, and the effect of taxes on the macroeconomy. We also published analyses of (1) the multibillion-dollar financial benefits conferred on Fannie Mae and Freddie Mac by their federal affiliation; (2) H.R. 2329, the High-Speed Rail Investment Act of 2001, which would provide assistance to Amtrak; (3) four proposals for reducing carbon emissions; (4) the need for better price indices for communications equipment; and (5) industry estimates of future investment requirements for waste and drinking water systems.

Work Priorities for Fiscal Years 2002 and 2003

Significant priorities in fiscal years 2002 and 2003 are (1) strengthening the resources and level of effort devoted to health care issues; (2) sharpening our focus in the national security area; (3) redeploying staff to address budget issues on antiterrorism and homeland security; (4) continuing to emphasize our long-term modeling for Social Security and Medicare; and (5) generally focusing more attention on how we select, plan for, and manage our major projects.

The year began under difficult circumstances, as CBO staff had to work in alternate locations and from their homes for about three weeks during the closure of the Ford House Office Building. During that shutdown, we were able to continue providing daily assistance to the Appropriations Committees during consideration of several fiscal year 2002 funding bills and to continue work on a new projection of the economy. We also completed many formal cost estimates during the closure, including those for the Aviation Security Act and the Best Pharmaceuticals for Children Act.

As always, our primary objectives will be to provide technical assistance and analytical support to the Congress in its work on annual budgets and to prepare estimates for legislative proposals with budgetary impact. This will, of course, include the annual preparation of baseline spending and revenue projections, projections of the condition of the economy, cost estimates for authorization and direct spending legislation, and outlay estimates for appropriation bills. We also plan to issue a comprehensive analysis of budget options in 2003.

Other priorities for the remainder of this year and next will include work on fiscal stimulus proposals, the extension of farm and nutrition assistance programs, and the reauthorization of the Temporary Assistance to Needy Families program and the Individuals with Disabilities Education Act. We also expect to analyze proposals to change the Medicare program that include its handling of prescription drugs, managed care, and providers' reimbursement, as well as proposals for a patients' bill of rights and Medicaid reform.

Another major project on Medicare is examining "high-cost beneficiaries"—the most expensive 5 percent—who account for nearly half of program spending. Using a large database on recipients and claims, which is now being assembled, we will improve our long-term estimates of both Medicare spending and the utilization of services by individuals over time.

Efforts to improve our methods for estimating will continue, as we reassess the uncertainty of budget projections and work with the Joint Committee on Taxation and the Department of the Treasury to develop and implement new methods for both estimating the effects of recently enacted tax legislation on receipts and projecting the flow of receipts under existing law.

We will continue development work on our long-term model for Social Security and Medicare and continue to produce long-term budget projections. And we expect to publish major studies on issues and options for funding long-term care for the elderly and trends in the number of households in the United States without health insurance.

Our work on national security is focused on several broad themes, including enhancing homeland security, better utilizing defense resources, achieving defense efficiencies, and transforming forces to meet 21st century needs. We also anticipate providing support to the Congress in its consideration of the annual defense authorization bill and potential additions to foreign assistance spending (for example, aid to Afghanistan).

Other important work will analyze proposed tax law changes; federal reinsurance for terrorism insurance; water infrastructure needs; foreign exposure of U.S. banks; regulation and government intervention in sectors such as aviation, agriculture, banking and finance, energy; and the effects of technical progress in computers and communications on the national economy.

Internal Management Strategy, Progress, and Priorities for Fiscal Years 2002 and 2003

In addition to focusing directly on its mission, CBO, like any successful organization, must devote resources to attracting talented people, developing their skills, and properly equipping them. It must also organize its key work processes to be as efficient as possible.

Enhancing Recruitment and Retention

During fiscal years 2002 and 2003, we will continue to pursue the goals and initiatives undertaken in the last two years to identify, hire, and retain a highly talented and diverse workforce.

1. *Strengthen Recruitment Strategy*.—Our goal has been to focus our efforts on quickly filling key vacancies, particularly in hard-to-attract disciplines, while building a more diverse workforce.

In 1998, the agency experienced an unusual number of vacancies and was unable to quickly replace the individuals lost. Consequently, staffing dropped from 227 full-time-equivalent positions in 1997 to 205 in December 1998, even though 232 FTEs were funded. We began to recover in 1999 but still ended the year short of our staffing needs. We met our mandates, but the shortfall created a hardship for our staff, and it meant that our ability to produce nonstatutory cost estimates and major studies suffered. To address this, we developed a comprehensive recruitment strategy, and specific actions to implement. This strategy has allowed us to fill vacancies more quickly and to reach our staffing goals of 225 and 228 in 2000 and 2001, respectively. To achieve this we:

—Simplified our application process, shortened the time from application to job offer, and developed new automated systems to track both job applicants and recruitment contacts;

—Created a high-quality recruitment brochure for our college recruitment program, strengthened the employment pages on our Web site, and expanded the number of schools where we actively recruit, including many with significant minority populations;

—Began the use of recruitment bonuses in hard-to-fill specialities (these bonuses have been particularly useful, but funding for this purpose is very limited as compared to what the private sector and the executive branch can spend);

—Raised offering salaries for new Ph.D. and Master's candidates and enhanced our internship programs to reach more candidates with relevant skills, including more minority applicants;
—Attended conferences, symposia, and other functions aimed specifically at encouraging, developing, and recruiting minority economists; and
—Implemented an awards program for outstanding performers, which recognizes roughly a third of our permanent employees each year.

In fiscal years 2002 and 2003, we will further expand our campus visits to include more schools with diverse student populations and provide additional training on effective recruitment techniques. We also wish to:
—Formalize our effort to attract technical experts in high-demand disciplines with a competitive visiting scholars' program for postdoctoral fellows and midcareer academics, and
—Expand our use of recruitment bonuses and develop procedures for our student loan repayment program as additional recruitment and retention tools.

2. *Improve CBO's Training Program*.—Our goal is to improve management and job skills by investing in our people through training, education, and professional development.

CBO has always invested in the job skills of its employees, but the amount spent on job training and professional development has been far less than that of other high-impact organizations, and much less than recommended by management experts. CBO spent less than 0.5 percent of its personnel costs on training in 1999, compared with the 2 to 4 percent typical of high-performing private firms we recruit against. In fiscal year 2000, we increased our training expenditures by nearly 30 percent while eliminating less cost-effective training and providing skill training to a much higher percentage of our staff. Training of CBO employees increased again in fiscal year 2001, with expenditures up another 10 percent, resulting in 61 percent of CBO employees receiving training. We also began training managers in leadership and communications skills. To date, we have provided leadership training to 60 percent of our managers.

During fiscal years 2002 and 2003, we will maintain the higher level of spending on training, education, and professional development; provide management training to the remainder of our senior staff; provide management development to analysts with strong leadership potential; expand our in-house educational conferences; provide additional computer training; and enhance our orientation program for new employees. As noted earlier, we also plan to develop a program for extended professional development through study or external work experiences in government or the private sector.

3. *Modernize and Revitalize the Working Environment*.—Our goal is to reconfigure and, where necessary, renovate offices to better use our space and to provide a quality work environment for new employees and those currently in inadequate space.

Most of CBO's space was configured shortly after the agency's creation 25 years ago—in a building designed primarily for file storage, not human occupancy. At that time, there were few desktop computers, many more support staff, less specialization, and a less competitive employment marketplace. Consequently, a significant percentage of our space was configured for clerical staff, and many analysts had work space that was in passageways or was otherwise undesirable. Conference space, which is critical to the collaborative nature of our work, was also in short supply.

In close cooperation with staff of the Architect of the Capitol and the Superintendent of House Office Buildings, we developed a range of strategies to address our space problems—primarily the demolition of existing partitions and replacement with prefabricated movable wall panels. By the end of December 2001, we had completed the reconfiguration of roughly 17 small office suites and other areas, constituting roughly 23 percent of our usable floor space. The result was about 53 offices renovated, with a net gain of 22 private offices and three additional conference areas. In the process, we were also able to reduce wasted space, including inefficient storage.

During fiscal years 2002 and 2003, we will still have a significant number of employees in unacceptable space. We plan to renovate another 20 small suites. In the process, we will eliminate approximately 25 additional substandard work spaces, while realizing a net gain of roughly 30 private offices. We will also improve the efficiency of smaller offices by using systems furniture more suitable to a modern work environment.

4. *Access to Critical Data*.—Expand CBO's access to, and use of, major data sets in its modeling and analytical endeavors.

CBO's ability to carry out its mission relies heavily, and in some cases, almost entirely on having access to comprehensive programmatic and economic data. Such data is used to estimate the costs of bills, make 10-year (and long-term) budget and economic projections, and analyze other aspects of legislative proposals. In the last two years, we have more than doubled the amount of storage on our network to 1.5 terabytes, including at least 50 major databases and hundreds of individual data series. Two major additions to our data access in the last year have allowed us to:

—Begin using a huge Census "Matched Data Set", which combines Census and IRS data on a large sample of survey respondents to build a microsimulation that more accurately predicts future Social Security costs.

—Increase our use of additional Social Security earnings data and disability and retired worker beneficiary and benefit data.

And we have recently created an inventory of internal and external data sets which all of our analysts can use to identify information already available to CBO as they plan or begin new work.

During 2002 and 2003, we will continue to work with the Census Bureau and Congress in our effort to obtain permanent access to survey data critical to our ongoing modeling and analysis. We have also just obtained permission to receive Medicaid data on a recipient basis from the Centers for Medicare and Medicaid Services, to be used for the first time in analyzing proposed legislative changes.

Communications Priorities

The value of CBO's work to the Congress and the public derives from the quality, readability, and availability of its products. While the demand for CBO's printed publications remains strong, the use of electronic versions on the agency's Web site is growing significantly year to year.

5. *CBO's Web Site*.—Our goals are to respond to the growing demand for electronic products and to enhance the site's functionality and accessibility.

Usage of CBO's Web site is roughly doubling every year and reached more than 9 million hits and 2.3 million page requests in 2001. To accommodate the increase in traffic and provide better performance, we (1) upgraded our Web server; (2) simplified our cataloguing of publications so that users can browse all documents by subject area without knowing the type of document; and (3) significantly improved the search function for publications. To determine what our customers need from our Web site, we conducted numerous interviews of Congressional staff, senior policy analysts in think tanks, and current employees, and we posted a survey on the site that elicited hundreds of responses.

In fiscal years 2002 and 2003, we will undertake a more comprehensive redesign of the Web site on the basis of users' suggestions. The site will incorporate additional functions; more budget-related links; topical collections of publications and cost estimates; and research materials, including downloadable spreadsheets. Given the difficulty involved in promptly delivering our products to Congressional customers since September 11, we are also experimenting with e-mailing reports and testimony to Members and Congressional staff, while urging other recipients to access our products from our Web site. Meanwhile, a new ListServer is improving our notification to subscribers when new publications are issued. We will also:

—Complete an on-line archive of all CBO's earlier publications and

—Produce more publications that take advantage of the electronic environment, specifically, publications that are "interactive" and include advanced search capabilities and links to other information. For example, our last Budget Options report utilized this capability and we will use this approach in a study analyzing tax incentives for retirement savings.

6. *CBO's Publications and Production Processes*.—Our goals are to produce high-quality publications that are easily identified as CBO products and to improve production processes for efficiency.

As usage of CBO's Web site has increased, we have been able to print fewer reports and keep inventory costs in check. Demand for our printed reports nonetheless remains strong, so we are improving their quality and modernizing their look while seeking additional efficiencies. For example, in fiscal year 2001, we:

—Improved the appearance of reports produced in-house and graphics used in Congressional hearings to make them more professional looking and readily identifiable as CBO products and developed a better capability to produce graphics in-house, saving time and thousands of dollars;

—Took advantage of new reproduction technology to produce higher-quality reports more quickly; and

—Established the capability to reproduce high-quality reprints of most reports, allowing us to reduce the size of initial print runs and the space devoted to stocking reports.

In fiscal years 2002 and 2003, we will finish modernizing our remaining report formats and further improve the production processes underlying our reports. Moreover, we are upgrading our distribution system to provide a more customized delivery of every report—to put copies into the hands of policymakers and interested readers but avoid excess printing. We will also increase reliance on electronic publishing from CBO's Web site and e-mailing reports to give Members of Congress earlier access. We also plan a customer survey to determine how our reports are used and how to improve them.

Technology

As noted earlier, highly effective organizations must provide staff with the technology they need to do their work. In exit interviews and focus groups with current staff, technology emerges as an area where CBO excels compared to other places people have worked. Technology is also critical to our ability to do the highly complex analyses that underpin much of CBO's work.

7. *Maintain Our Technological Edge*.—Our goal is to continue to provide the best technology systems economically available to support the agency's mission while constantly improving the performance of those systems and employee satisfaction.

During fiscal years 2000 and 2001, we upgraded most desktop computers and, for the first time, achieved an ideal hardware/software configuration for every employee. In 2001, we improved our network communications, tightened network security with a firewall and other hardware, added nearly a terabyte of needed data storage, and strengthened system reliability. We also began a multiyear project to reengineer and automate key work processes. This has resulted in the development or acquisition of many new automated systems, including ones for job applicant tracking, requisition and procurement, credit card management, and telecommunications management.

At the insistence of House Information Resources (HIR), we recently moved our Budget Analysis Data System from the HIR mainframe to the National Business Center in Denver, Colorado. We also began a major redesign of the system, which will improve its performance and usability and achieve significant cost savings. We are also replatforming our use of SAS, which will yield additional savings. Finally, we began a complete redesign of our intranet.

Thus, in fiscal year 2002, we will pursue the following:

—Continue design work on a PC-based replacement for our mission-critical Budget Analysis Data System to improve performance and further reduce costs.

—Complete automation efforts for project tracking, supply distribution, and equipment inventory.

—Further develop our intranet as a primary delivery mechanism for internal communication and service delivery. It will become the primary repository for policy and guidance, a major source for research materials, and a launching pad for all internal administrative systems.

—Update a limited number of network and desktop software packages, further improve computer system reliability and security, and bring other analytical time-sharing functions in-house to reduce costs.

Our major objectives for fiscal year 2003 will be to upgrade older desktop hardware and software systems; strengthen network security by updating software and equipment and periodically auditing for vulnerability; and improve infrastructure reliability by upgrading the network backbone and aging components.

8. *Prepare for Disaster Recovery*.—Our goal is to develop plans and assets that would allow the prompt restoration of CBO's mission-critical support to the Congress.

In fiscal year 2001, we took significant steps to prepare for disaster recovery. They included (1) moving CBO's mission-critical server room to the 6th floor of the Ford building, which has emergency power, air conditioning, and a higher level of physical security; (2) backing up network data to tape and storing it in fireproof safes; and (3) installing redundant computer, network, and communications equipment to eliminate single points of failure.

Although we were able to rapidly restore our critical functions when the Ford building closed, the events of September 11 reemphasized the importance of disaster recovery planning and caused us to reorient our thinking and reconsider threats that were previously deemed too remote to worry about.

As a result, we identified vulnerabilities and concluded that more effort and money needed to be devoted to protecting our mission-critical systems and data in fiscal years 2002 and 2003. Consequently, we plan to:

—In cooperation with HIR and a legislative branch working group, establish a secure off-site computer facility to mirror our most mission-critical systems and formalize our off-site storage of backup data;

—Provide remote access to important application programs to allow staff to work at home or at work sites outside the Ford building; and

—Negotiate reciprocal agreements with other legislative or executive branch agencies to provide emergency work space and data communications.

9. *Enhance Network Security*.—Our goal is to strengthen network security and establish a separate network for the storage and processing of sensitive data from the Internal Revenue Service, Social Security, and Health and Human Services.

Much of the government information that CBO uses for its analysis and model development is highly sensitive, and we adhere to the strict security procedures dictated by the agencies providing the data. As the use of such information has grown, so has our need for information security measures. As a result, this fiscal year we are installing a separate local area network to store and access our most sensitive data. To do so, we are:

—Deploying an independent network server, disk storage system, and wiring;

—Physically separating the secure network from the Internet to prevent dial-up or other external access, and encrypting all sensitive data using a secure algorithm that meets the Department of Defense's security standards;

—Developing detailed security procedures and internal audit controls and educating users; and

—Protecting secure workstations with an access control device that generates a randomly generated password that is virtually impossible to duplicate.

Streamlining Operations and Redesigning Key Processes

As mentioned before, we have also devoted significant attention to automating and modernizing our internal processes. Examples discussed earlier in some detail are our job applicant tracking system, which allows us to process applications more quickly and efficiently, and changes in our report production process.

10. *Process Redesign*.—Our goal is to modernize and automate internal processes to provide services and information electronically while reducing the time needed to use and support administrative functions.

In fiscal year 2001, we began work on a wide range of automated systems that in essence reengineer our key work processes. Many of those will provide internal services and information through the redesigned CBO intranet, including human resources information, library services and research support, conference room scheduling, technical assistance services, requisitioning, policy dissemination, travel administration, and many others. Much of this work will be completed in 2002.

We have also introduced (1) an applicant résumé tracking system that routes electronic résumés to CBO managers and e-mails feedback to job candidates; (2) a telecommunications database to control our phone costs, which helped us save $30,000 in fiscal year 2001 and now generates paper and electronic phone directories and provides employee data for other systems; and (3) a credit card system used to track purchases as they are made and assist in fund management. We are now implementing an on-line project tracking system, which will revamp the way we select, plan, and manage major projects.

In fiscal year 2003, we plan to further automate administrative systems, including a human resources information system to manage personnel information and a service request tracking system to help manage all internal support services.

11. *Streamline Procurement*.—Our goal is to modernize our procurement process so that it is a streamlined, paperless process with greater emphasis on cycle times, competition, and cost reduction.

In fiscal year 2000, we undertook a major effort to reengineer our procurement process. We investigated the procedures and supporting software used by other organizations and redesigned and simplified our process.

During fiscal year 2001, we reorganized and retrained our procurement staff and selected and began implementation of a new automated procurement system, PDT (Procurement Desktop), which is integrated with our accounting system at the Library of Congress (LoC). Because we now obligate our own funds, the system has also allowed us to reduce our payments to the LoC for administrative support while providing us with better control over financial transactions. We also streamlined many aspects of our procurement process to save effort and reduce cycle times. During fiscal year 2002, we will:

—Expand the use of our Web site to communicate with current and potential vendors and contractors to encourage more competition;

—Design a system that will use detailed procurement data to assist in budget preparation and execution processes; and

—Implement an off-the-shelf asset management system to better track, safeguard, and depreciate fixed assets.

Conclusion

Mr. Chairman, during the last three years we have worked very hard to meet the needs of the Congress and to rebuild our staff during a period of great competition in the labor market. To do this, we have raised starting salaries for new graduates and undertaken a variety of efforts to make CBO a more desirable employer for talented economists and policy analysts. The budget increases provided in 2001 and 2002, along with extensive efforts to reduce our nonpayroll costs, have allowed us to return to full strength and make progress in attracting specialized staff, while modernizing our products, processes, and infrastructure.

Nonetheless, we continue to have the same concerns of all federal employers—our salaries are not always competitive, many new graduates shun government service, anticipated retirements are worrisome, and replacing staff in high-demand disciplines is not easy or quick. At CBO, we have particular difficulty attracting and retaining new Ph.D.s and experienced experts in areas such as finance, health, and macroeconomics. The new initiatives for which we need your support—for the visiting scholars' program, additional funding for recruitment bonuses, and the professional development authority—and our implementation of a student loan repayment program will provide us with additional tools we can use in our efforts to attract the best and the brightest to serve the Congress.

APPENDIX

Request for Legislative Authorities

With the fiscal year 2003 budget request, CBO is also asking for legislative authority in the following administrative areas.

Employee Professional Development.—This language would give CBO authority that executive branch agencies have to establish an educational program to enhance the abilities and effectiveness of CBO employees through study or work experiences, including periods of employment with private sector organizations. The executive branch has such authority for members of the Senior Executive Service under 5 U.S.C. § 3396. CBO may currently fund with its annual appropriation a narrower group of activities authorized by the Intergovernmental Personnel Act, but that authority only applies to work for universities, nonprofit organizations, states, and local governments. For example, CBO cannot now adopt the executive branch practice of detailing employees to other agencies for learning and development. The provision would provide such authority.

SEC. 102. The Director may, by regulation, make applicable such provisions of section 3396 of title 5, United States Code, as the Director determines necessary to establish hereafter a program providing opportunities for employees of the Office to engage in details or other temporary assignments in other agencies, study, or uncompensated work experience which will contribute to the employees' development and effectiveness.

Reinstatement of Exemption from Advertising.—This language restores a provision that had been included in the past as a regular appropriation provision and that CBO mistakenly believed had been enacted as permanent law. Following establishment of CBO in 1974, legislative branch appropriation acts for fiscal years 1976 and 1977 exempted CBO from an obsolete procurement statute, originally enacted in 1861, which effectively prohibits modern acquisition methods such as competitive negotiations. The executive branch has been exempted for over 50 years (5 U.S.C. § 260; 10 U.S.C. § 2314), and other legislative branch agencies, such as the General Accounting Office (31 U.S.C. § 781(c)(1)), the Architect of the Capitol (41 U.S.C. § 6a–1), and the Government Printing Office (44 U.S.C. § 311(b)), are exempt. While CBO's exemption was included in the United States Code (2 U.S.C. § 604), it did not contain language necessary to establish the exemption as permanent law. Consequently, after the exemption was omitted from the 1978 appropriation act, it was omitted from the code, although CBO continued to procure goods and services as previously authorized. This would restore the original language as a permanent provision.

SEC. 103. The Director is hereafter authorized to enter into agreements or contracts without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD

Senator DURBIN. Let me ask you about this Federal Accounting Standards Advisory Board. I think you may have heard the questions earlier.

Mr. CRIPPEN. I did.

Senator DURBIN. What are your thoughts?

Mr. CRIPPEN. Well, the history of it is, I think, a little clearer than what he was discussing with you. That is, the private AICPA, the private accountants, had recommended a number of things to principals of this board. As I am told, the Secretary of the Treasury thought it was a good idea to add more nongovernmental representatives, and as a result they ended up with an organization that was really not the same as what the AICPA had recommended.

Indeed, the ultimate organization, as I understand it, is now six nongovernmental employees—called private in some of the organization's memos—and three Government employees, three principals, as Mr. Walker said. I think even the chair is supposed to be a nongovernmental employee, ultimately.

The concern I have with the current composition is this: not only are there many issues that private-sector accounting cannot address, or does not address very well in a Government setting, but I do believe there is an impact on congressional representation, let alone governmental representation.

We have a couple of experiences from the last administration, for example, when the Director of OMB and Secretary of the Treasury wanted to change, and in some cases were successful in changing, the accounting of some programs; I do not want to question their motives, but I do not think the changes added clarity in what they were endeavoring. In fact, we argued the opposite, and I think we had some effect, just as a member of the board.

I also think it would be useful to have more congressional representation. Whether that is us or somebody else is up to the Congress, but I know that as in the past administration, there is no reason to believe that it will not again be tempting for the OMB Director and Secretary of the Treasury to change standards to suit a purpose other than clarity of financial exposition.

OPPORTUNITIES FOR EMPLOYEES' PROFESSIONAL DEVELOPMENT

Senator DURBIN. Last year, you sought authority to develop an education trust fund financed by outside sources, and this was not included in the final appropriation bill. You are not pursuing similar language in this next year's budget.

Mr. CRIPPEN. No.

Senator DURBIN. Instead, you requested authority for an educational program for a study or work experience with private-sector organizations or other executive agencies. Does this new proposal fill the need for advanced education opportunities that CBO sought last year?

Mr. CRIPPEN. I think it does in part. One of the things that I was looking for last year as well was an advanced or enhanced guest scholar program, so with the additional FTEs and this authority, we could accomplish most of what I had in mind.

The executive branch currently can send folks out for experience in other places, both within the Government and the private sector, and it is that authority that could be attractive to some of our folks in both recruiting and retention. So this does, between the FTE increase and this authority, pretty much cover what we had in mind.

STUDENT LOAN REPAYMENT PROGRAM

Senator DURBIN. Do you use student loan forgiveness programs?

Mr. CRIPPEN. We will. We have not used the authority as yet, obviously. It is fairly new. We have developed regulations for how we are going to use it, which I think the committee has. It was in February that we developed them, so we have in place the program and regulations. We intend to use it very much the way the Comptroller General described it, in a targeted way to attract people in areas where we have difficulty recruiting, not as a general benefit.

I was up at Syracuse last week recruiting, and many of the students there, the Maxwell School master's degree students, are going to come out with $30,000 or $40,000 in debt, so it is difficult for them to commit to public service, where we typically pay lower salaries. This would certainly enhance our ability to attract those kinds of students who would be otherwise inclined to public service.

Senator DURBIN. How about retention? Will you be using it for retention?

Mr. CRIPPEN. Well, we have written into our regulations, which may be partly for statutory reasons, I do not recall, that a 3-year commitment would be required of anyone getting this benefit. And of course there would be a termination provision and payback and those kinds of things. So those requirements clearly would help in terms of locking people in up front.

We do not worry quite as much about retention as we do recruitment in a couple of ways. Our Budget Analysis Division, which does the lion's share of the numbers crunching, is the largest single division, largely made up of master's graduates in economics, public administration, statistics, other fields. It has been true since the beginning that CBO has had little difficulty recruiting these folks and has been a good training ground for congressional staff and other governmental staff. So the fact that someone comes in as a master's degree holder and does not spend his or her life there is not surprising or of concern.

We have a relatively high turnover of 10 to 15 percent a year in that group because it is such a good training ground. They learn the budget, the budget process, the Congress, and many of them come over here to work for you all or go downtown. We would not look at helping with student loans as a way to make master's students commit their life to CBO, whereas we would mostly use the authority to help recruit specialized employees whom we want to stay much longer.

CONCLUSION OF HEARINGS

Senator DURBIN. Thank you. That is all the questions I have. I appreciate you being here today, and thank you for the good work you are doing at CBO.

Mr. CRIPPEN. Thank you, sir.

Senator DURBIN. The subcommittee will stand recessed.

[Whereupon, at 11:45 a.m., Wednesday, May 8, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

LIST OF WITNESSES, COMMUNICATIONS, AND PREPARED STATEMENTS

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