

**LEGISLATIVE BRANCH APPROPRIATIONS FOR  
FISCAL YEAR 2002**

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**HEARINGS**

BEFORE A

SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES SENATE  
ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

ON

**H.R. 2647/S. 1172**

AN ACT MAKING APPROPRIATIONS FOR THE LEGISLATIVE BRANCH FOR  
THE FISCAL YEAR ENDING SEPTEMBER 30, 2002, AND FOR OTHER  
PURPOSES

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**Architect of the Capitol (except House items)  
Congressional Budget Office  
General Accounting Office  
Government Printing Office  
Joint Committee on Taxation  
Joint Economic Committee  
Library of Congress  
Office of Compliance  
U.S. Capitol Police Board  
U.S. Senate**

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<sup>1</sup> Committee and subcommittee memberships—January 25 to June 6, 2001.

NOTE.—From January 3 to January 20, 2001 the Democrats held the majority, thanks to the deciding vote of outgoing Democratic Vice President Al Gore. Senator Thomas A. Daschle became majority leader at that time. Starting January 20, 2001, the incoming Republican Vice President Richard Cheney held the deciding vote, giving the majority to the Republicans. Senator Trent Lott resumed his position as majority leader. On May 24, 2001, Senator James Jeffords of Vermont announced his switch from Republican to Independent status, effective June 6, 2001. Jeffords announced that he would caucus with the Democrats, changing control of the evenly divided Senate from the Republicans to the Democrats. Senator Thomas A. Daschle became majority leader once again on June 6, 2001.

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# LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2002

WEDNESDAY, MAY 2, 2001

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

The subcommittee met at 10:05 a.m., in room S-128, the Capitol,  
Hon. Robert F. Bennett (chairman) presiding.  
Present: Senators Bennett and Durbin.

## JOINT ECONOMIC COMMITTEE

### STATEMENT OF HON. JIM SAXTON, U.S. REPRESENTATIVE FROM NEW YORK, CHAIRMAN

#### OPENING STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. The subcommittee will come to order.

We have a series of panels this morning on appropriations for the coming year for a variety of agencies that come under our jurisdiction. The first one is the Joint Economic Committee. We are happy to welcome Congressman Saxton here, who is the chairman of that committee. I have a particular interest in that committee because I am the vice chairman. So, naturally we want to see that it is well funded.

Mr. Chairman, we are delighted to have you here. We note that your request is the same as last year's with the cost-of-living increase being the only change from last year to this year. Ninety-five percent of the request is pay for personnel. It is a 3.3 percent increase over fiscal year 2000. We welcome you as chairman of the committee and welcome you here.

I have no pearls of wisdom to share with you in advance, but Senator Durbin, as the ranking member, we are always glad to hear from you.

Senator DURBIN. Senator Bennett, if you are deferring pearls of wisdom, I will too.

[The statement follows:]

#### PREPARED STATEMENT OF SENATOR RICHARD J. DURBIN

Mr. Chairman, it is a pleasure to be back this year as a member of the Legislative Branch Subcommittee, and I am especially proud to serve as the Ranking Member of the Subcommittee for the 107th Congress.

We have made major investments in recent years in the agencies under the Subcommittee's jurisdiction. Some of those investments, unfortunately, have been demanded by the times in which we live (such as the need for security enhancements for the Capitol complex), and other investments have been driven by our desire to

appropriately preserve and maintain for future generations the treasures and artifacts of our Nation's history.

As legislators, we make decisions every day that impact the lives of our constituents. We make choices which set the course of this great Nation. Many of our decisions are based on information statistical data, budget analyses, research and reports provided to us by the support agencies of the Legislative Branch, such as the Library of Congress, Congressional Research Service, General Accounting Office, Congressional Budget Office, the Joint Committee on Taxation, the Joint Economic Committee, and others. We rely on the accuracy of their data to guide us in our decision-making. And, while we ask for efficiency in their operations, we also recognize that these support agencies need to be provided sufficient funds to do their job well. I trust that we will be able to do that this year.

Before we begin our first hearing this morning, I take this opportunity to commend you, Mr. Chairman, for the diligence and foresight you have exhibited as Chairman of the Subcommittee, and I very much look forward to working with you this year.

Senator BENNETT. Very good.

Mr. Chairman, thank you for being here, and we look forward to hearing your comments.

#### JOINT ECONOMIC COMMITTEE RESEARCH

Mr. SAXTON. Let me just say at the outset I have a statement which I will just submit for the record. It is probably 4 or 5 minutes long, so we will just dispense with that.

Let me just say that the Joint Economic Committee, as both you, Mr. Chairman, and Senator Durbin know, is an organization which looks at what is happening in the economy and relates it to various Federal policies that may be affecting the economy in one way or another.

Recently we have spent a great deal of time looking at Federal Reserve policy, for obvious reasons. We have, in a sense, championed Fed policy over the last decade or so, recognizing that they did a great job in squeezing inflation out of the economy. When the Fed started to tighten a year or so ago, we looked at it again, but this time in a slightly more skeptical way and I communicated this to the Fed. We are glad to see that they have again turned the corner and are again pursuing policies of economic growth.

As an example of the work that we do, I brought this Joint Economic Committee report entitled, Current Economic Conditions and Outlook, with me, which I will leave with you for the record, or for whatever purpose you think is important. It is a look at the current economic conditions, with many charts and graphs, which I like because it makes all of this economic talk much easier to understand. I will just share that with you and stand ready to answer any questions you may have.

#### PREPARED STATEMENTS

Also, let me ask for consent to place Senator Jack Reed's statement in the record. He is the ranking member of the Joint Economic Committee.

Senator BENNETT. Without objection, it shall be placed in the record.

[The statements follow:]

#### PREPARED STATEMENT OF CONGRESSMAN JIM SAXTON

Mr. Chairman and Members of the Subcommittee, it is a pleasure to present my strong support for the fiscal year 2002 budget request of the Joint Economic Com-



mittee (JEC). During the 107th Congress, the Committee will have two productive years of hearings, studies, and reports on the important economic challenges facing our country. Naturally, I am pleased that the Committee's research has been well received, and our website has been designated as one of the three top committee websites on Capitol Hill by the nonpartisan Congressional Management Foundation.

As we know, the Congress must have the capability to provide dependable information of high quality to its Members before important economic policy decisions are made. The Executive Branch has a number of agencies with sizable resources devoted to economic and statistical analysis, and Congress needs to have access to as much comparable but independent analysis as possible through entities such as the JEC. The budget of the JEC is insignificant compared to the offices for economic and statistics scattered throughout each agency of the Executive Branch. In short, as a co-equal branch of government, Congress needs the capability for independent economic analysis, even if it is on a much smaller scale than that of the Executive Branch.

This need for economic analysis is especially obvious during periods of rapid economic change, as at the present time. The Committee is closely monitoring the various aspects of the economic slowdown, issuing several papers charting its course since the end of last year. The Committee will continue to work with the Bureau of Labor Statistics (BLS) in reviewing new employment and unemployment data through analysis and periodic hearings. The Committee will also continue to monitor the increasingly fragile international economic situation and make constructive contributions to policy in this area as well.

The Committee has also focused on monetary policy over the last 18 months, and I have suggested that there was a danger of over-tightening monetary policy that could result in an economic slowdown. Unfortunately, this economic slowdown, influenced by the stock market meltdown and energy problem, has become a serious problem.

Another recent area of research has been focused on the area of personal saving and investment. The Committee's research has found that the current tax treatment of capital gains distributions to mutual fund investors unnecessarily triggers sizable tax payments even when the shares are not sold. This is identified as a major impediment to saving and investment by middle class households.

Future research will focus on a variety of issues related to macroeconomic performance, taxation, debt management, and a variety of other issues.

I appreciate the opportunity to appear before the Subcommittee today and would be glad to try to answer any questions that you might have.

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PREPARED STATEMENT OF SENATOR JACK REED

Mr. Chairman and Members of the Subcommittee, I am submitting this statement to indicate my strong support for the fiscal year 2002 budget request of the Joint Economic Committee (JEC). The Committee fulfills an important function for the Congress by providing dependable and high quality information on the state of the economy and on the economic effects of alternative policy proposals. This information must be based on sound analysis that is both timely and keyed to the needs of the Congress. While the size and budget of the Committee are small compared to those of the many Executive Branch agencies that do such analyses for the Administration, the JEC provides Congress with an independent look at the economic issues that affect our nation and shape our policies. Through the Committee, members of Congress have access to economic analyses that are immediately relevant to the issues they must address.

The role of the Committee is especially important when economic conditions are uncertain and subject to possible changes, as they are now. In this environment, fast turn-around analyses of the economic effects of specific policy proposals must be available to members if they are to make the best possible policy decisions. In addition, on-going monitoring of the state of the economy is needed to allow members to gauge the need for new policy initiatives. Both the Republican and Democratic staffs of the Committee have plans to produce studies addressing these needs during the coming session of Congress. The Democratic staff of the Committee is also producing a Weekly Economic Digest, a brief summary of current economic data that highlights changing conditions as they occur. The Democratic members of the Committee will also continue to work with the Chairman and the Bureau of Labor Statistics (BLS) in monitoring new employment and unemployment data through analysis and periodic hearings.

I would like to commend my colleague, Chairman Jim Saxton, for his strong leadership and defense of the Committee over the past several years. The need for the

information and the analysis the Committee can provide is even greater now than it has been in the past. I would like to join with Chairman Saxton in urging you to approve this budget request.

Senator BENNETT. I must share with you, Mr. Chairman, a comment that I received from Alan Greenspan when I succeeded Connie Mack as the senior Republican on the Senate side on this committee. We talked about some of the things that we could do in the committee. One of the nice things about Chairman Greenspan is that he represents significant institutional memory in this town, and he said when Hubert Humphrey was the Chairman of the Joint Economic Committee, he made it look as if every other committee on Capitol Hill was irrelevant.

I do not think necessarily this is a goal to which you aspire, but I share that with you to encourage you to be far-reaching in the things you look at, and certainly to the degree you will allow me as vice chairman to act, I intend to look at a wide variety of things.

I have talked with Jack Reed, and we intend our first hearing on the Senate side will be on energy policy because certainly energy is emerging as a major economic influence in the years ahead.

But we appreciate what you are doing here. It maybe frees us up on the Senate side to be a little more free-ranging. We do hope that we can have the high tech summit before the JEC again this year, as we have done in the past 2 years, and we appreciate your support.

I have nothing further. Senator Durbin, do you have any comments?

Senator DURBIN. No, Senator Bennett. Just by historic perspective, when I first started as an intern in the United States Senate in 1966, I worked for Senator Paul Douglas who was a proud member of the Joint Economic Committee. I have always felt that this committee is a great forum for congressional discussion of economic issues and analyses. I want to make sure it is well funded and we meet their resources. Good work. Happy to work with you.

Mr. SAXTON. Thank you.

Senator BENNETT. I had not realized you worked for Senator Douglas. Now I know the source of your somewhat interesting economic positions.

Thank you very much, Mr. Chairman.

Mr. SAXTON. Thank you, Mr. Chairman.

Senator BENNETT. We appreciate that.

## LIBRARY OF CONGRESS

### STATEMENT OF DR. JAMES H. BILLINGTON, THE LIBRARIAN OF CONGRESS

#### ACCOMPANIED BY:

**DANIEL P. MULHOLLAN, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE**

**DONALD L. SCOTT, DEPUTY LIBRARIAN OF CONGRESS**

**JOHN D. WEBSTER, DIRECTOR, FINANCIAL SERVICES**

Senator BENNETT. We now go to the Joint Committee on Taxation. Congressman Thomas, who is the chairman of that committee, has been detained. So, we will go directly then to the Library of Congress. We welcome Dr. James Billington.

Dr. Billington, we welcome you. We also welcome Mr. Mulhollan, but we are going to get to you separately because you have your own jurisdiction under Dr. Billington. Dr. Billington, it is a delight to see you. We are always glad to have you here and look forward to hearing whatever it is you have to tell us.

Dr. BILLINGTON. Thank you very much, Mr. Chairman. General Scott, the Deputy Librarian, and I appreciate—

Senator BENNETT. Yes, we should note for the record that the Deputy Librarian, General Scott, is accompanying Dr. Billington. I apologize.

Dr. BILLINGTON. We appreciate the opportunity to appear before the subcommittee. I want to thank you and the committee sincerely for your continued support for the library.

#### COPYRIGHT OFFICE BUDGET ADJUSTMENT

I would just note briefly at the beginning that the library is reducing by \$2.7 million the budget request we originally submitted for the Copyright Office, and that is explained in my longer statement.

#### MAJOR ELEMENTS OF LIBRARY'S BUDGET REQUEST

Mr. Chairman, the four major elements of the Library's fiscal year 2002 budget request are, first of all, the mandatory pay and price level increase of \$20 million. The Library's budget overwhelmingly funds people and technology, categories where costs increase each year because of mandated pay raises and inflationary price level increases. So, the \$20 million request is just to fund these inescapable mandatory price increases.

The second element in the request is the digital futures increase of \$18.8 million for fiscal year 2002, which is needed to support, first of all, the Congressional Research Service's delivery of policy analysis and research, which Mr. Mulhollan can explain in more detail; also the National Digital Library's continuing infrastructure requirements; and the Library's computer security infrastructure.

Technology is, as you well know, going to define how we do business with our principal client, the Congress, for the foreseeable future, and the Library's digital futures budget request of \$18.8 million is independent of, but is a prerequisite for the responsible use of the special appropriation last year of \$99.8 million to lead a national strategic planning effort and help fund the cooperative efforts with others for long-term preservation of digital materials. But in the meantime, the Library's own digital infrastructure has to be adequately sustained.

The third element in the budget is the needed increase of \$11.8 million for collections access, preservation, and security. The Library's massive, multi-formatted collections remain the heart of the institution. All of these traditional artifactual collections continue to grow. We get 22,000 items a day, of which we keep between 8,000 and 10,000. This continues to grow, sometimes at accelerating rates throughout the world, and the Library must invest more in securing and preserving these primary assets.

The increased fiscal year 2002 budget request will enable the Library to deacidify and thus prolong the life of books printed on deteriorating paper, test options for developing a paper-strengthening capability, clean and repair materials destined for remote storage, and begin realigning the multi-million volume general collections when we have the opening of the first Fort Meade repository later this year so that all books are housed in optimal locations and in proper conditions. Finally, it enables, in particular, the American Folklife Center to reduce its very large arrearage while also launching a new project, unanimously approved in the last session of Congress, to develop a Veterans Oral History Program so that future generations will have access to the stories of Americans who served their country in our 20th century wars.

The final element in our request reflects program reductions of \$121.4 million. Several activities that were approved for fiscal year 2001 do not require additional funding in fiscal year 2002. The biggest by far, of course, is the special one-time appropriation of \$99.8 million for the national digital information infrastructure and preservation program. The fiscal year 2001 budget provided multi-year funding for this important new congressional initiative which recognizes that the Library has to develop a national plan in order to be able to integrate new Internet digital materials into its historic mandate to preserve and provide access to the record of human experience.

Because of the very large program reductions, the Library's budget request totals a decrease of \$68.4 million or 13.4 percent below the fiscal year 2001 total appropriation.

#### ACQUISITION AND PRESERVATION OF DIGITAL MATERIALS

At the start of this third millennium and the Library's third century, Mr. Chairman, the Library has to acquire, preserve, and ensure rights-protected access to a tidal wave of material that is often available only in digital form. This is playing an increasingly important role in the whole intellectual, commercial, and creative life of the United States. The amount of so-called "born digital" works that have already been lost is unknown, but it is very substantial. The average life of a Web page is only about 75 days. Given the

immeasurable size, the uneven quality, and the short life span of much of the Web's content, the Library faces an extraordinary and quite unprecedented challenge in sorting and archiving what ought to be preserved. We must, as a result, develop a whole new range and type of partnerships and cooperative relationships if we are to continue fulfilling our basic library function in the new digital universe.

In conformity with the Congress' recent special appropriation, the Library is in the process of formulating a national strategy for the life cycle management of digital materials and integrating that management into the national collection. We had our first meeting with our national technological advisory board yesterday. There is a great deal of enthusiasm and buy-in in the beginning of this process of developing a genuine national plan and beginning to implement it.

The Library must also make sure that it has a digital infrastructure that can be scaled up in the future to support and sustain this kind of a cooperative national digital information strategy. Our digital futures increase is largely in three areas: first, developing a digital repository architecture that will preserve current and future digital assets acquired for the permanent universal collection in the new media; secondly, providing the basic technology infrastructure and support components that must be in place to enable the Library's program managers and specialists to retain and deliver a digital library using software, hardware, telecommunications, and technical supporting staff; and finally, providing access services that will sustain the Library's digital outreach to the Nation, which reached last year about 1 billion electronic transactions. So, this goes up geometrically and, we think, healthily, but it puts a tremendous strain on the Library's basic infrastructure.

Mr. Chairman, librarians will be needed more than ever before as objective knowledge navigators amid the sea of unorganized, often highly undependable, and sometimes quite objectionable information that is increasingly inundating the Internet.

Libraries will be needed to assure free public access for those who would otherwise be on the losing side of the digital divide, which is a reality, and also for those who might otherwise never learn to work both with the new information and with the old books. There is something very healthy about bringing the two together rather than keeping them separate. Libraries, like America itself, add the new without subtracting the old. That is a unique feature.

Properly used, as we add the new electronic material into the old artifactual libraries, the Internet will help both scientifically to solve common problems that are shared by widely dispersed groups in fields like health, the environment, and so forth, and, at the same time, humanistically educate and inform our own people by sharing on-line materials that stimulate learning and communicate the distinctive cultural identities and histories and stories of different peoples.

On behalf of the Library and its staff, I want to once again thank the Congress and the American people for the outpouring of support for the Library during its bicentennial celebration last year, in

which we increasingly tried to focus on the future and on doing things that would lead us into the future.

The library is entering a critical period when it must, in effect, superimpose a select library of digital materials on top of its undiminished needs to sustain a traditional artifactual library. Many parts of the world are just entering the print age, even as we all move into the Internet age, and those vital records have got to be sustained.

We are not seeking appropriations for any new function. We are merely trying to sustain our historic core function of acquiring, preserving, and making accessible knowledge and information, which in various forms are now being increasingly generated and communicated in this radically new and rather impermanent medium.

With congressional support of our fiscal year 2002 request, the Library will be able to continue its dedicated service to the work of Congress and to the creative life of the American people.

#### PREPARED STATEMENTS

I hope, Mr. Chairman, that each of you have a chance to look at the packet of materials before you and also to log on and see what services are available to your staff and to millions of other Americans each and every day from the Congress' library. I had many occasions to say during the bicentennial year in a variety of formats that the Congress of the United States has been the greatest single patron of the Library in the history of the world. We thank you for that. We are conscious of our responsibilities to bring it into the digital age. We thank all of you and we will be glad to respond to any questions that you might have, Mr. Chairman.

[The statements follow:]

#### PREPARED STATEMENT OF JAMES H. BILLINGTON

The Library celebrated its bicentennial in 2000 by focusing on the future. The Internet has added a new dimension to the Library's historic mission of sustaining and preserving a universal collection and making its resources useful to the Congress and the American people. The new digital communications offer this unique institution extraordinary opportunities to achieve new levels of service to the Congress for its legislative work and to citizens in search of knowledge in every Congressional District. The Library created for its bicentennial an on-line library of more than five million historically significant digital items that are now available free of charge on the Internet to people wherever they live. More than 120 million Americans now have personal Internet access, and 95 percent of K-12 schools and most public libraries can provide access for those who cannot afford personal computers. The Library of Congress received almost one billion electronic transactions in 2000.

We deeply appreciate the Congress's approval of the Library's fiscal 2001 budget, including permanent status for the 84 positions that made possible our award-winning National Digital Library (NDL) Program. This action permits us to retain for our broadening digital future the innovative talents, technical expertise, and Library experience of those who will be able to help us face the massive challenges that lie ahead: incorporating digital material into our universal holdings, ensuring their long-term preservation, and making them accessible to the Congress and the nation. The Library, at the same time, must sustain its traditional artifactual collections (the amount of print materials also continues to grow worldwide) and move its services to the Congress and to the Copyright community rapidly into the electronic age. All this and more we must do with a staff considerably smaller than a decade ago.

Our NDL efforts have won many awards and widespread praise. Joyce Valenza, a librarian at Springfield Township High School in Pennsylvania, states: "I use the American Memory Web site to bring an immediacy to history that kids can't get from textbooks." Richard Geib, a history and English teacher at Milkin Community

High School in Los Angeles, writes: "I am a teacher who has found your site enormously helpful in presenting/building digital lectures for my students. I cannot remember the last time I derived such direct benefit from my tax dollars!"

Building on such success, the Library launched on April 24, 2000, its two-hundredth birthday, a new Web site ([AmericasLibrary.gov](http://AmericasLibrary.gov)) designed to introduce children and families to American history. This site—which is recording more than eight million electronic hits each month—is being promoted by the first pro bono campaign for a library program ever conducted by the Advertising Council. With virtually all K–12 public schools now connected to the Internet, the Library is positioned to make a major contribution toward the nation's educational development and future productivity.

The Library's main priority in the digital arena is to help the Congress and generations of researchers quickly gain access to relevant and verifiable information in digital formats, while ensuring that the rights of content creators and producers are respected. The exponential growth of the Internet is fostering an explosion of material that increasingly is produced only in digital formats. These so-called "born digital" works are growing so rapidly that an international consulting firm, Accenture (formerly Andersen Consulting), predicts that the sale of e-books will reach \$2.3 billion by 2005. The Library is facing the massive challenge of applying its traditional strengths of acquiring, preserving, describing, and making accessible knowledge and information to the rapidly growing but often ephemeral mass of material produced only in digital form. The Library must apply its unique experiences and resources for organizing knowledge and information with in-depth subject and language expertise to the unstructured and unfiltered world of the Internet if it is to continue informing and serving the Congress and the nation.

As part of the Consolidated Appropriations Act, 2001, the Congress provided to the Library a special \$99.8 million appropriation to develop a cooperative nationwide collection and preservation strategy for digital materials. In collaboration with other Federal and nonfederal entities, the Library is mandated to develop a phased implementation plan that will lead to a national strategy for a network of libraries and other organizations to share responsibilities for collecting, maintaining, and providing permanent access to digital materials. The plan will also develop, in concert with the Copyright Office, strategies for defining national policies and protocols for the long-term preservation of digital materials and for the technological infrastructure that will be required for the Library to play its key role in the collaborative national network.

This new congressional direction recognizes that the Library must integrate the new Internet/digital medium into its historic mandate to preserve and provide access to the record of human experience. Of the total appropriated, \$75 million is to be made available as this amount is matched by nonfederal donations, including in-kind contributions, through March 31, 2003.

Two years ago, I commissioned an independent study by the National Academy of Sciences (NAS), a private, nonprofit science and technology research organization, to provide an outside assessment of our technology efforts and general advice on an information technology path for the Library in the next decade. Experts on the Computer and Science Telecommunication Board of the National Research Council of NAS produced in July 2000 their report, LC 21: A Digital Strategy for the Library of Congress. It suggested that the Library "needs to be more proactive in bringing together stakeholders as partners in digital publishing and digital library research and development." The report called for the Library to assume leadership in many areas, such as supporting and promoting research and development in digital preservation, coordinating metadata standards for digital materials to extend and transform cooperative cataloging in the Internet context, and helping the U.S. library community work with electronic publishers and others to resolve the legal and technical questions that relate to digital works.

The Library's fiscal 2002 budget recognizes the Library's special, new congressional mandate to develop a national digital infrastructure and preservation plan in collaboration with other Federal and nonfederal entities for the Congress and the nation. At the same time, the Library must continue to construct the digital-repository architecture and basic technology infrastructure that will enable us to preserve current and future digital assets—building on many of the NAS recommendations.

The fiscal 2002 budget request contains four major elements. Before I explain those elements, I would like to notify the committee that the Library is withdrawing the Copyright Office's request of \$2,688,109 and 13 FTEs to accelerate the development of the Copyright Office's electronic registration, recordation, and deposit system (CORDS). Since the date the Library's fiscal 2002 budget was submitted to the Congress, the Copyright Office has received new information from its reengineering project team that points to the need to do further analysis of the Office's total sys-

tems requirements before any further acceleration of the CORDS systems is undertaken. We are also reducing the Copyright Office's use of receipts by the \$1.1 million that was budgeted to fund a portion of the CORDS project. I ask that the Congress maintain the fees accumulated in the Copyright Office's no-year receipt account (including the \$1.1 million) for the inescapable and significant automation costs that we know will be necessary to fund the Office's electronic transformation in the future. The Register of Copyrights, Ms. Marybeth Peters, will elaborate further on this change and the critical need to maintain the no-year receipt account in her statement. The numbers contained in this statement have been adjusted to reflect the decision to withdraw the Copyright Office's request.

*Program Decreases (\$121.4 million).*—The Library's fiscal 2001 budget provides no-year funds for several activities that do not require additional funding in fiscal 2002 and may or may not continue beyond fiscal 2001. Specifically, the National Digital Information Infrastructure and Preservation Program (\$99.8 million), the establishment of a Center for Russian Leadership Development (\$10 million), three digital access projects (\$10.6 million), and a phased reduction in the Integrated Library System (\$1 million) are program decreases in fiscal 2002.

*Mandatory Pay and Price-level Increases (\$20 million).*—The Library's budget funds primarily people and technology—categories where costs increase each year because of mandated pay and inflationary price-level increases. Unless these increases are funded, existing programs must be cut. Funding our fiscal 2002 budget request for mandatory pay and price-level increases will enable the Library to sustain its basic, traditional services while addressing its inescapable digital future.

*Digital Futures Increases (\$18.8 million).*—The Library's digital futures budget request for fiscal 2002 covers support for the Congressional Research Service's conduct and delivery of policy analysis and research; the National Digital Library's continuing infrastructure requirements; and the Library's computer security infrastructure. Technology is going to define how we do business with our principal client, the Congress of the United States, for the foreseeable future. The Congressional Research Service (CRS) must have necessary policy expertise to assist the Congress as it considers laws affected by technology. The Director of CRS, Daniel Mulhollan, will elaborate further on this request in his statement.

*Collections Access, Preservation, and Security Increases (\$11.8 million).*—The Library's massive multifformat collections are the heart of the institution. As these artifactual collections continue to grow, reflecting the unceasing creativity of American and other authors, the Library must continue to invest in securing and preserving these cultural records, our primary assets. The funds requested for collection care will enable the Library to deacidify books printed on deteriorating paper; test options for developing a paper-strengthening capability; clean and repair materials destined for remote storage; and, following the opening of the Ft. Meade repository this year, we will begin realigning the multimillion-volume general collections so that books are properly housed.

The Library's budget request for fiscal year 2002—\$442.7 million in net appropriations (as adjusted) and \$34.7 million in authority to use receipts—supports the Library's mission to make its resources available and useful in the increasingly digital 21st century. This is a net decrease of \$68.4 million or 13.4 percent below fiscal 2001 (\$121.4 million in decreases less program increases of \$51.6 million and receipts decreases of \$1.4 million). A major part of the \$51.6 million in program increases (\$20 million) is needed to fund mandatory pay raises (driven largely by the January 2002 pay raise of 4.6 percent) and unavoidable price-level increases. The Library is requesting an increase of 108 full-time equivalent (FTE) positions—from 4,099 to 4,207 FTEs. Even with such an increase, the Library would still have 342 fewer FTEs (or 7.5 percent less) than in fiscal 1992.

#### 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 nearly 121 million items include almost all languages and media through which knowledge and creativity are preserved and communicated.

The Library has more than 27 million items in its print collections; 12 million photographs; 4 million maps, 2 million audio recordings; 800,000 motion pictures, including the earliest movies ever made; 4 million pieces of music; 54 million pages of personal papers and manuscripts, including those of 23 Presidents of the United States, as well as hundreds of thousands of scientific and government documents.

New treasures are added each year. Notable acquisitions during fiscal 2000 include: nearly 100 additional old volumes to help reconstruct Thomas Jefferson's original library; a rare, complete and perfect Venetian map of 1559 describing the



whole world; the maps drawn by Lafayette's cartographer; the papers of Philip Roth and Lucas Foss, the Kenneth Walker architectural drawings; the letters of Edna St. Vincent Millay; the first known map of Kentucky; the Coville Photography collection; a unique collection of Russian sheet music covers; and the film collection of Baron Walter de Mohrenschildt. During fiscal 2000, the Library also reached agreement on the regular, ongoing deposit of the archives of electronic journals published by the American Physical Society; continued its relationship with Bell & Howell on cost-effective access to its digital archive of U.S. doctoral dissertations; and built on the existing gift agreement with the Internet Archive to select and acquire open-access Web resources of special interest to the Library—such as the Web sites of all U.S. Presidential candidates.

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

Major annual services include delivering more than 590,000 congressional research responses and services, processing more than 580,000 copyright claims, circulating more than 22 million audio and braille books and magazines free to blind and physically handicapped individuals all across America, and cataloging more than 250,000 books and serials that provide the nation's libraries with inexpensive bibliographic records and save them an estimated \$268 million 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](http://www.loc.gov)), Global Legal Information Network, the Library of Congress On-line Public Access Catalog, at [www.catalog.loc.gov](http://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, copyright administration, services to blind and physically handicapped people, and management support. A separate appropriation funds furniture and furnishings.

#### DIGITAL FUTURES INITIATIVES

The Library of Congress is bringing America's story—in all its variety—to everyone, whether at work, in their homes, in schools, or in libraries. The digital explosion has imposed on us a new mission-critical workload and the need to expand our high-quality free on-line services to the Congress, K-12 education, and the American public. This task must be superimposed on our equally critical traditional services of acquiring, cataloging, preserving, serving, and storing artifactual materials. The Library is requesting \$18.8 million and a 80-FTE increase to support the Digital Future, which consists of three components:

*National Digital Library (NDL).*—The Library is requesting \$14,582,963 and 58 FTEs to: (1) develop a digital-repository architecture to preserve current and future digital assets acquired as part of the Library's permanent universal collection (\$2,718,895); (2) provide the basic technology infrastructure and support components that must be in place (software, hardware, telecommunications, and technical support staffing—\$10,172,967) to enable the Library's program managers and specialists to retain and deliver a digital library; and (3) provide access services for sustaining the Library's digital outreach to the nation (\$1,691,101). This request supports the Library's investment in the ongoing digital library program and infrastructure, which provides access to important educational content. This request will provide the resources to manage the full life cycle of digital materials housed at the Library of Congress.

The Library's fiscal 2002 NDL budget request of \$14,582,963 is independent of—but compliments the responsible use of the special appropriation of \$99.8 million to lead a national strategic planning effort for long-term preservation of digital materials. The Library's experience in launching and delivering digital content and services to the Congress and the public will inform and help shape this program. But the Library's ability to do so depends on further support for its own inescapable needs. The Congress directed that only \$4,989,000, of the \$99.8 million special appropriation, may be initially spent for planning as well as for the acquisition and preservation of digital information that may otherwise vanish. The legislation calls for the Library to work jointly with other Federal and nonfederal entities to develop a phased and shared implementation plan to collect, maintain, and provide perma-

ment access to digital materials. We are planning to build a national network of partners for collecting and preserving digital materials with the Library as the primary partner and facilitator of that process. After developing both the plan and the collaborative process with Federal and nonfederal partners, the Library must gain congressional approval of the implementation plan—at which time an additional \$19,956,000 and \$74,835,000 (with matching funding) would become available as specified in the legislation.

The Library's internal resource requirements will ultimately be shaped by this collaborative process. We estimate that the plan will be completed in late 2001; but this request for \$14.6 million is needed to position the Library for the heavy added responsibilities it will have to assume, both to sustain its already taxed existing services and to prepare the Library for the key role it will have to play in preserving "born digital" materials.

*Congressional Research Service.*—The Library is requesting \$3,491,044 and 17 FTEs for CRS to support the research needs of the Congress. The request focuses on strengthening CRS's capacities to support the Congress in the new technology-dependent environment, which has significantly changed how the Congress works. CRS needs added resources to address serious and significant gaps in its capacity to analyze increasingly complex technology policy issues, to conduct collaborative research, and to enhance its ability to apply technology to work and communication processes.

*Computer Security.*—The Library is requesting \$686,088 and 5 FTEs to support the Library-wide Information Technology Services security program. The Library's on-line services represent a critical infrastructure for the operations of the legislative branch and the nation. The new age of Internet opportunities also brings with it vulnerabilities of the Library's automated systems to intrusion and destruction. The Library is addressing these vulnerabilities by implementing its Computer Security plan and needs these resources to ensure the protection of our information assets.

#### COLLECTIONS ACCESS, PRESERVATION, AND SECURITY

A primary mission of the Library is to provide access to, preserve, and secure its vast and largely irreplaceable artifactual collections. The Library is requesting \$11.8 million and a 24-FTE increase for collections access, preservation, and security. Components of the increase are:

—\$3,205,500 to acquire motion picture and sound recording equipment.—Several critical pieces of equipment that support the Library's Motion Picture, Broadcasting and Recorded Sound (MBRS) Division require replacement. The purchase of a Telecine machine (\$1,800,000) and two film processors (\$385,000) is critical given the lead time necessary to purchase, manufacture, and install the equipment at the National Audio-Visual Conservation Center in Culpeper, Virginia, during its construction. A new Telecine machine is desperately needed to convert film to video formats and create access copies for use by researchers including congressional offices and staff. The Telecine transfer process is the only method for making films in the Library's collections accessible to constituents for research use. The Library's existing Telecine machine is more than 16 years old and increasingly difficult and costly to keep in operation.

—\$1,371,618 to support improved inventory management of the collections.—Accomplishing inventory management of the Library's books and bound periodicals is a cornerstone of the Library's collections security plan. The Library of Congress Integrated Library System (LC ILS) provides, for the first time, the potential for effective tracking and inventory control of all the Library's books and bound periodicals. The essential next step is to conduct a physical inventory that verifies the LC ILS item records with what is on the Library's bookshelves. A physical inventory will assure that the LC ILS item records that are available on-line accurately reflect what the Library actually has on the shelf. The need to accomplish a physical inventory has been cited in studies and audits for many years. The Library's has consistently responded that the LC ILS will at last provide a tool to support a comprehensive inventory of the book collections. The Computer Science Corporation, KPMG Peat Marwick, and the Library's own risk assessments all highlight the lack of and need for the next step: effective inventory control and tracking.

Establishing an accurate base is critical to inventorying the collections periodically, providing efficient internal and external circulation, and measuring changes in the status of items. This base consists of recording actual holdings and other information contained on shelf-markers, or files such as the "negative shelflist" maintained by the Library's Collections Management Division. Effec-

tive inventory control and tracking depend on including in the LC ILS database physical location information, but this information can be added to the LC ILS only if the Library has the human resources necessary to input the data. The inventory process is both urgent and lengthy, and the Library must begin and sustain this effort as soon as possible, or it may never be able to validate control over the collections.

—*\$1,705,693 and 2 FTEs to support the second of five increments required in our 30-year (one generation) mass deacidification program.*—A priority of the Library's preservation efforts is 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 increment of this critical program as part of the fiscal 2001 budget, and the Library requests a planned increase of \$1,705,693 and two FTEs 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.

—*\$1,604,093 and 11 FTEs to support preventive conservation actions for collection materials.*—The Library is proposing a plan to preserve and protect the Library's most valuable collections through cost-effective and efficient preservation measures. The plan provides enhanced security and preservation for collections through proper housing, stack maintenance, handling, and shelving procedures. Implementation of this plan would make possible additional monitoring of collection-storage environments, additional preservation-quality housings to stabilize select general and special collections, and additional paper strengthening for too-brittle-to-serve documents.

—*\$996,596 to support the shifting of collections (includes \$48,000 for equipment).*—The Library is proposing a four-year program that will realign collections with current reading room locations and shift the remaining collections in the Thomas Jefferson and John Adams buildings to take advantage of space vacated by the transfer of collections to Fort Meade Module 1. When Fort Meade Module 1 becomes operational in 2001, the Library will be able to address its critical collections storage space shortage on Capitol Hill. At present, more than 50,000 items are stacked on the floors throughout the decks, with hundreds more being placed on the floor daily. Every day, more than 1,200 new items arrive that must be accommodated in the John Adams and the Thomas Jefferson building stacks. When Fort Meade Module 1 is completed, the Library will begin transferring 4,000 items per day from the John Adams and the Thomas Jefferson buildings to Fort Meade, Maryland. Six months after this transfer begins, the Library proposes to initiate a four-year program to shift the collections remaining in the John Adams and the Thomas Jefferson buildings to relieve overcrowding and to serve better current and proposed reading room locations. The project requires not only the direct shifting of these collections, but also the integration of significant quantities of material now on the floor and housed in overflow areas. Approximately 16 million volumes will need to be shifted, as well as the entire collection of microfilm and microfiche. Although this program must be done according to a specific logical sequence, it is imperative that it be done as expeditiously as possible because the stacks are overcrowded and much new material cannot now be properly accommodated.

—*\$939,099 and 9 FTEs to support folklife heritage and access.*—During fiscal 2000, the American Folklife Center (AFC) developed a three-year strategic plan that addresses its core mission. This plan was ratified by the AFC's Board of Trustees at its spring 2000 meeting, and the Library's fiscal 2002 budget request responds to the goals and objectives that were outlined and approved for the AFC. Additional resources would increase documentation of unique American folk culture and the processing and preservation of and public access to the outstanding archival holdings of the AFC, which comprise more than 1.5 million items.

The Congress in October 2000 directed by unanimous vote (Public Law 106-380) that the AFC establish an oral history program to collect video and audio histories of veterans of our Armed Forces who served during a period of war. The budget request includes a modest request of \$249,776 to begin developing the nationwide partnership program called for in the authorizing legislation. The Library is consulting with the congressional sponsors, veterans, and with military service organizations to develop appropriate partnerships, including the active participation of Members of Congress. But at least this much money is needed to embark upon this immense project.

—*\$709,831 for improved physical control of the collections.*—To accomplish greater physical control, the Library proposes to contract for security officers (contract guards) to permit expanded security for three more reading rooms than are now

covered, to open two additional cloakrooms, and to establish security at the Library's off-site collections storage site at Fort Meade. All of these physical security steps are essential elements of the Library's collections security plan.

—\$250,000 and 1 FTE to support the new National Recording Preservation Act of 2000 (Public Law 106-474, approved November 9, 2000).—The Library is requesting \$250,000 to establish the new National Recording Registry and to implement the comprehensive national sound recording preservation program. The position is required to provide research and administrative support for the new National Recording Preservation Board and implement the national sound recording preservation program.

#### LAW LIBRARY

The Law Library of Congress maintains the largest collection of legal materials in the world and also houses a unique body of lawyers trained in foreign legal systems to supply legal research and analysis, primarily for the Congress, on the laws of other nations, international law, and comparative law. More than 200 jurisdictions are covered by Law Library specialists, representing some 80 percent of the sovereign entities of the world that issue laws and regulations. The Law Library uses this talent to maintain and develop the breadth and depth of a demanding collection. In addition to the Congress, the U.S. Courts, and the executive branch, the legal community depends heavily on the Law Library's collections and the unique expertise of its foreign legal staff. The Law Library's staff of American-trained attorney-librarians plays a similarly critical role in providing 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 \$1,030,388, primarily for expanding the use of contract support (in those areas where it has proven to be more cost-effective than hiring in-house staff) to improve the processing, access, and security of the Law Library collections, which now totals approximately one-eighth of the Library's total book collection. The Law Library needs additional contract resources to process the average annual check-in of 150,000 items a year and to maintain and make this unsurpassed collection accessible for meeting legal information needs of the Congress and the nation. The existing staff of eight technicians is inadequate to maintain services and make available a collection of 2.3 million volumes. Contractor support will provide the following essential collections maintenance activities: consistent shelf-reading (for collections in the book stacks, the Law Library reading room and five research directorate reference collections); prompt shelving of new acquisitions and reshelving of circulated items (more than 200,000 annually); shifting of the collections; filing in various formats; annual review; weeding or reassignment of materials; and timely revision of affected LC ILS holdings records. In addition, contract funding is requested for coverage of the Law Library's microform collection during public service hours and to monitor increasing use of the foreign law research divisions' collections.

#### COPYRIGHT OFFICE

The Library's Copyright Office promotes creativity and effective copyright protection—annually processing approximately 580,000 claims, of which more than 515,000 are registered for copyright. More than 752,000 works were transferred to the Library during fiscal 2000, with an estimated value of \$32 million. The Office also annually records approximately 18,500 documents with up to 400,000 titles and responds annually to more than 380,000 requests for information.

The Library requests a decrease in the Copyright Office's Offsetting Collections Authority—from \$23,500,000 to \$21,880,000. The \$1,620,000 decrease in Offsetting Collections Authority is based on projected annual registration receipts of \$21,500,000 and the use of \$380,000 from the Copyright Office no-year account.

The Copyright Office no-year receipt account balance totals \$4,289,000 as of September 30, 2000. Because registration receipts could be \$2 million less than the authorized level (\$23.5 million) during fiscal 2001, the no-year receipt account balance could drop to \$2,289,000 as of September 30, 2001. The Copyright Office proposes that the no-year receipt account balance of \$2,289,000 at the start of fiscal 2002 be used for information technology planning and development and to implement business process reengineering. The Library believes that the fees collected from the public that are in excess of current needs (i.e., the no-year account funds) should be retained for the significant automation improvements that will be essential to enhance service to the copyright community. The proposed receipts level of \$21,880,000, is based upon the above projections and the retention of no-year funds for the future.

The Copyright Office is in the process of assessing the current fee schedule to determine if fee adjustments are warranted in fiscal 2002. Even if the Office were to implement a fee increase on July 1, 2002, it would not now (as it did not in fiscal 1999) impact the year in which the change was effected (i.e., fiscal 2002).

In fiscal 2000, the Copyright Office began a business process reengineering (BPR) project to study its major business processes. Using new technology, the Copyright Office is planning to improve customer service and enhance operational efficiency and security of the materials. The Copyright Office anticipates that major changes will be made over a period of several years after the study is completed later this year. The Library is requesting an increase of \$644,000 to implement the BPR study, including \$380,000 from Copyright Office no-year funds and \$264,000 from the furniture and furnishings appropriation.

By implementing its collections security process of marking and tagging in a more cost-effective manner, the Copyright Office saved \$620,000 in fiscal 2001. The Library will shortly forward a reprogramming request to the Committee to authorize permanently the use of these funds for the Copyright Office's information technology planning and development project. The approval of this reprogramming request is essential to the Copyright Office's efforts to improve automation and better provide public services.

The Digital Millennium Copyright Act, "DMCA," enacted at the end of the 105th Congress, gave the Copyright Office many new duties and responsibilities. The DCMA requires the Copyright Office to conduct a rulemaking every three years on exemptions that permit circumvention of technological access control measures in order to engage in noninfringing uses of copyrighted works. Two relatively narrow exemptions were granted on October 28, 2000, but at the conclusion of this process of conducting the rulemaking, I expressed several concerns that might warrant congressional consideration. The rapid changes in technology may require the rule-making process to be conducted at intervals shorter than the triennial review enacted under the DMCA. In addition, I ask that the Congress address the further refinement of the appropriate criteria for assessing the harm to noninfringing uses in scholarly, academic, and library communities as well as guidance on the precise scope of the term "class of works."

#### 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 2002 budget maintains program services by funding mandatory pay and price level increases totaling \$1,262,940. The budget also supports the exploration of alternative digital technological possibilities that would provide a less costly, more efficient, internationally acceptable, and user-friendly delivery system. Funding the fiscal year 2002 increase is necessary to ensure that all eligible individuals are provided appropriate reading materials.

#### 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 \$10,105,000, an increase of \$4,095,000. The AOC capital budget includes funding totaling \$6,220,000 in appropriations for five projects that were requested by the Library.

The largest Library-requested project, amounting to \$5 million, is for the National Audio-Visual Conservation Center in Culpeper, Virginia. The Congress has approved the first two increments of the appropriations' share for the Center in fiscal 2000 and 2001 (\$6.6 million has already been appropriated). This fiscal 2002 budget request is the amount needed to build toward completing the Federal share of \$16.5 million for renovating and equipping the facility. Assurance of the government sup-

port is critical in gaining the far larger amount (at least 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, as well as AOC identified projects, are prioritized based on critical need and in accordance with both the strategic and the security plans of the Library.

I urge the Committee to support the Architect's Library Buildings and Grounds budget, which is critical to the Library's mission.

The Library is grateful for the decision by the Capitol Preservation Commission to authorize \$700,000 for a design study of a tunnel between the Thomas Jefferson Building and the proposed Capitol Visitor Center. Since 1991, the Library has worked with Members of Congress and the Architect of the Capitol as an integral partner in the Visitor Center project. The Library offers unique resources for contributing to the mission of the Visitor Center through facilities that will permit sharing recorded performances from the world's largest collection of the performing arts and will showcase the unique role that the Congress has played in housing not just the mint record of American creativity but the personal papers of 23 American presidents and much of America's history in the Library's collections. The construction of a Visitor Center tunnel connecting the Capitol Building with the magnificent Thomas Jefferson Building provides direct access both (1) for the Congress to the Members' Room and the Jefferson Congressional Reading Room, and (2) for the public to the exhibition spaces in the building so beautifully restored by the Congress. The tunnel is a critical element of the project and should be approved for construction now rather than later.

The Office of Compliance issued its Report on Fire Safety Inspections, Library of Congress Buildings, Conducted Under the Congressional Accountability Act on January 25, 2001, which was the culmination of a nearly 12-month fire and life safety inspection of Library of Congress buildings on Capitol Hill. This external audit, authorized by the Congressional Accountability Act, is a continuation of Office of Compliance inspection efforts that took place earlier at the U.S. Capitol, the U.S. Senate Office Buildings, and the U.S. House of Representatives Office Buildings. The fire safety issues that were identified in Library buildings are similar to those found in other Capitol Hill buildings. The Library of Congress is, without reservation, committed to conforming with fire and life safety regulations and, along with the Architect of the Capitol, is systematically addressing all the identified issues. While the condition of the fire system in Library buildings should be and will be improved, we are confident that the buildings are basically safe for Library staff and collections.

#### AUTHORIZING LEGISLATION

The 106th Congress passed four important pieces of authorizing legislation that improve the Library's financial management and further support the Library's national mission.

The Library of Congress Fiscal Operations Improvement Act of 2000, Public Law 106-481, represents a milestone in the Library's financial management. The bill creates three revolving funds to manage important elements of the Library's operations including services to Federal libraries (FEDLINK), research reports and studies for Federal entities (Federal Research Division), gift shop sales, photoduplication services, and duplication services associated with the National Audio-Visual Conservation Center.

The Congress also enacted the National Recording Preservation Act, Public Law 106-474, modeled on the highly successful National Film Preservation Act. Initial funding of \$250,000 is requested as part of the fiscal 2002 budget. During fiscal 2001, the Library is proceeding to bring the Board into existence and establish a plan to produce a comprehensive survey of the sound preservation needs.

Finally, the 106th Congress enacted two bills that make use of the collections and curatorial and staff expertise of the Library: Public Law 106-99, which authorizes the Library to prepare and publish a history of the House of Representatives, and Public Law 106-380, which creates an oral history archive for veterans in the American Folklife Center. The Library has published preliminary guidelines for the preparation of their oral histories on its Web site, but in fiscal 2002, it will need to engage a project director to organize the national network of partner organizations that will be required to accomplish the very ambitious aims of this legislation, design and mount a Web site for the project, and begin processing the audiovisual histories that the Library will be receiving under the Act.

The Library is also seeking a technical correction to the statute authorizing the revolving fund for duplication services, which would clarify the inclusion of film as well as audio and video duplication.

#### COOK CLASS ACTION DISCRIMINATION CASE

The Library took another step forward to settle a longstanding class-action discrimination suit filed against it by Howard Cook and others in 1975. On January 18, 2001, District Judge Norma Holloway Johnson accepted the joint report of the Library and the Cook class action plaintiffs, which resolved the disputes related to a 1998 motion filed by plaintiffs alleging violations of the 1996 settlement agreement. The joint report includes a new Library hiring process to be used from March 1, 2001, through December 1, 2002, and a new statistical methodology to be used to report on the new hiring process. All other matters contained in the 1996 Settlement Agreement expired upon the court's January 18, 2001, order.

#### CENTER FOR RUSSIAN LEADERSHIP DEVELOPMENT

As part of the fiscal 2001 legislative branch appropriations bill, the Congress approved the establishment of the Center for Russian Leadership Development, a permanent center to provide emerging political leaders of Russia with firsthand exposure to the American free market economic system and the operation of the American democratic institutions. The Library's budget for fiscal years 2000 and 2001 funded successful pilot programs that brought an unprecedented 3,650 Russian political leaders to America. Because the center is not yet independently organized and will not be part of the Library's fiscal 2002 budget, the Library has included on behalf of the center (as an information item only) a \$10 million request for the center's appropriated support. We anticipate that the center's board, when appointments to the Board have been made by the House, Senate, and Librarian of Congress, will submit an amended budget justification to the Congress.

#### SUMMARY

"Knowledge will forever govern ignorance," James Madison wrote in 1822. "And a people who mean to be their own governours, must arm themselves with the power which knowledge brings." In 1800, the Congress established a Congressional Library to help provide it with the information required to administer this questioning and expanding land. Thanks to the continuing vision and support of the Congress, its Library has expanded and become not only a resource for the Congress but also the de facto national library of the United States and one of the world's greatest intellectual and cultural resources.

At the start of the third millennium and the Library's third century, the Library must acquire, preserve, and ensure rights-protected access to "born digital" works that are playing an increasingly important role in the intellectual, commercial, and creative life of the United States. The amount of "born digital" works that have already been lost is unknown but substantial. The average life of a Web page is only about 75 days. Given the immeasurable size and short life span of much of the Web's content, the Library clearly faces a substantial challenge in both (1) defining the scope of its collecting responsibilities in this new world and (2) developing a whole new range of partnerships and cooperative relationships to continue fulfilling our central historic mission in the new digital universe. In conformity with the Congress's recent special appropriation, the Library's digital strategy will focus first on formulating an implementable national strategy for the life-cycle management of digital materials as part of the national collection. The Library must make sure that it has the digital infrastructure that can be scaled in the future to support and sustain the national digital information strategy that we will be cooperatively developing.

Librarians will be needed more than ever before as objective knowledge navigators amid the sea of unorganized and often undependable information that is increasingly inundating the Internet. Libraries will be needed to assure free public access for those who would otherwise be on the losing side of the digital divide—and also for those who might otherwise never learn to work both with new information and with old books. Libraries, like America itself, add the new without subtracting the old. Properly used, the Internet will help (a) scientifically to solve common problems shared by widely dispersed groups in fields like health and the environment, and (b) humanistically to share on-line the materials that express the distinctive cultural identities of different peoples.

On behalf of the Library and its staff, I thank the Congress and the American people for the outpouring of support for the Library of Congress during its bicentennial celebration. The Library celebrated its 200th anniversary last year with a wide

array of programs and activities. A resolution by the Congress commended “the Library of Congress and its employees, both past and present, on 200 years of service to the Congress and the Nation.” A Presidential proclamation on April 21, 2000, stated that “The Library of Congress is truly America’s Library.” Commemorative coins and a stamp were issued. There were privately funded bicentennial exhibitions, symposia, events, and publications. Almost 1,300 Local Legacies projects from all 50 states—were registered by more than 400 Members of Congress documenting traditional community life. Many special donations were made to the collections; and the Library was given the largest single monetary gift in its history by Mr. John W. Kluge.

The Library of Congress is entering a critical period when it must, in effect, superimpose a select library of digital materials onto its traditional artifactual library if it is to continue to be a responsive and dynamic force for the Congress and the nation. We are not seeking appropriations for any new function, but merely trying to sustain our historic core function of acquiring, preserving, and making accessible knowledge and information, which are now being generated and communicated in a radically new medium.

There is a special need this year for the Law Library and the American Folklife Center. They will play important national roles but have been seriously depleted, having received no significant funding increases from the Congress for many years.

With congressional support of our fiscal 2002 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.

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PREPARED STATEMENT OF DANIEL P. MULHOLLAN

Mr. Chairman and Members of the Subcommittee: I appreciate the opportunity to personally present for your consideration the fiscal year 2002 budget request for the Congressional Research Service.

OBSERVATIONS

The rise of technology and the Information Age have fundamentally changed the way Congress works, from the nature of the public policy issues you debate, to the ways in which you conduct your work each day to the methods you and your staff use to communicate both within and outside of Capitol Hill.

There are new issues before you. Technology is impacting virtually every public policy area that you consider. From privacy rights to taxation, you consider technology issues that are complex, interdisciplinary, highly specialized, rapidly changing, difficult to master expeditiously, and increasingly sophisticated. The 107th Congress is demonstrating continued intense interest in policy issues arising from the production and use of information technology. Members of the 106th Congress introduced hundreds of information technology bills and virtually every committee considered legislation related to some aspect of information technology. This is in marked contrast to over four years ago when Members of the 104th Congress introduced only several dozen information technology bills.

Your day to day work has changed as well. You and your staff operate in an environment of intense immediacy. You need information today—tomorrow, next week, next month are too late. Given this environment, you have turned to technologies that will provide you with information as quickly and efficiently as possible. You expect to access information 24 hours a day, seven days a week from wherever you are, be it in your Capitol Hill offices, at home, in your districts, or overseas as a member of a congressional delegation. You and your staff have less time to read through books and journals to glean information you need; rather you more and more use the Web and the Internet for facts, figures, and targeted information that you can download, manipulate, and pass along.

E-mail and the Internet have also revolutionized the way you communicate—among yourselves, with your staff, with your constituents, and with the hundreds of groups and organizations that you rely upon for information and insights, including CRS. This trend is particularly evident in your staff, who are increasingly technically savvy. For them (some have dubbed the e-generation) the ease and immediacy of e-mail is more conducive to their work style than voice mail and “phone tag”.

The research and analytical work we do in CRS to support your legislative responsibilities has also been changing. The complexity and inter-relatedness of many of the issues facing Congress require CRS staff to be able to work together on issues and share data and information. As research is shifting from a primarily paper-based world to a digitally-dominated universe, research methods are evolving. The



nature of CRS research is changing: from individual research to team and Service-wide research; from a single discipline perspective to integrated, multi-disciplinary perspectives; from individual data and information owners to groups who own and share their research; from main-frame dominant applications to network-dependent applications; and from paper and microfiche to the Internet, the Web, and multimedia.

What do these changes mean? They mean as Congress changes, so too must CRS. When Congress re-constituted CRS in the early 1970's, it did so with a vision of us as an extension of their own personal and committee staffs—a shared pool of staff that could work seamlessly alongside Members and staff to support the legislative work of the nation.

We take seriously our statutory obligation to each Member and committee of Congress to provide you with the best analyses and information this country has to offer, and to do so in ways that meet your legislative needs and time frames.

You expect CRS to keep pace with you, and your staff, in addressing information technology policy issues and in integrating new technologies into our work. Just as you are grappling with policy implications of complicated technology issues, so too do you expect CRS to be analyzing and studying these issues. Just as you are communicating through e-mail, so too do you expect CRS to communicate through e-mail. Just as you are utilizing web pages to gather and disseminate legislative information, so too do you expect CRS to have a strong web presence. And just as you and your staff go “on-line” to retrieve data and information directly from other sources, so too do you expect CRS to provide comprehensive access to data and analyses that you need.

Given these observations, the bottom line for CRS is simple: if we cannot align our analytic, information and technology resources to work in the same way that you work, then we risk failing to meet our statutory obligations.

#### CHANGES MADE BY CRS TO ADJUST

I would not be coming to you if we did not need help. Since I became Director in 1994, I have insisted that CRS' annual budget requests reflect the continuing fiscal constraints on Legislative Branch appropriations and the daunting task facing this Subcommittee in allocating scarce resources among many pressing needs. CRS has worked hard within exceedingly tight appropriations to not only maintain the quality of our work for the Congress but also to improve it. I believe we have done remarkably well given that funding for staff has been reduced by more than 117 positions, approximately fourteen percent, over the last nine years. This decrease is a result of our failure to obtain full funding for all ongoing mandatory expenditures. These circumstances have posed significant challenges to CRS and we have had to adjust our resources internally to accommodate them. Specifically, over the last several years:

- We have shifted resources to meet the most urgent legislative needs of Congress and to develop new tools for Congress, such as the Legislative Information System and the CRS Web Site: by reorganizing the Service to maximize staff flexibility; not hiring production or technical support; not hiring any senior level analysts; not back-filling certain positions; not hiring key organizational support positions; and establishing, with the cooperation of our labor organization, a program for detailing staff to different positions.
- We have used contract funds to help develop research capacity: to support the Congress in addressing issues related to social security, welfare and long-term care; to assess the information needs of CRS research staff; and to meet short-term needs for research assistance (e.g., actuarial expertise and translations).
- We have secured outside resources when appropriate: received funds from the Robert Wood Johnson, Ewing Marion Kauffman and Henry Luce foundations, among others, to help build capacity in research areas and undertake special programs for Members; partnered with schools of public policy for needed research; and utilized volunteers and fellows to help build important research capacities.

These internal adjustments have been necessary, but they have not been easy. We have been forced to make Hobson choices regarding the allocation of our budget and staffing resources—choices that have pitted our analytic capacity against our information technology capacity. For example, in response to the impending retirement of nearly half of our staff by 2006, we have devoted significant resources to shoring up our analytic capacity. We are grateful for the support you provided to our succession initiative which enabled us to fill fifteen entry level analyst positions. In addition, we devoted forty-one positions from the base for these succession efforts. I'm pleased to report that we have been very successful—we have experienced a reten-

tion rate of ninety-two percent for staff hired under this initiative. In addition, we have regularly updated our risk assessment staff survey, and continue to use this assessment in making all staff resource allocation decisions.

Because we have had to focus resources on ensuring succession, however, we have been unable to build the technical capacity we need. This has forced our analysts and managers to explore and develop technology initiatives on their own as add-ons to their regular jobs. However, the Congress needs our analytic staff to devote their time developing and delivering original analysis, not learning how to be computer programmers or data administrators.

We can no longer “make do” with home grown technology entrepreneurs. It is clear that we are beginning to lag behind in providing analytic support for information and technology policy issues and in integrating information technology efficiencies and capacities into our work.

We are falling short in assisting you in critical new subject areas; in working with you in an integrated, secure, and robust technology-based environment that allows us to provide you with the analysis and information you need, where and when you need it; and in providing the technical tools that our researchers need—not “bells and whistles” but essential “nuts and bolts”—to perform their work for the Congress. We must take action now or we will fall even further behind. That is what this budget request is all about. Our current resources are not enough to meet the new and increasing demands of policy making. We can no longer adjust our work environment to meet congressional needs. We must overhaul what we do and how we do it.

#### BUDGET REQUEST

Our fiscal 2002 request is \$81.1 million; this is an increase of \$7.71 million over fiscal 2001. Approximately \$4.22 million of this increase is needed to maintain our current services by funding mandatory cost-of-living and other pay and inflation increases on current operations. The balance, \$3.49 million, is needed to (1) acquire capacity to better analyze complex information and technology policy issues and (2) equip ourselves with the leadership and technical staff, skills and tools necessary to address serious and significant gaps in the capacity to analyze complex technology policy issues, to conduct collaborative research, and to apply technology to work and communication processes.

#### EXPERT STAFF

CRS does not have adequate staff expertise to provide high-level analysis on sophisticated information and technology policy issues. Nor can we “home-grow” this expertise. Policy areas such as cyber terrorism requires significantly different spheres of understanding than are needed for dealing with most traditional forms of terrorism. Privacy issues and potential solutions in a market-drive, internet setting are radically different than issues surrounding government information as addressed in the Privacy Act of 1974 and the Freedom of Information Act.

We are asking for \$580,000 to hire the five senior analysts who will provide high level expertise and Service-wide leadership on technology policy issues and implications as they affect various legal areas (such as privacy, fraud, intellectual property), government information policy, national security, telecommunications technologies, and economic issues of the technology and information industries. These resources will enable CRS to provide the Congress with a core of high level experts who will: lead and coordinate the Service’s work on information and technology policy issues across disciplines; guide and mentor other CRS research staff at various grade levels, thereby building additional capacity in these critical research areas; create and lead Service-wide teams to address key congressional concerns; and develop innovative products and services to inform the Congress about information and technology policy issues.

#### EQUIPPING THE CRS RESEARCH ENVIRONMENT TO ALIGN WITH HOW THE CONGRESS WORKS

If CRS is to continue to be an extension of congressional staff and the best public policy research organization that Congress needs and deserves, then we must acquire the high-level technical leadership and skills we require to enable us to build and maintain a secure and adaptable technology-based research environment. Such an environment is the critical underpinning of all of our research activities supporting Congress—it provides the blueprint for how all of CRS’s systems, knowledge, and information can be shared, preserved, delivered, and made available to the Congress.

We are also requesting 12 FTEs and \$2.9 million in fiscal year 2002 to begin equipping ourselves with the leadership and technical staff, skills, and tools we need to effectively and pro-actively use technology to support Congress as its working environment continues to accommodate technological change. The information technology investment that we are requesting you to support will enable CRS to make significant progress in improving interactive communications with Congress and your access to us and to our products as well as in transforming our research work to 21st century methods.

More specifically, the funds requested will be used to: improve protection of confidential congressional information; provide secure access to CRS for district offices; support the delivery of innovative interactive products and services through the CRS web site; move innovative electronic research products (e.g., electronic briefing books, e coverage of current legislative issues) from pilot products into full-fledged products. This request will also support implementing on-line document creation and editing to facilitate team research projects such as the Electronic Briefing Books and our new Legislative Issues Service on the CRS web site; laying a foundation for managing CRS electronic data and information for as long as needed; developing new multi-user quantitative databases, and modifying and documenting existing databases that are at-risk due to inadequate documentation; and expanding our capacity for critically-needed electronic storage.

Our current technical staff are not sufficient in number and do not have the requisite skills to undertake the kind of technology transformation needed. CRS must invest in hiring staff with the expertise to lead our efforts to implement the processes and technologies needed to ensure our accessibility to the Congress and to guarantee the reliability, accuracy, and timeliness of our services and products.

#### CONCLUSION

In summary, this request does not propose funding tactical change; rather, it supports the strategic, mission-critical change necessary for CRS to continue fulfilling its statutory mandate as the key non-partisan public policy research arm for Congress in the digital environment. It is not about coping with the future, it is about confronting the future that is already here and threatens to leave us in its wake. As the Congress is placing new and increasing reliance on information technologies so too must CRS. We at CRS have always aligned our work directly with your work—this is our mission; this is our mandate. To continue the strong tradition of service and reliability, CRS needs your help now. Again, I appreciate the opportunity to discuss CRS's future with you. We at CRS stand ready to assist you as you consider this request and the consequences and challenges it poses for the Service and the Congress.

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#### 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 budget request for fiscal year 2002. We seek the funding necessary to permit the Copyright Office to administer the nation's copyright law and provide expert policy assistance to Congress and the Executive Branch so that the nation maintains a strong and effective copyright system—one that serves both owners and users of copyrighted works.

I would like to note at the outset that our budget request has been revised to some extent from our original submission to take into account important planning and public service improvement activities in which we are now engaged. We are withdrawing the CORDS Full Large-Scale Production request which lowers our appropriations request for fiscal year 2002 by \$2,621,185 and 13 FTEs.

#### *Fiscal Year 2002 Request Summary*

To enable us to fully serve Congress and the American people, it is critical that the Office's net appropriation be increased from \$9.2 million to \$12.8 million—\$1 million less than the fiscal 1999 net appropriation of \$13,771,000. We have growing policy support requirements to Congress and the Executive Branch, as well as a growing regulatory workload from passage of the Digital Millennium Copyright Act, that require adequate resources. The Office is requesting \$12,836,815 in net appropriations and \$21,880,000 in offsetting collections authority. This represents a \$3,668,843 million net appropriation increase over the fiscal 2001 net appropriation of \$9,167,972. The increase is needed to preserve the No-Year account from a further reduction and to fund \$1,668,843 for mandatories and price level changes.

The Copyright Office request for its Offsetting Collections Authority represents a decrease of \$1,620,000 from \$23,500,000 to \$21,880,000. The decrease is based on projected annual revenue receipts of \$21,500,000 and expending \$380,000 from the Copyright Office No-Year account. The Copyright Office believes that the fees collected from the public that are in the No-Year account should be retained and reinvested into providing improved services for the copyright community. As such, we strongly urge the Congress to approve the retention of the No-Year account funds for BPR implementation and information technology improvements.

Approximately two-thirds of the Copyright Office budget is funded by fee receipts, primarily fees paid for registering copyrighted works in the Office. In July 1999, we implemented a new fee schedule which raised our basic registration fee by 50 percent, from \$20 to \$30. This fee increase has resulted in fewer copyright registrations, which impacts our copyright system and the Library of Congress collections.

The policy and regulatory functions of the Office—activities benefitting the nation as a whole instead of providing a specific service to an individual or organization—are funded by net appropriations. These activities include support to the Congress and Executive branch agencies, legal and regulatory work under the Copyright Act, and public education efforts.

#### *Major Copyright Office Initiatives*

The Copyright Office has two very important, closely-aligned, initiatives now underway. Both initiatives—information technology planning and business process re-engineering—will shape the Copyright Office's future and its service to the American people. Just as the copyright law has had to adjust to technological changes, our daily business operations and processes are challenged in similar ways.

##### *Information Technology*

We have begun a major reassessment and planning effort regarding our information technology (IT) systems. The Copyright Office relies on the collection, processing, storage and presentation of information to fulfill its duties under the U.S. Copyright Act. Information processing and products are critical in the registration of claims to copyright, the recordation of documents pertaining to copyrighted works, statutory licenses, and the Office's responsibilities as an agency of public record. Access to information is also the basis for the substantive policy and regulatory work the Office performs for the U.S. Congress and the executive branch.

Currently, the Copyright Office has more than 20 separate information systems. For the most part, they have been developed separately and are not supportive of full information sharing and integration. Some rely on hardware that is aging and becoming increasingly vulnerable to failure.

Two principal factors will shape Copyright Office IT planning in the next few years. First, in order to fully serve our customers, the Office needs to have its current public services available online to the greatest extent possible. Second, we will soon make a decision on the business process reengineering (BPR) option we will pursue and complete a BPR implementation plan this summer. This effort will result in significant changes to our current processes, organization, and facilities. In addition, the changes will rely heavily on the use of new technology, all of which will result in more effective and timely service to our customers.

Our original direction on reengineering was to work within the confines of our existing IT structure. The results of our reengineering work have shown us that we need to accelerate the Office's use of new technology, not only for the processes impacted by reengineering, but for the entire Office. We need to undertake a fundamental transformation in our public services: from paper and hard-copy based processing to primarily electronic processing. Our processes must change from traditional manual capabilities to IT-enabled functions.

This year, through our Copyright Office Electronic Registration, Recordation and Deposit System (CORDS), we will electronically receive about 30,000 digital works for registration. This is about 5 percent of our total registrations. Now we need to broaden our IT approach so that electronic receipt and processing becomes the primary way we register works. We will encourage that works submitted for registration be submitted online. Once they are submitted, we will use technology to a much greater extent than we have, to process them quickly and ensure a timely public record.

This not only helps the Copyright Office provide better public services, but is also a key component of the Library's digital strategy which will allow more digital works to be acquired for the Library's collections through copyright registration and through the mandatory deposit provisions of section 407 of the copyright law.

Our newly-formed Copyright Office Information Systems Working Group has just begun its work. So that this critical initial planning can be completed and specific

resource requirements identified, I am requesting a modification in our fiscal year 2002 request.

Until we revise our overall IT strategy to respond to our new business processes, I believe we should not proceed with funding for the CORDS Full Large-Scale Production System, as requested in our original submission. We do need to maintain the CORDS system so that we can continue to provide an electronic registration option for those now using it and others who wish to. I expect that usage of the current CORDS system will increase in terms of the number of users and quantity and types of works registered. Yet, we do not want to accelerate further development of CORDS until we establish an overall electronic delivery of services strategy.

I request that we proceed as follows:

- Permanently reprogram \$620,000 savings from Marking and Tagging in fiscal year 2001 to Information Technology Planning and Development. In the current fiscal year, these funds would be used to conduct a requirements analysis which will provide us with an IT strategy that: supports reengineering, redevelops our aging systems and expands the electronic delivery of our public services. (Our Marking and Tagging requirements will continue to be met and security of materials will be one of the principal objectives in the IT requirements analysis.)
- Based on the completed requirements analysis, in fiscal year 2002 we will begin systems analysis, design and development work. A multiple-award contract will be developed to rebuild and integrate our information systems to meet our new requirements. We plan to have this contract awarded by July 2002.
- In fiscal year 2002, we will use the reprogrammed IT funds (\$620,000) for IT contract management and CORDS user support to provide hands-on technical advisory assistance to our current CORDS users.

I very much appreciate your consideration of this modified request for next fiscal year. This shift in funding is critical to our being able to fully meet our statutory obligations and fully serve the American people in the future.

#### *Business Process Reengineering: Initial Implementation*

The second initiative involves our initial steps to carry out our Business Processing Reengineering Implementation Plan. The plan will be implemented in phases beginning in fiscal 2002. The Copyright Office No-Year account will fund the three-year implementation, except for furniture and furnishings.

In fiscal 2000, the Copyright Office began the BPR project by awarding a contract to PriceWaterhouseCoopers, LLP to conduct a study of its business processes. At the same time, the Office appointed a senior Project Manager, who is an expert in Copyright Office procedures, to oversee the contract and lead the Office BPR team. The project focuses on six major business processes: registration of claims, recordation of documents, requests for information, acquisition of deposits, maintenance of our public records, and financial record keeping. Reengineering will accomplish the following objectives:

- Improve operations and service that will achieve better processing times and create timely public records;
- Enhance operational efficiency through the use of new or alternative technologies;
- Contain the costs of registration, recordation and other services;
- Strengthen security within the Copyright Office; and
- Use staff and space more efficiently.

In fiscal 2001, the Project Manager is leading a team of twelve Copyright Office staff and several PriceWaterhouseCoopers contractor staff to document the current environment, plan new processes, and develop an implementation plan. The Office plans to complete the study by June 2001.

We are requesting authority to spend \$380,000 from our No-Year account for human resource actions (e.g., re-writing position descriptions, performing job analyses) as well as staff training to retool the workforce. A contractor will be hired to perform space design, and some funds will be used for automation equipment and software.

#### *The Copyright Office Mission*

The Copyright Office administers the copyright law and is the primary source of copyright expertise in the Federal Government. It provides expert assistance to Congress on intellectual property matters and advises Congress on anticipated changes in U.S. copyright law. It analyzes and assists in the drafting of copyright legislation and legislative reports, conducts and provides studies for Congress and offers advice to Congress on international matters, including compliance with multilateral agreements such as the TRIPS Agreement. The Office works with the State Department, the U.S. Trade Representative's Office, and the Patent and Trademark Office in pro-

viding technical expertise in negotiations for international intellectual property agreements; provides technical assistance to other countries in developing their own copyright laws; and through its International Copyright Institute and other international work, promotes worldwide understanding and cooperation in providing protection for intellectual property.

The Copyright Office is also an office of central public record, a place where claims to copyright are registered and where documents relating to copyright may be recorded. The Copyright Office furnishes information about the provisions of the copyright law and the procedures for registration, explains the operations and practices of the Copyright Office, and makes available the public records of the Office. The Office also administers various compulsory licensing provisions of the law, which includes collecting and distributing royalties. Additionally, the Copyright Office and the Library of Congress administer the Copyright Arbitration Royalty Panels (CARP), which meet for limited times for the purpose of setting terms of certain licenses, adjusting rates and distributing royalties.

Given its role as administrator of the copyright law, creator of a central public record of copyright ownership, technical adviser to Congress and government agencies, and a source of copyright information to the public, the Copyright Office has a direct and vital role in the development and resolution of intellectual property policy, legislation and information.

#### *Copyright Industries—A Growing Force in The U.S. Economy*

Copyright is the segment of intellectual property law that protects the creative output of millions of composers, lyricists, painters, sculptors, photographers, authors, computer programs, graphic and performing artists, dramatists, motion picture producers and compilers. U.S. copyright industries accounted for about 5 percent of U.S. Gross Domestic Product (GDP), or over \$450 billion in added economic value in 1999. In the last twenty years, the core copyright industries' share of GDP grew more than twice as fast as the rest of the economy. Should this trend continue as expected, the economic impact of the copyright industries will become an even more significant part of the American economy, emphasizing the need for strong copyright protection, and bringing to the fore increasingly challenging issues with which the copyright system must deal.

#### *Copyright Policy Challenges: Technological Change and the Digital Environment*

Throughout the second half of the 20th century, the copyright law has had to adjust to a vast array of technological changes. The challenges to copyright posed by the convergence of today's computer and communications technologies are more serious and far-reaching than those posed by the technological developments of the past. The current technologies have the potential to impact every right in the copyright bundle.

The increasing use and distribution of digital information raise significant issues regarding access to and security of copyrighted works. For works available in electronic form, there is often no limit to the number of people who can access a work simultaneously through the Internet and alter or modify them with ease. The Constitution provides for intellectual property protection with the goal of promoting public access to knowledge and innovation. The information infrastructure of the World Wide Web and other computer networks requires careful maintenance of the public good and private interest balance that has guided U.S. intellectual property laws over the past 200 years.

#### *Fiscal 2000 Accomplishments, Fiscal 2001 Focus and Fiscal 2002 Plans*

##### *Policy Responsibilities Under the Digital Millennium Copyright Act*

A major focus of the Copyright Office's legislative efforts during fiscal 2000 and in fiscal 2001 continued to be the completion of tasks entrusted to us by Congress in the Digital Millennium Copyright Act (DMCA), Public Law 105-304. The DMCA placed several policy-related responsibilities on the Office, including specific studies and rulemakings.

The DMCA made a number of amendments to Title 17, including the addition of Chapter 12 of the copyright statute, which address technological protection and management systems for copyrighted works. Section 1201(a)(1) makes it unlawful to circumvent a technological measure that effectively controls access to a copyrighted work. However, the prohibition against circumvention does not apply to users of a copyrighted work which is in a particular class of works, if those users are, or are likely to be in the succeeding 3-year period, adversely affected by the prohibition in their ability to make noninfringing uses of that particular class of works.

The determination of what classes of works, if any, are subject to this exception is made by the Librarian of Congress on the recommendation of the Register of Copyrights, who conducts a rulemaking proceeding to identify any such classes of works. The initial rulemaking was begun in 1999. After consultation with the Assistant Secretary of Commerce for Communications and Information, the Register made her recommendation to the Librarian of Congress. He accepted the recommendation and published two classes of works subject to the exemption on October 27, 2000. Rulemaking proceedings are to be repeated every three years. The second rulemaking proceeding will commence in fiscal 2002.

In the DMCA, Congress also asked the Copyright Office to study a number of important copyright issues. In May 2000, the Register and the Assistant Secretary of Commerce submitted a report on the effects of another exemption from the anti-circumvention provision in section 1201(a) of 17 U.S.C. which permits circumvention under certain circumstances for good faith encryption research.

This year we will complete a report for Congress examining the effects of the amendments made by Title 1 of the DMCA which are embodied in chapter 12 of Title 17 and the development of electronic commerce on the operation of sections 109 and 117 of the copyright law, and the relationship between existing and emerging technology and the operation of such sections. In addition, we are working closely with Congress on copyright issues related to distance education.

#### *International Issues*

In the international sphere, the Office continued to advise the United States Trade Representative and other executive branch agencies on international copyright matters. These efforts assure that foreign countries live up to their obligations under the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) to provide adequate and effective intellectual property protection to U.S. rights holders. The Office also participated in the legal defense of provisions of the Copyright Act that were challenged in WTO dispute resolution proceedings under the TRIPS agreement.

The Copyright Office was a key participant in the World Intellectual Property Organization's norm setting activities, especially its effort to conclude a new multilateral treaty to protect the interests of performers of audiovisual works (e.g., screen and television actors). We anticipate this effort will continue and that the Office will participate in new WIPO norm setting activities in the areas of folklore/traditional knowledge, protection of databases, and broadcasters' rights in fiscal 2001 and fiscal 2002.

In early fiscal 2001, the Office's International Copyright Institute and the World Intellectual Property Organization (WIPO) held an International Symposium on the Effect of Technology on Copyright and Related Rights at the Copyright Office. Officials and copyright experts from 17 countries participated. The program focused on the effect of technology on copyright and related rights, as well as on copyright protection and legislation in the United States. In fiscal 2002, the Copyright Office anticipates conducting at least one similar international program.

#### *Copyright Arbitration Royalty Panel (CARP) Matters and Related Rulemakings*

In fiscal 2000, the Office initiated two CARP proceedings to resolve controversies concerning the distribution of the 1993–1997 cable royalties and the 1995–1998 digital audio recording royalties. The CARP in the cable proceeding is scheduled to deliver its report in April. The CARP in the digital audio recording proceeding delivered its report to the Librarian for adoption. During fiscal 2001, CARPs are anticipated to determine rates and terms for the statutory license for digital transmission of performances of sound recordings by means of webcasting. Issues relating to the digital performance rights for sound recordings and musical compositions and to digital phonorecord deliveries of musical compositions will continue to occupy the Office during fiscal 2001 and fiscal 2002.

#### *Licensing Activities*

The Licensing Division administers the copyright law's compulsory licenses and statutory obligations. The Division records licensing documents and collects royalty fees from cable television operators for retransmitting television and radio broadcasts, from satellite carriers for retransmitting "superstation" and network signals, and from importers or manufacturers of digital audio recording equipment who distribute digital audio recorders and blank digital audio recording media in the United States. The Division serves as steward and trustee of the funds paid by the licensees, and invests the funds in interest-bearing securities of the U.S. Treasury. The funds are disbursed to copyright owners, or to agents representing them, under the direction of the Register of Copyrights. During fiscal 2000 the Office collected

\$182,756,467 in royalty fees for compulsory licenses and distributed \$367,824,476. The Licensing Division deducts its operating costs from these royalty fees rather than from appropriated funds.

*Registration, Recordation, and Cataloging Operations*

In fiscal 2000, the Office processed 588,498 claims, representing more than 800,000 works, and registered 515,612 of these claims. Throughput time was and continues to be a concern to the Copyright Office and the copyright community. A large backlog of copyright claims continued to exist and processing time for the issuance of registration certificates remained at approximately six to eight months.

To address this backlog, the Examining Division continued to hire examiner staff, but examiner retirements and resignations left the division with a deficit of 11 examiners from its 1993 staffing level. We have begun an extensive backlog reduction effort in our Examining Division, which is already resulting in a significant decrease in the number of claims awaiting examination. This is an Office-wide imperative, and we are committed to significant progress this year.

In other efforts, the Examining Division concentrated on several automation initiatives in fiscal 2000, including transferring examining practices to an online format for easier access, and creating an automated production verification system, aimed at providing management with accurate production statistics to aid in workflow strategy and planning.

In fiscal 2000 the Cataloging Division recorded 18,894 documents covering hundreds of thousands of titles. The Division implemented a number of new initiatives to reduce the length of throughput time for cataloging registrations and recording documents, including a successful Backlog Reduction Project, which reduced the number of multiple titles in documents to be entered. Recordation throughput time improved to 14.4 weeks, well under the target of 24 weeks. The turnaround time for cataloging registrations was 10.9 weeks, slightly lower than the target of 12 weeks.

*Copyright Education*

The provision of information on copyright law and its application is a principal function of the Copyright Office. The demand for the information is growing, as the growth of the digital environment exposes more Americans to copyright issues in the course of their daily lives.

In fiscal 2000, the Office responded to almost 400,000 information requests of which nearly 12,000 were via electronic mail. The use of our Website increased by 67 percent over the prior year. We expect this demand growth to continue and our efforts in this area to grow as well.

*Security Program*

The Copyright Office successfully completed several fiscal 2000 scheduled action items in the Library's Security Plan. Among the items accomplished were: laser engraved ownership marking of compact disc and video cassette materials; secure transport of high-risk materials; and item bar code labeling and security tagging of book materials. In fiscal 2001, the Copyright Office will focus on continued improvements in physical security, inventory, and preservation controls.

Copyright Office security initiatives planned for fiscal 2002 include incorporating Item Level Tracking and Inventory Control as part of the Copyright Office re-engineering plan, creating in-process records at the point-of-entry, installing electronic access control, and installing a closed-circuit video system in the Mail Center.

*Copyright No-Year Account and Fee Projection for Fiscal Year 2002*

The "No-Year" account was established by the Technical Amendments Act, Public Law 105-80 and holds fees which have been paid by those who use Copyright Office services. We want to use the funds in the No-Year account to improve our public services to those who pay these fees. Our principal use of the No-Year account will be for Business Process Reengineering implementation and development of our information technology systems. We need to insure that adequate funds remain in the account for these critical public service improvements.

The No-Year account balance at the end of the last fiscal year was \$4,289,902. The Copyright Office does not expect to add any funds to the No-Year account this year. The Office could use up to \$2 million from its No-Year account funds to make up the shortfall caused by the fiscal 2001 net appropriation reduction.

*Status of Future Fee Adjustments*

The 1997 Technical Amendments Act gives the Register the authority to recommend copyright fees based on certain criteria, with Congress retaining the authority to disapprove a fee increase. In setting fees, the law directs the Register to



conduct a study of costs for the service provided. Based on the study, and subject to congressional review, the Register is authorized to fix fees at a level not more than necessary to recover reasonable costs incurred for services plus a reasonable adjustment for inflation. Congress specifically mandated that the fees should also be "fair and equitable and give due consideration to the objectives of the copyright system." These objectives include creating a comprehensive public record of copyright ownership and obtaining works for the use of the Library of Congress for its collections or its exchange programs.

The Copyright Office went through an elaborate and extensive process in establishing the present fees, which became effective on July 1, 1999. This process included hiring two contractors to conduct a cost study and to provide expertise in the new "Federal Managerial Cost Accounting Standards." Since raising fees each year would be costly and disruptive, we indicated that the current fees have a minimum duration of three years. This decision was widely publicized.

The Office is now in the process of assessing the current fee schedule to determine if fee adjustments are warranted for fiscal 2002 and expects that the long-term effect of the July 1999 fee increase will be similar to the experience of the 1991 increase, where claims dropped, then leveled off for the next three years. Even if the Office were to implement a fee increase on July 1, 2002, it would not impact the fiscal 2002 fee receipt projection since the new fees would be in place for just the last quarter of the fiscal year. Based on past experience, we would see a high incidence of "short" fees submitted in that quarter. Based on this historical evidence, the fiscal 2002 fee receipt forecast is the same as fiscal 2001. Based on the receipts received in the first half of this year, the Office may see a higher level of receipts for fiscal year 2001 than originally forecasted.

#### *Conclusion*

The Copyright Office looks forward to working with Congress in addressing the significant copyright issues facing the United States both at home and abroad. Our two major initiatives for fiscal year 2002—planning and developing our information technology systems and implementing recommendations for reengineering of the Copyright Office business processes—will be fully funded through our No-Year Account and existing resources. They will provide us with the technology and innovation necessary to continue to fulfill the Copyright Office's mission in the digital information environment.

Senator BENNETT. Thank you very much.

I must apologize. I was derelict in that I have not formally welcomed Senator Durbin to the subcommittee and to his position as the ranking member. We enjoyed working with Senator Dorgan and then Senator Feinstein. You have more mobility on the Democratic side than we do on the Republican side.

I have been here now ever since I have been on the Appropriations Committee, and looking at the age, health, and electoral prospects of all of the people senior to me on the Appropriations Committee, I think I will be here for quite some time to come.

Senator Durbin, we are delighted to have you as the ranking member. Again, my apologies for not doing that right up front.

Senator DURBIN. It is not necessary. Thank you. I am glad to join you.

On the Democratic side, we try to be more flexible.

Maybe that is because we are number two and we are trying harder. But I am glad to be with you, Senator Bennett. I have enjoyed working with you on the floor and a lot of other issues, and I am sure we will have a good experience here.

Senator BENNETT. Very good.

#### SPECIAL APPROPRIATION FOR THE NATIONAL DIGITAL PROGRAM

Dr. Billington, when we did the \$99.8 million—I am an old retailer, and I know there is a difference between \$99.8 and \$100 million—there was some concern in the Congress that that would become the new baseline and that you would just go up from there.

You have now demonstrated that that was, in fact, a one-time spike and the new baseline is closer to \$18 million to \$20 million, something in that neighborhood, for the level funding for the digital activity that you are doing. At least, that is what it appears from these numbers.

Is that a correct assumption, that from now on, the baseline for born digital material, now that you have taken the one-time step to put things in place, will be in the \$20 million area?

Dr. BILLINGTON. I am not sure. I would have to do some mental arithmetic to say what the baseline is. We are asking for an increase over what we got last year, which was about a third of what we had requested for digital infrastructure. This request is \$14.6 million.

Of the nearly \$100 million that was the one-time appropriation—we actually have access only to \$5 million of that. The money has been appropriated, but we have access to \$5 million for the first stage in developing this national plan.

Senator BENNETT. I understand the reason for that is that the rest of the money is being held until matching private contributions can be raised.

Dr. BILLINGTON. Well, no. The next stage is \$20 million to begin implementing the national plan, and begin developing it as a distributed responsibility with the many partners that we will be engaging with. But we will come back to the committee with the plan which will be generated with the initial \$5 million. Then we will begin sharing and implementing responsibilities with \$20 million. Then the \$75 million has to be matched. That is where the match comes in.

In the second phase, we will be trying to work out the exact procedures with a match and so forth. We began discussing that in an all-day meeting yesterday, which included members of the private sector and members of the other major repositories and other technical interests. So, we are on schedule with developing the national plan.

#### DIGITAL FUTURES REQUEST AND BASE FUNDING

What we are asking is the \$14.6 million hike, if you like, in the base to sustain that, and that is to develop both the digital repository architecture that we will be able to scale up. That is \$2.7 million, and then the basic technology infrastructure, which is \$10.2 million, and then access services for sustaining the digital outreach, which is \$1.7 million. So, it is a 14.6 million hike in the base.

Maybe General Scott can add to that.

General SCOTT. In answer to the baseline for the budget, sir, about \$27 million would be the baseline.

Senator BENNETT. That includes things other than the born digital, however. Or are you saying that the born digital increase in the baseline is \$27 million?

General SCOTT. Rather than take this off the top of my head, I would like to ask our Chief Financial Officer for a clarification of that number.

Senator BENNETT. Okay.

General SCOTT. John?

Senator BENNETT. Please, give the recorder your full name and title.

Mr. WEBSTER. John Webster, Director of Financial Services.

Mr. Chairman, the Congress approved funding for about \$9 million last year for 84 positions and some non-personals, and that funding sustained forward our national digital library effort that we had for a pilot effort of 5 years. So, we have that base of funds for 84 positions and some other non-personals. Our request of \$14.6 million would bring the base to about \$24 million. Plus, we have a request for CRS this year to add to their base an additional \$3.5 million for their technical capabilities. So, that in total would be approximately the amount that General Scott stated of about \$27 million.

Senator BENNETT. Thank you. I appreciate that breakdown.

#### COMPUTER SECURITY

Dr. Billington, last year the Library's website was penetrated by some hackers. You will notice I am back on my hobby horse here, stemming from my Y2K days. But I am very concerned about critical infrastructure protection. We look at that not only in the Defense Department and in the banking community and so on, but I think a national treasure as important as the Library is one that we should pay attention to.

Can you share with us information about any penetration or any damage that may have occurred and what steps you may be taking to prevent that in the future?

Dr. BILLINGTON. Yes, sir. We have taken quite a number of steps, and there have not been any penetrations like there was the year before. But we have noticed a number of attempts and probes. We reassigned four people to work on computer security to keep up systematically with the growing number of attempts that continue. There have been a lot of attempts to penetrate, but no incidents of this kind. There is a whole list of things that we have done.

Senator BENNETT. Excuse me. What is your definition of a lot? You say there have been a lot of attempts. Is a lot more than 100, more than 1,000?

Dr. BILLINGTON. It is steadily growing, but I am not sure I can give you an exact numerical reading on it. Don't?

Senator BENNETT. I do not need an exact number, but are we in the hundreds or the thousands or the hundreds of thousands?

General SCOTT. The Library's network, like all Government networks, experiences ongoing attempts at scans and intrusions, and we have mechanisms in place to monitor and report these attempts. The Library is the target of thousands of scans and probes per month, all of which must be treated as serious until proven otherwise. Many of these probes exhibit certain patterns of behavior that call for further investigation by skilled staff. Ultimately, the Library receives an average of three intrusion attempts per month that appear, from investigation, to have been serious attempts to exploit our network.

Senator BENNETT. But they have not successfully defaced the site.

General SCOTT. No, they have not.

Dr. BILLINGTON. We audited all the service systems and evaluated all the problems. We rebuilt all the servers that were potentially compromised. Then we reviewed and changed all accounts and passwords. There have been a lot of steps taken, and we deployed people to work on this. So, it is a continuing problem. I can give you a list of measures that we have taken. I do not know that you want me to read them all off.

Senator BENNETT. No. Why do you not just submit them for the record and we will put them in the hearing report.

[The information follows:]

#### COMPUTER SECURITY

The Library's network, like all government networks, experiences ongoing attempts at scans and intrusions, which we monitor and report to the appropriate authorities. Regarding technology security, work always remains to be done. No sooner does the information technology industry advance a new product for improving network security, than those who would seek to cause mischief or harm begin working to defeat the new product. The Library takes very seriously its computer security responsibilities. As a result of this critical responsibility, we redeployed resources (about four staff) to keep up with the growing number of attempts, but that is not enough to ensure ability to stay ahead of "hackers". Currently, networks with connectivity involving Internet, simply cannot be absolutely secure. The requested funds for additional staff responds to this growing need.

In the interim, we have made significant progress implementing additional technology security systems, policies, and procedures since the THOMAS incident, as reflected in the following actions that we have completed: identified appropriate and additional network and computer security measures, and prioritized those measures for implementation based on criticality and resource availability; audited all Library server systems and evaluated all possible problems; rebuilt all servers that were potentially compromised; reviewed and changed all accounts and passwords on any servers for all users who had access to compromised servers; reviewed and refined restrictions implemented for public Internet access; implemented software to isolate publicly available servers to reduce the potential that an intruder could use one Library server to compromise another; hardened host-based security through elimination of unnecessary and/or particularly vulnerable services; implemented a system to identify and notify IT Security staff of unauthorized changes to operating system software or files; implemented a more secure method (Virtual Private Network, i.e., VPN) for providing Library staff and contractors with remote access to Library systems; implemented additional firewall systems; continued development of the Library's IT Security awareness program; and implemented an IT Security web site for staff.

Dr. BILLINGTON. We also are completing an implementation of a private network to isolate CRS systems so that the confidentiality of the CRS services is getting particular attention within this general effort to keep ahead of this continuous guerilla warfare.

Senator BENNETT. My sense of things would be that people would not try to hack in for sensitive information because you are a library that has most of your information out there in the public domain anyway. But I can see some of the folks with whose activities I am familiar trying to hack in and deface the site, that is, leave usually a pornographic image so that some librarian in Peoria calls up the Library of Congress and it strikes somebody as being funny that instead of getting information about the Civil War, she gets a pornographic message or obscene message. Frankly, the people who do that are more sophisticated than we like to realize, but I think they get a bigger kick out of doing that at a Department of Defense location than the Library of Congress.

Dr. BILLINGTON. More attention to this is part of the base request here that we are presenting to you because we realize this

is a problem. It is not going to go away and it is going to increase, particularly as we become involved with partnership relationships as we develop the strategy for archiving this material.

CENTER FOR RUSSIAN LEADERSHIP

Senator BENNETT. There is no formal budget request for the Center for Russian Leadership Development. In past appropriations, this has moved out of this committee into others. Do you anticipate an additional request for that?

Dr. BILLINGTON. Last year it was set up as an independent center in the legislative branch. We are still carrying the administrative support costs for the center in order to enable it to concentrate all its funds, as much as possible, directly on bringing over Russian leaders—it has brought nearly 4,000 young Russians, and they have been from every political district of Russia. The program has been an extraordinary success.

The independent board has not yet been fully constituted. We forwarded a fiscal year 2002 budget proposal as a courtesy to the committee, but it is not formally part of our budget. It has been mandated by the Congress to have a separate identity with a board and so forth. The Senate appointees are Senator Frist and Senator Levin, and we hope to have the full board appointed soon. Some four trustees are appointed by the leadership of the Senate and the House. I have four appointments. I also serve on the board. So, at the time when the board is appointed, we will schedule, hopefully, a late spring/early summer meeting, and we will approve the plans.

But we have forwarded the \$10 million fiscal year 2002 budget request, which was identical to the preceding year, on behalf of the Center's board, and they will formally submit it once the board is fully constituted and has met.

Senator BENNETT. I just want, again, the record to show that I am very much in support of this. My contact with Russians indicates that this has produced a very significant benefit.

Dr. BILLINGTON. It has been really quite amazing, Mr. Chairman. The average age is about 38 years old, and they come from 88 of the 89 regions—only in Chechnya were we unable to get anyone. They have been in almost all States and the District of Columbia. There has been a lot of congressional participation. We have had more than 100 members of the Duma. We have had families, in excess of what we need, volunteering to take them in. We have a wonderful cooperation from all kinds of groups. Utah was a particularly stunning success.

Last year emphasized the rule of law. There were 103 judges from different parts of Russia among the 1,605 people that came over, about a quarter of the Duma, and members of the upper house, the Federative Council.

Most of those people had never been to this country before, and to see how democracy and a market economy functions at the local level and how our nongovernmental organizations do so much of the work was all just a great revelation.

I think it is the biggest program of this kind since the Marshall Plan, and the Congress really deserves enormous credit for having launched it. I think Geraldine Otremba, who runs it for us, has done a terrific job.

But it is dependent on the volunteer activity of a great many groups, church groups. Rotary has been particularly strong. All kinds of other people, who have been doing this as individual Americans, have been reinforced and buttressed in their work of giving hospitality and a kind of brief but very intensive experience to a country that is struggling with a democracy. So, I really do commend the Congress for creating and sustaining this.

It has been very inspiring to meet these people and hear the things they say. They have had 10 alumni meetings all over Russia, so they are even forming a kind of alumni network, which means that this is a continuing thing. The Russians hope to bring Americans back, and I think it has been a wonderful thing, in a sometimes difficult relationship, to have this kind of contact with the next generation.

The average age is 38. Thirty-eight percent of them are women. That is something totally new in Russia. It is a whole new generation, a whole new perspective, and for the first time, I think something is happening from the bottom up and from the periphery, in a country where everything always happened from the top down. So, you have been encouraging, in a very cost effective manner, the future development of that country.

Senator BENNETT. Thank you.

Senator Durbin.

Senator DURBIN. Yes. Thanks, Mr. Chairman.

#### AMERICAN FOLKLIFE CENTER

I would like to add two letters to the record from our colleagues, Senator Daschle and Senator Tim Johnson.

Senator BENNETT. Without objection.

[The letters follow:]

UNITED STATES SENATE,  
OFFICE OF THE DEMOCRATIC LEADER,  
*Washington, DC, April 27, 2001.*

The Honorable RICHARD J. DURBIN,  
*United States Senate, Washington, D.C.*

DEAR DICK: I am writing to express my wholehearted support for the budget request of the Library of Congress American Folklife Center (AFC).

The collections of the American Folklife Center are the largest and most comprehensive ethnographic field collections in the world. The Center is responsible for much of the nation's most unique and valuable audio recordings, including the very first wax cylinder recordings of Native Americans (dating from 1890), the only sound recordings of ex-slaves telling their life stories, and the recordings of folk cultural icons such as Woody Guthrie, LeadBelly, and Jelly Roll Morton. The Center has served my own state of South Dakota by preserving the songs and stories of the Sioux, as well as the pioneering European settlers. More importantly, copies of these recordings have been returned to the state of South Dakota and the Sioux tribe, and they exist as a sound portrait and oral record of South Dakota history.

The Center is asking for a very modest, and long overdue, increase of \$1 million to preserve and make accessible to the public the priceless sound recordings in their collections. This is essential to fulfill their congressional mandate to "preserve and present American folklife." We must act now, or these recordings may be silenced forever.

In addition, Congress approved a new law last year that directs the AFC to "collect and preserve the oral histories of America's war veterans." This law, which allows the Library to lead in documenting and presenting these life stories for future generations, did not receive an appropriation. The Veterans' Oral History Program is one of the most exciting cultural heritage initiatives to come from Congress in recent years. The Center is asking for \$250,000 to implement this program, which is part of its request for a \$1 million increase.

I urge you to join me in supporting the budget request of the American Folklife Center. Thank you for your consideration of this request.

Sincerely,

TOM DASCHLE,  
*United States Senate.*

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UNITED STATES SENATE,  
*Washington, DC, April 30, 2001.*

The Honorable ROBERT F. BENNETT,  
The Honorable RICHARD DURBIN,  
*Subcommittee on the Legislative Branch, Senate Committee on Appropriations,  
United States Senate, Washington, D.C.*

DEAR CHAIRMAN BENNETT AND SENATOR DURBIN: I respectfully request inclusion of the following project in the Subcommittee's appropriations for the Legislative Branch.

*Folklife Center of the Library of Congress (\$2 million)*

I would urge the Subcommittee to appropriate funds for the Folklife Center at \$2 million. The current proposal is only \$1 million. Unfortunately, this program has not received a funding increase in over twenty years. These additional funds would be used to process, preserve, and archive historic folklife materials, including the records of the Veterans Oral History Project.

I appreciate the Subcommittee's attention to this important request. I look forward to working with you during deliberation on appropriations language.

Sincerely,

TIM JOHNSON,  
*United States Senate.*

Senator DURBIN. These letters are in support of the American Folklife Center, as well as the veterans oral history project. They speak for themselves, and I think that those are two good undertakings by the Library of Congress.

Senator Voinovich and I in the Government Affairs Committee have had a series of hearings about the problems across the Federal Government in attracting and retaining the very best people. It appears that we are in constant competition with the private sector, which is no surprise, and that we have lost that competition many times. We have failed to attract the best and brightest to public service and may ultimately pay a price for that.

#### FEDERAL STUDENT LOAN REPAYMENT PROGRAM

One of the things which we have discussed, in addition to identifying critical needs in personnel skills, is also trying to identify those things which would attract and keep good people at the Library of Congress and many other Federal agencies. One element, of course, is student loans. Young people come out of college with \$50,000 or \$100,000 in student loans and working for the Federal Government may not be as appealing as something that pays a little more.

I wonder if you have run into this problem, as you talk about the new technical responsibilities at the Library of Congress, whether you have been able to find the people that you need, whether you need to have additional tools to reach out and recruit people or to retain them, and whether the forgiveness of student loans or the deferral of student loans has been something that you either considered or budgeted for.

Dr. BILLINGTON. Well, Senator, I am really glad you brought that up because I do not think any administrative problem has been of as much concern to us as this need. We have a very talented staff,

but particularly as we enter this new high tech area, we are not competitive with the private sector. There is a tremendous need to increase both the salary levels and the benefits. That is why the first thing I began with in my testimony is the mandatory pay level increases, how important they are.

We have a special problem at the Library because we have a succession generation problem. The Library had a big increase in employees in the early post-war period and a lot of those people are nearing retirement age, more than half of our staff. So, succession planning has been tremendously important. It is particularly important for an institution like this because many of our employees have unique, one of a kind experience. The average service in the Library is quite long, and when you get a lot of people retiring at once or nearing retirement age, you have to have a rational succession plan. CRS has been working on this very effectively. The Library Services are doing the same thing.

There are, of course, these other benefits. Congress was very helpful, when I requested it, picking up a site so that we could use that for a day-care center. There are a lot of very important things that are of concern to the staff, in addition to the straight monetary level, such as enabling people to get on-the-job training in these very unique kinds of jobs. This is a one-of-a-kind institution, and it is important to have a rational succession plan so that the institutional knowledge of individual employees, what is in their heads, gets passed on to the next generation.

As far as this particular issue is concerned, we have been evaluating this new program on the student loans, and we have asked our payroll service provider, the National Finance Center, to add this capability to their system. If we can implement it in a cost effective manner, we would like to use loan repayments as another tool to attract and retain key employees. So, we commend you for this initiative.

I would just say very emphatically that the business of knowledge navigation and the often invisible services that the Library of Congress renders to the entire library and information community is of such importance, that I cannot think of anything more important than to lift the levels of remuneration to a slightly higher level for our skilled personnel.

Beyond succession planning, we really do not have a direct training budget. We have an internal university. We have a lot of other things that we are doing because of the skill levels that are needed. More and more you have to have both substantive knowledge and technical capability to perform in the new digital environment. We are in a real change mode, and when you are in a change mode, you require not only the ability to hire at a higher salary level, but also to train and retrain people. We have enormously talented people that need retraining.

So, I really commend you and the other Senators for following this initiative because the Library of Congress does so many unique things.

#### STAFF QUALITY OF LIFE ISSUES

Senator DURBIN. Let me ask you, Dr. Billington, if I may. What efforts do you make among your 4,000 staff employees to gauge



quality of life and quality of work elements that are important to them that would be an element in retention and even recruitment?

Dr. BILLINGTON. I think I will let General Scott answer that.

General SCOTT. Senator Durbin, we try very hard to balance how much we can help our employees to improve the quality of life. We participate in the Metro transit subsidy program and are currently working on a telecommuting pilot. We offer classes for people who are stuck in dead-end jobs so that they, too, have an opportunity to improve themselves and move up.

With 70 percent of our budget devoted to personnel, this is a very difficult balancing act, but we continue to push as hard as we can to add more to the Metro subsidy, to encourage—

Senator DURBIN. Excuse me. Metro subsidy I am not familiar with.

General SCOTT. That is the Government paying part of the costs of an employee's public transportation. That is a big issue because parking on Capitol Hill is at such a premium. We participate in the transit program as much as we can.

Dr. BILLINGTON. We have put a lot into ergonomics because part of the transition into the new digital environment means a lot of people are working in unnatural positions and require some different kinds of furniture. We discuss these matters with the unions and with others. Certainly, quality of life is a very important component of what we are trying to do.

Senator DURBIN. Thank you.

As I am on the subcommittee a little longer, I will come to understand the agency a little more and exactly what you do. But I am always impressed with the Library of Congress and the work you do.

Thank you, Mr. Chairman.

Senator BENNETT. Thank you.

Mr. Mulhollan, we would normally go to you, but Congressman Thomas has to manage a bill on the floor at 11 o'clock and he is in the Leader's office and is on his way down. If I could, could I get you to hold while we listen to Congressman Thomas?

Mr. MULHOLLAN. I am most pleased to do so.

Senator BENNETT. Thank you.

#### CAPITOL POLICE MERGER

Dr. Billington, thank you very much. We will have some further discussions with you about some other issues. Dr. Billington and I have had a conversation about the Capitol Police, and as that moves forward, he has some suggestions that I think are very valid as to what should be done with respect to the skills required by the Library police.

We on this subcommittee pushed last year for a consolidation of the police forces on Capitol Hill. We have the Capitol Police. We have the Government Printing Office Police. We have the Library of Congress Police, and we have the Supreme Court Police. There seems to be a lot of overlapping jurisdiction here.

But Dr. Billington, while generally in support of the idea of consolidation into a single police force, has raised some appropriate questions about special training and special requirements and his needs as the Librarian to have some degree of control and input

over the people who support him. As we get farther down the road with that, if we decide to go forward with that, we will be in touch with you. We ran afoul of the House last year.

We should recognize for the record that Marybeth Peters, Register of Copyrights and Frank Kurt Cylke, Director of the National Library Service for the Blind and Physically Handicapped are also here.

So, with that, Congressman Thomas is on his way down. Thank you. We will dismiss you, and as soon as Congressman Thomas appears, we will go back to the Joint Committee on Taxation.

## JOINT COMMITTEE ON TAXATION

### STATEMENT OF HON. WILLIAM M. THOMAS, U.S. REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN

#### ACCOMPANIED BY LINDY L. PAULL, CHIEF OF STAFF

Senator BENNETT. Our next witness is Chairman Bill Thomas. We welcome you. He is the chairman of the Joint Committee on Taxation in the 107th Congress.

The committee has requested \$6.7 million for fiscal year 2002, which is a 4.9 percent increase. I understand the increase is solely attributable to increased personnel costs due to COLA's, and there is a 1 percent meritorious pay increase included.

Chairman Thomas, we are honored to have you here. We look forward to your testimony. We appreciate, given the pressures that you are under with all the other things you have to do, that you could take some time for us.

Mr. THOMAS. Thank you very much, Mr. Chairman. I would ask unanimous consent that my written statement be made a part of the record.

Senator BENNETT. Without objection.

[The statement follows:]

#### PREPARED STATEMENT OF WILLIAM M. THOMAS

Mr. Chairman and members of the Subcommittee, it is my honor to appear before the Subcommittee today to present the written testimony of the Joint Committee on Taxation ("Joint Committee") with respect to the fiscal year 2002 appropriation request for the Joint Committee.

Mr. Chairman, the request of the Joint Committee represents the minimum amount necessary to fund the operations of the Joint Committee during fiscal year 2002. The following summarizes the main components to the Joint Committee's request.

- The Joint Committee is requesting an increase of \$317,000 for fiscal year 2002 to cover cost-of-living adjustments and a 1-percent meritorious increase in personnel compensation expenses.
- The Joint Committee is requesting \$200,000 for an additional study on the simplification of the Federal tax system. Under section 8022(3)(B) of the Internal Revenue Code of 1986, subject to amounts being specifically appropriated for this purpose, the Joint Committee is required to report at least once each Congress to the Senate Committee on Finance and the House Committee on Ways and Means on the overall state of the Federal tax system, together with recommendations with respect to possible simplification proposals and other matters relating to the administration of the Federal tax system. The Joint Committee released its first report on this subject in late April and copies of the report have been made available to the members of the Subcommittee.
- The Joint Committee is requesting no increase in nonpersonnel expenses for fiscal year 2002.

The following discussion provides (1) detailed information on the Joint Committee appropriation request for fiscal year 2002, (2) a review of Joint Committee operations during calendar year 2000, and (3) a description of the anticipated workload of the Joint Committee during calendar year 2001.

## SUMMARY OF FISCAL YEAR 2002 APPROPRIATION REQUEST

The following table summarizes the Joint Committee's appropriation request for fiscal year 2002 relative to the fiscal year 2001 appropriation.

	Fiscal year 2001	Fiscal year 2002
Personnel Costs:		
Personnel compensation .....	\$5,856,000	\$6,173,000
Transit benefits .....	2,000	2,000
Nonpersonnel Funding:		
Travel .....	12,000	12,000
Rent, communications, and utilities .....	30,000	30,000
Printing .....	500	500
Other services .....	98,500	98,500
Supplies and materials .....	154,000	154,000
Equipment .....	263,000	263,000
Funding for Joint Committee simplification study .....		200,000
Total fiscal year 2001 appropriation .....	<sup>1</sup> 6,416,000	.....
Total fiscal year 2002 request .....		6,933,000

<sup>1</sup> After reduction for rescission amount of \$14,000.

## DETAILS OF FISCAL YEAR 2002 APPROPRIATION REQUEST

*Personnel expenses**Details of appropriation request*

The \$317,000 increase in the Joint Committee's appropriation for fiscal year 2002 relative to fiscal year 2001 is attributable solely to increased personnel costs. This increase is attributable to the following amounts, which have been calculated pursuant to information supplied by the House Office of Finance:

*Fiscal year 2001 cost-of-living adjustment annualized.*—The Joint Committee requests \$54,000 to fund 3 months of the 3.7 percent cost-of-living adjustment for calendar year 2001.

*Fiscal year 2002 cost-of-living adjustment annualized.*—The Joint Committee requests \$204,000 to fund 9 months of the projected cost-of-living adjustment for calendar year 2002.

*Meritorious increases.*—The Joint Committee requests \$59,000 for 1-percent meritorious increases for fiscal year 2002.

*Need for adequate funding for personnel expenses*

The funding of adequate amounts for personnel costs is critical to the continued ability of the Joint Committee to attract and retain qualified professional staff.

Joint Committee professional staff include tax lawyers, certified public accountants, Ph.D. economists, and highly trained computer specialists. In order to provide the highly technical services required by Joint Committee lawyers and certified public accountants, the Joint Committee generally requires such professionals to have a minimum of 3–4 years of private practice or comparable experience. It is becoming increasingly difficult to attract such individuals to public service and retain them for significant periods given the disparity between private sector salaries and the salaries the Joint Committee can pay.

A similar problem arises with Joint Committee staff economists. The Joint Committee typically hires economists who are just completing their Ph.D. programs. It generally takes an entry-level economist 2–3 years of training to become proficient in the unique skills required to prepare revenue estimates for proposed tax legislation. Once this training period is complete, these economists have highly marketable skills and the accounting firms that attempt to duplicate the work of the Joint Committee offer significant salary increases to lure Joint Committee economists to the private sector.

At this time, the Joint Committee is actively recruiting to fill open staff positions that have resulted from staff attrition during the last Congress. However, unless adequate amounts are funded for personnel expenses for fiscal year 2002, the Joint Committee will not be able to fill all of its open positions. Failure to fill open positions may result in a reduced level of service to the Congress.

*Nonpersonnel expenses**In general*

The Joint Committee is requesting no increase in nonpersonnel expenses for fiscal year 2002.

*Travel*

The Joint Committee requests \$12,000 for travel during fiscal year 2002. This amount will be used to pay travel expenses of (1) job applicants, (2) Joint Committee consultants, and (3) Joint Committee staff attending educational conferences.

*Rent, communications, and utilities*

The Joint Committee requests \$30,000 for fiscal year 2002 to cover anticipated expenses for communications and utilities.

*Printing*

The Joint Committee requests the nominal amount of \$500 to cover anticipated printing expenses for fiscal year 2002.

*Other services*

The Joint Committee requests \$98,500 for other services for fiscal year 2002. This category represents a substantial portion of the Joint Committee's nonpersonnel expenses. The Joint Committee utilizes consultants and other service providers to perform functions that the Joint Committee staff does not have the time or expertise to perform. For example, the needs of the Members for immediate responses to requests for revenue estimates and the substantial volume of requests that the Joint Committee staff receives each year places limitations on the ability of the Joint Committee staff to perform certain work, such as the manipulation of new data sets, that improves the quality of Joint Committee revenue estimates. The Joint Committee staff has found that it is more cost efficient to contract some of this work to outside consultants.

*Supplies and materials*

The Joint Committee requests \$154,000 for supplies and materials for fiscal year 2002. The largest expense in this category is a projected \$120,000 for subscriptions and publications to keep up with current developments in tax law.

*Equipment*

The Joint Committee requests \$263,000 for equipment for fiscal year 2002. The Joint Committee staff anticipates expending approximately \$130,000 for replacement of network servers and software and storage upgrades for the Joint Committee's electronic tracking system. The Joint Committee tracking system is a software program that became fully operational in 2000. This software package enables the paperless processing and tracking of all Member requests and has resulted in significant time and cost savings. In addition, Xerox maintenance and usage costs are projected to be approximately \$50,000 and hardware and software maintenance are projected to be approximately \$80,000.

*Supplemental request to fund additional study on tax simplification*

The Joint Committee is requesting that the Subcommittee appropriate \$200,000 for an additional study for fiscal year 2002. Under section 8022(3)(B) of the Internal Revenue Code of 1986, subject to amounts being specifically appropriated for this purpose, the Joint Committee is required to report at least once each Congress to the Senate Committee on Finance and the House Committee on Ways and Means on the overall state of the Federal tax system, together with recommendations with respect to possible simplification proposals and other matters relating to the administration of the Federal tax system. The Joint Committee submitted its first simplification report in late April 2001.

## REVIEW OF JOINT COMMITTEE ON TAXATION OPERATIONS DURING CALENDAR YEAR 2000

*In general*

Attachments A through E provide a summary of the activity of the Joint Committee staff for calendar year 2000. The attachments include the following information:

- (1) Attachment A—information relating to the legislative tax reports (Committee and Conference Reports) drafted by Joint Committee staff for the revenue-related legislation considered by the House Committee on Ways and Means and/or the Senate Committee on Finance;

(2) Attachment B—a listing of all documents published by the Joint Committee staff during calendar year 2000;

(3) Attachment C—a graph showing the number of written requests received by the Joint Committee from Members of Congress for revenue estimates and other assistance during the period 1986 through 2000;

(4) Attachment D—a table providing information on revenue estimate requests and Joint Committee staff responses to various categories of requesting Members for 2000; and

(5) Attachment E—information relating to the Joint Committee staff's statutorily mandated duty to review large income tax refunds.

#### *Tax legislative reports*

The Joint Committee staff prepared 21 Committee and Conference reports relating to tax legislation considered by the Congress in 2000 and provided assistance on one trade Committee report. A complete listing of these reports is included at Attachment A.

#### *Joint Committee staff publications*

In addition to its work on committee and conference reports, the Joint Committee staff published 117 documents during 2000, including pamphlets and other documents prepared for committee hearings and markups and conference action (see Attachment B). All Joint Committee staff publications are accessible from the Joint Committee's web page (<http://www.house.gov/jct>).

#### *Revenue estimates and related analysis*

Attachments C and D show data relating to the Joint Committee staff's revenue estimating activity. Attachment C shows the number of revenue estimate requests received by the Joint Committee staff each year from 1986 through 2000.

Attachment D also shows information on revenue estimate requests and Joint Committee staff responses to various categories of Members requesting revenue estimates for 2000. The Joint Committee staff is cognizant of its responsibility to provide service to all Members who request it and monitors its response rates to ensure that the Joint Committee staff responds to non-tax-writing Committee Members as well as the tax-writing Committee Members.

The Joint Committee staff's new tracking system has transitioned the Joint Committee staff from a paper-based and time consuming system for processing Member requests to a paperless system that allows the Joint Committee staff to process and monitor all Member requests electronically from the time a request is received until the final response is delivered to the requesting Member. This upgraded system has significantly improved the efficiency of the Joint Committee staff in responding to Member requests. The time required to process reviews of draft Joint Committee responses to Member requests has been reduced from several days to several hours.

In addition, this upgraded database system maintains a complete electronic record of each request received from a Member of Congress and enables real time tracking of the status of each such request.

The Joint Committee staff continues its work on an ongoing project to develop a model to measure the short- and long-term effects on the economy of major tax legislation. The major challenge of this work is developing a computer model that can analyze several variations of a tax proposal without major reprogramming. Without this capability, a macroeconomic model will not produce reliable estimates when the elements of major tax proposals change during the legislative process. Later in 2001, the Joint Committee staff expects to be able to begin producing comparative analysis of the long-term growth effects of major tax proposals and to provide macroeconomic information with revenue estimates for major tax proposals.

#### *JCT staff studies, investigations, and refund review*

##### *Studies and investigations*

In 2000, the Joint Committee staff published an 899-page study of the present-law taxpayer confidentiality and disclosure provisions as required by section 3802 of the IRS Restructuring and Reform Act of 1998. This three-volume study included legislative recommendations of the Joint Committee staff with respect to the general disclosure provisions of present law and with respect to disclosure provisions relating to tax-exempt organizations.

During 2000, the Joint Committee staff completed its investigation of whether the IRS selection of tax-exempt organizations (described in Code sections 501(c)(3) and 501(c)(4)) and individuals associated with such organizations for audit has been politically motivated, including an analysis of the selection of such tax-exempt organizations for audit for reasons related to their alleged political or lobbying activities.

The Joint Committee's 163-page report on this investigation was released in March 2000. This investigation, which was requested by the Chairman, Vice Chairman, and two ranking Members of the Joint Committee, represents an important exercise of the Joint Committee's statutorily prescribed duty of oversight of the administration of the Federal tax system.

During 2000, the Joint Committee staff organized the annual joint hearing on the strategic plans and budget of the IRS, as mandated by the IRS Restructuring and Reform Act of 1998. This annual joint hearing of the six Congressional committees with jurisdiction over the IRS will continue through 2003.

The Joint Committee staff continued in 2000 a study of the overall state of the Federal tax system, as mandated by the IRS Restructuring and Reform Act of 1998. The Joint Committee staff released its report on this study in late April of this year. As part of the study, the Joint Committee staff has convened two advisory groups, one consisting of individuals who formerly served in major tax policy positions in the Executive or Legislative branch and the other consisting of noted tax academics. The Joint Committee staff conducted several meetings with these advisors to elicit input on possible simplification recommendations. The Joint Committee staff reviewed the simplification recommendations that have been made by professional organizations, such as the American Institute of Certified Public Accountants, the Business Roundtable, the Tax Executives Institute, and the Tax Section of the American Bar Association. The General Accounting Office and the Congressional Research Service were also asked to perform work in connection with this study.

#### *Refund review*

An ongoing, statutorily mandated function of the Joint Committee is the review of IRS refunds or credits of income tax, estate and gift tax, or any tax on public charities, foundations, pension plans, or real estate investment trusts in excess of \$1 million. The Joint Committee staff reviews and reports on such refund cases and makes comments or recommendations with respect to the proposed refund case to the IRS. Attachment E contains information concerning the Joint Committee staff refund review work. During fiscal year 2000, the Joint Committee refund staff reviewed 664 cases involving \$5.55 billion in proposed refunds and 64 large deficiency cases. The Joint Committee staff raised concerns in 47 refund cases. Errors identified by the Joint Committee staff produced a net reduction in refunds of \$11.7 million in fiscal year 2000. The average annual reduction in refunds for the last 10 years is \$11.9 million.

In the Community Renewal Tax Relief Act of 2000, the Joint Committee refund review threshold was increased to \$2 million, effective on December 22, 2000. The Joint Committee requested this increase because the number of refunds in excess of \$1 million was increasing and the Joint Committee felt that a refund review threshold of \$2 million would permit adequate oversight of the handling of large refund cases by the IRS. In addition, the increase in the threshold allowed the Joint Committee to avoid an increase in staffing of the refund review function.

#### ANTICIPATED WORKLOAD OF THE JOINT COMMITTEE ON TAXATION FOR CALENDAR YEAR 2001

During 2001, the Joint Committee expects an increase in workload over 2000. The Joint Committee staff will provide support to the Congress and the tax-writing committees as broad-based and other tax relief proposals, including President Bush's tax cut plan, are considered by the Congress. In addition, the Joint Committee anticipates that the Congress will consider legislation to extend various expiring tax provisions and to reform the laws relating to IRAs and employer-provided retirement plans. As part of the legislative process, the Joint Committee staff will (1) develop legislative proposals, (2) assist in the drafting of such proposals, (3) provide revenue estimates for numerous legislative options and amendments, (4) prepare markup documents and committee reports, and (5) provide additional economic analysis to the Members.

In addition to this anticipated legislative activity, the Joint Committee staff will continue to satisfy its responsibilities under the IRS Restructuring and Reform Act of 1998.

Thus, the Joint Committee staff will: (1) prepare a complexity analysis for inclusion in Committee and Conference reports for all revenue legislation; (2) organize the joint review in 2001 relating to the operations of the Internal Revenue Service and prepare materials for the use of the Congress in connection with the review; and (3) complete work on a comprehensive study relating to the complexity of the present-law tax system.

The Joint Committee will continue to satisfy its statutory responsibility to review large refund cases submitted to it by the IRS.

The Joint Committee staff expects to assist the Senate Committee on Foreign Relations with respect to its work to review proposed tax treaties.

The Joint Committee staff anticipates that requests from Members for revenue estimates for proposed legislation will increase in 2001, relative to 2000. In addition, the Joint Committee staff will continue to work to develop a macroeconomic model that will provide information on the possible effects on the economy of major tax legislation.

#### SUMMARY

Mr. Chairman, the Joint Committee has a reputation for providing timely, high quality service to the Congress with respect to proposed revenue legislation. However, the highly technical nature of the Joint Committee's work makes it imperative that the Joint Committee be able to hire and retain qualified tax professionals. If the Joint Committee's appropriation request is not approved, the Joint Committee will not have adequate resources to fill all of its open staff positions.

I respectfully request that the Subcommittee approve the appropriation request of the Joint Committee on Taxation for fiscal year 2002. This request is the minimum amount necessary to fund the operations of the Joint Committee during fiscal year 2002. If the requested funding is not provided, difficult decisions will be required concerning what staff activities can and should be funded.

#### ATTACHMENT A.—COMMITTEE AND CONFERENCE REPORTS PREPARED BY JOINT COMMITTEE ON TAXATION STAFF DURING CALENDAR YEAR 2000

##### *House Committee on Ways and Means*

- 106-493—Marriage Tax Penalty Relief Act Of 2000; February 7, 2000.
- 106-546—Education Savings and School Excellence Act of 2000; March 24, 2000.
- 106-566—Taxpayer Bill of Rights 2000; April 10, 2000.
- 106-631—Repeal Of Federal Communications Excise Tax; May 22, 2000.
- 106-651—Death Tax Elimination Act Of 2000; June 6, 2000.
- 106-702—Full And Fair Political Activity Disclosure Act Of 2000; June 27, 2000.
- 106-753—Comprehensive Retirement Security And Pension Reform Act of 2000; July 17, 2000.
- 106-777—Railroad Retirement and Survivors' Improvement Act of 2000; July 26, 2000.
- 106-780—Social Security Benefits Tax Relief Act of 2000; July 24, 2000.
- 106-845—FSC Repeal And Extraterritorial Income Exclusion Act Of 2000; September 13, 2000.
- 106-862—Debt Relief Lock-box Reconciliation Act For Fiscal Year 2001; September 18, 2000.

##### *Senate Committee on Finance*

- 106-253—Marriage Tax Relief Act of 2000; April 4, 2000.
- 106-328—Repeal of Federal Communications Excise Tax; July 5, 2000.
- 106-329—Marriage Tax Relief Reconciliation Act of 2000; July 5, 2000.
- 106-411—Retirement Security and Savings Act of 2000; September 13, 2000.
- 106-416—FSC Repeal And Extraterritorial Income Exclusion Act Of 2000; September 20, 2000.
- 106-475—Railroad Retirement And Survivors' Improvement Act of 2000; October 3, 2000.

##### *Conference Committee Reports*

- 106-606—Trade And Development Act Of 2000; May 4, 2000.
- 106-765—Marriage Tax Relief Reconciliation Act of 2000; July 19, 2000.
- 106-1004—Enactment Of Certain Small Business, Health, Tax, And Minimum Wage Provisions; October 26, 2000.
- 106-1033—Community Renewal Tax Relief Act Of 2000; December 15, 2000.

#### ATTACHMENT B.—PUBLICATIONS PREPARED BY JOINT COMMITTEE ON TAXATION STAFF DURING CALENDAR YEAR 2000

##### JCS-00 DOCUMENTS

JCS-1-00—Study Of Present-Law Taxpayer Confidentiality And Disclosure Provisions As Required By Section 3802 Of The Internal Revenue Service Restructuring And Reform Act Of 1998—Volume I: Study Of General Disclosure Provisions; Volume II: Study Of Disclosure Provisions Relating To Tax-Exempt Organizations; Volume III: Public Comments And General Accounting Office Reports. January 28, 2000



- JCS-2-00—Description Of Revenue Provisions Contained In The President's Fiscal Year 2001 Budget Proposal. March 6, 2000
- JCS-3-00—Report Of Investigation Of Allegations Relating To Internal Revenue Service Handling Of Tax-Exempt Organization Matters. March 2000
- JCS-4-00—Joint Review Of The Strategic Plans And Budget Of The Internal Revenue Service, 2000. May 3, 2000

## JCX-00 DOCUMENTS

- JCX-1-00—Background Information Relating To The Joint Committee On Taxation. January 12, 2000
- JCX-2-00—Testimony Of The Staff Of The Joint Committee On Taxation Concerning Tax Penalties And Interest Before The Subcommittee On Oversight Of The House Committee On Ways And Means. January 27, 2000
- JCX-3-00—Description Of The Marriage Tax Penalty Relief Act Of 2000. January 31, 2000
- JCX-4-00—Estimated Revenue Effects Of The Chairman's Mark Of The "Marriage Tax Penalty Relief Act Of 2000," Scheduled For Markup By The Committee On Ways And Means Of February 2, 2000. January 31, 2000
- JCX-5-00—Estimated Revenue Effects Of The Chairman's Mark Of The "Marriage Tax Penalty Relief Act Of 2000," Scheduled For Markup By The Committee On Ways And Means Of February 2, 2000. February 1, 2000
- JCX-6-00—Description Of An Amendment In The Nature Of A Substitute To The Provisions Of H.R. 6. February 1, 2000
- JCX-7-00—Distributional Effects Of The Chairman's Amendment In The Nature Of A Substitute Relating To The "Marriage Tax Penalty Relief Act Of 2000". February 1, 2000
- JCX-8-00—Comparison Of Federal Tax Liabilities Under Present Law And Under The Chairman Modified Amendment In The Nature Of A Substitute Relating To The "Marriage Tax Penalty Relief Act Of 2000" For Hypothetical Married Couples. February 2, 2000
- JCX-9-00—Description Of Additional Modifications To The Chairman's Amendment In The Nature Of A Substitute To The Provisions Of H.R. 6. February 2, 2000
- JCX-10-00—Estimated Revenue Effects Of The Chairman's Modified Amendment In The Nature Of A Substitute To The "Marriage Tax Penalty Relief Act Of 2000," Scheduled For Markup By The Committee On Ways And Means On February 2, 2000. February 2, 2000
- JCX-11-00—Estimated Revenue Effects Of The Chairman's Modified Amendment In The Nature Of A Substitute To The "Marriage Tax Penalty Relief Act Of 2000," Scheduled For Markup By The Committee On Ways And Means On February 2, 2000. February 2, 2000
- JCX-12-00—Distributional Effects Of The Chairman's Modified Amendment In The Nature Of A Substitute Relating To The "Marriage Tax Penalty Relief Act Of 2000". February 2, 2000
- JCX-13-00—Summary Of Tax Provisions Contained In The President's Fiscal Year 2001 Budget Proposal. February 7, 2000
- JCX-14-00—Estimated Revenue Effects Of The Revenue Provisions Contained In H.R. 833, The "Bankruptcy Reform Act Of 2000, As Passed By The Senate. February 24, 2000
- JCX-15-00—Overview Of Issues Relating To The Modification Of The Installment Sales Rules By The Ticket To Work And Work Incentives Improvement Act Of 1999 Scheduled for a Hearing Before the Subcommittee on Oversight of the House Committee on Ways and Means on February 29, 2000. February 28, 2000
- JCX-16-00—Comparison Of Revenue Provisions In H.R. 434 As Passed By The House And The Senate. March 1, 2000
- JCX-17-00R—Comparison Of The Estimated Revenue Effects Of The Revenue Provisions Contained in H.R. 434, As Passed By The House And The Senate. March 1, 2000
- JCX-18-00—Updated Comparison Of Revenue Provisions In H.R. 2990 As Passed By The House And The Senate. March 2, 2000
- JCX-19-00R—Comparison Of The Estimated Revenue Effects Of H.R. 2990 As Passed By The House And The Senate. March 2, 2000
- JCX-20-00—Estimated Budget Effects Of The Revenue Provisions Contained In The President's Fiscal Year 2001 Budget Proposal. March 6, 2000
- JCX-21-00—Summary Of Provisions Contained In The Small Business Tax Fairness Act Of 2000. March 6, 2000
- JCX-22-00—Comparison Of Joint Committee Staff And Treasury Recommendations Relating To Interest And Penalty Provisions Of The Internal Revenue Code

Scheduled for a Public Hearing Before the Senate Committee on Finance on March 8, 2000. March 7, 2000

JCX-23-00—Testimony Of The Staff Of The Joint Committee On Taxation Concerning Interest And Penalties And Corporate Tax Shelters Before The Senate Committee On Finance. March 7, 2000

JCX-24-00—Appendix To JCX-23-00—NIPA And Federal Income Tax Receipts Data. March 7, 2000

JCX-25-00—Comparison Of Recommendations Relating To Corporate Tax Shelters Made By The Department Of Treasury And The Staff Of The Joint Committee On Taxation Scheduled for a Public Hearing Before the Senate Committee on Finance on March 8, 2000. March 7, 2000

JCX-26-00—Estimated Budget Effects Of H.R. 3832, The “Small Business Tax Fairness Act Of 2000” (5-year estimates). March 8, 2000

JCX-27-00—Estimated Budget Effects Of H.R. 3832, The “Small Business Tax Fairness Act Of 2000” (10-year estimates). March 10, 2000

JCX-28-00—Estimated Revenue Effects Of S. 1134, The “Affordable Education Act Of 2000,” As Passed By The Senate. March 14, 2000

JCX-29-00—Present Law And Proposals Relating To Tax Incentives For Economically Distressed Areas Scheduled for a Hearing Before the Subcommittee on Oversight of the House Committee on Ways and Means on March 21, 2000. March 20, 2000

JCX-30-00—Description Of H.R. 7 (The “Education Savings And School Excellence Act Of 1999”) Scheduled for Markup by the House Committee on Ways and Means. March 21, 2000

JCX-31-00—Description Of An Amendment In The Nature Of A Substitute To The Provisions Of H.R. 7. March 22, 2000

JCX-32-00—Estimated Revenue Effects Of A Chairman’s Amendment In The Nature Of A Substitute To H.R. 7, The “Education Savings And School Excellence Act Of 1999” Scheduled For Markup By The Committee On Ways And Means On March 22, 2000 (10-year numbers). March 22, 2000

JCX-33-00—Estimated Revenue Effects Of A Chairman’s Amendment In The Nature Of A Substitute To H.R. 7, The “Education Savings And School Excellence Act Of 1999” Scheduled For Markup By The Committee On Ways And Means On March 22, 2000 (5-year numbers). March 22, 2000

JCX-34-00—Description Of A Chairman’s Mark Of The Marriage Tax Relief Act Of 2000 Scheduled for Markup by the Senate Committee on Finance on March 30, 2000. March 28, 2000

JCX-35-00—Estimated Revenue Effects Of A Chairman’s Mark Of The “Marriage Tax Relief Act Of 2000,” Scheduled For Markup By The Committee On Finance On March 30, 2000. March 28, 2000

JCX-36-00—Comparison Of Federal Tax Liabilities Under Present Law And Under The Chairman’s Mark Of The “Marriage Tax Relief Act Of 2000,” Scheduled For Markup By The Committee On Finance On March 30, 2000, For Hypothetical Married Couples. March 28, 2000

JCX-37-00—Distributional Effects Of A Chairman’s Mark Of The “Marriage Tax Relief Act Of 2000,” Scheduled For Markup By The Committee On Finance On March 30, 2000. March 28, 2000

JCX-38-00—Estimated Revenue Effects Of A Modification To The Chairman’s Mark Of The “Marriage Tax Relief Act Of 2000,” Scheduled For Markup By The Committee On Finance On March 30, 2000. March 30, 2000

JCX-39-00—Description Of Modification To The Chairman’s Mark. March 30, 2000

JCX-40-00—Distributional Effects Of A Modification To The Chairman’s Mark Of The “Marriage Tax Relief Act Of 2000,” Scheduled For Markup By The Committee On Finance On March 30, 2000. March 30, 2000

JCX-41-00—Comparison Of Federal Tax Liabilities Under Present Law And Under A Modification To The Chairman’s Mark Of The “Marriage Tax Relief Act Of 2000,” Scheduled For Markup By The Committee On Finance On March 30, 2000, For Hypothetical Married Couples. March 30, 2000

JCX-42-00—Description Of The “Taxpayer Bill Of Rights 2000” Scheduled for Markup by the House Committee on Ways and Means on April 5, 2000. April 3, 2000

JCX-43-00—Description Of An Amendment In The Nature Of A Substitute To The Provisions Of The “Taxpayer Bill Of Rights 2000”. April 4, 2000

JCX-44-00—Estimated Revenue Effects Of A Chairman’s Amendment In The Nature Of A Substitute To The “Taxpayer Bill Of Rights 2000,” Scheduled For Markup By The Committee On Ways And Means On April 5, 2000. April 4, 2000

- JCX-45-00—Distribution Of Certain Tax Liabilities By Income Class For Calendar Year 2000. April 11, 2000
- JCX-46-00—Report Of The Joint Committee On Taxation Relating To The Internal Revenue Service As Required By The IRS Reform And Restructuring Act Of 1999. April 28, 2000
- JCX-47-00—Description Of H.R. 3916 (Repeal Of The Federal Communications Excise Tax). May 15, 2000
- JCX-48-00—Description Of An Amendment In The Nature Of A Substitute To The Provisions Of H.R. 3916. May 16, 2000
- JCX-49-00—Estimated Revenue Effects Of The Chairman's Amendment In The Nature Of A Substitute To H.R. 3916 For Markup By The Committee On Ways And Means On May 17, 2000. May 16, 2000
- JCX-50-00—Distributional Effects Of The Chairman's Amendment In The Nature Of A Substitute To H.R. 3916 (Repeal Of The Federal Communications Excise Tax) For Markup By The Committee On Ways And Means On May 17, 2000. May 16, 2000
- JCX-51-00—Description Of "The Death Tax Elimination Act Of 2000" (H.R. 8) Scheduled for Markup by the House Committee on Ways and Means on May 25, 2000. May 23, 2000
- JCX-52-00—Description Of Chairman Archer's Amendment In The Nature Of A Substitute To "The Death Tax Elimination Act Of 2000" (H.R. 8) Scheduled for Markup by the House Committee on Ways and Means on May 25, 2000. May 23, 2000
- JCX-53-00—Estimated Revenue Effects Of The Chairman's Amendment In The Nature Of A Substitute To The "Death Tax Elimination Act Of 2000," Scheduled For Markup By The Committee On Ways And Means On May 25, 2000. May 25, 2000
- JCX-54-00—Disclosure Report For Public Inspection Pursuant To Internal Revenue Code Section 6103(p)(3)(C) For Calendar Year 1999. May 26, 2000
- JCX-55-00—Description Of The "Debt Reduction Reconciliation Act Of 2000" Scheduled for Markup by the House Committee on Ways and Means on June 8, 2000. June 6, 2000
- JCX-56-00—Description Of An Amendment In The Nature Of A Substitute To The Provisions Of The "Debt Reduction Reconciliation Act Of 2000". June 8, 2000
- JCX-57-00—Description Of H.R. 3916 (Repeal Of The Federal Communications Excise Tax). June 12, 2000
- JCX-58-00—Estimated Revenue Effects Of The Chairman's Amendment In The Nature Of A Substitute To H.R. 3916 For Markup By The Committee On Finance On June 14, 2000. June 13, 2000
- JCX-59-00—Overview Of Present-Law Rules And Description Of Certain Proposals Relating To Disclosure Of Information By Tax-Exempt Organizations With Respect To Political Activities Scheduled for a Hearing before the Subcommittee on Oversight of the House Committee on Ways and Means. June 19, 2000
- JCX-60-00—Testimony Of The Staff Of The Joint Committee On Taxation Before The Subcommittee On Oversight Of The House Committee On Ways And Means June 20, 2000. June 20, 2000
- JCX-61-00—Description Of H.R. \_\_\_\_\_ (The "Full And Fair Political Activity Disclosure Act Of 2000") Scheduled for a Markup Before the House Committee on Ways and Means on June 22, 2000. June 21, 2000
- JCX-62-00—(Skipped)
- JCX-63-00—Description Of An Amendment In The Nature Of A Substitute To The Provisions Of H.R. 4717 (The "Full And Fair Political Activity Disclosure Act Of 2000"). June 22, 2000
- JCX-64-00—Description Of A Chairman's Mark Of The Marriage Tax Relief Reconciliation Act Of 2000 Scheduled for Markup by the Senate Committee on Finance on June 28, 2000. June 26, 2000
- JCX-65-00—Estimated Revenue Effects Of The "Marriage Tax Relief Reconciliation Act Of 2000," As Reported By The Committee On Finance On June 28, 2000. June 30, 2000
- JCX-66-00—Distributional Effects Of The "Marriage Tax Relief Reconciliation Act Of 2000," As Reported By The Committee On Finance On June 28, 2000. June 30, 2000
- JCX-67-00—Technical Explanation Of The Marriage Tax Penalty Relief Reconciliation Act Of 2000 (H.R. 4810). July 11, 2000
- JCX-68-00—Summary Of The "Comprehensive Retirement Security And Pension Reform Act". July 11, 2000

JCX-69-00—Description Of The “Comprehensive Retirement Security And Pension Reform Act” Scheduled For Markup by the House Committee on Ways and Means on July 13, 2000. July 11, 2000

JCX-70-00—Estimated Revenue Effects Of The “Comprehensive Retirement Security And Pension Reform Act” Scheduled For Markup By The Committee On Ways And Means On July 13, 2000. July 11, 2000

JCX-71-00—Description Of Chairman Archer’s Amendment In The Nature Of A Substitute To H.R. 4843, The “Comprehensive Retirement Security And Pension Reform Act”. July 13, 2000

JCX-72-00—Estimated Revenue Effects Of The Chairman’s Amendment In The Nature Of A Substitute To H.R. 4843, The “Comprehensive Retirement Security And Pension Reform Act” Scheduled For Markup By The Committee On Ways And Means On July 13, 2000. July 13, 2000

JCX-73-00—Description Of The Social Security Benefits Tax Relief Act Of 2000 (H.R. 4865). July 17, 2000

JCX-74-00R—Description Of The Railroad Retirement And Survivors’ Improvement Act Of 2000 (H.R. 4844). July 24, 2000

JCX-75-00—Estimated Revenue Effects Of The “Social Security Benefits Tax Relief Act Of 2000,” Scheduled For Markup By The Committee On Ways And Means On July 19, 2000. July 18, 2000

JCX-76-00—Technical Explanation Of H.R. 4866 The “Debt Relief Reconciliation Act For Fiscal Year 2001”. July 18, 2000

JCX-77-00—Description Of Chairman Archer’s Amendment In The Nature Of A Substitute To H.R. 4865, The “Social Security Benefits Tax Relief Act Of 2000”. July 18, 2000

JCX-78-00R—Description Of Chairman Archer’s Amendment In The Nature Of A Substitute To H.R. 4844, The “Railroad Retirement And Survivors’ Improvement Act Of 2000”. July 24, 2000

JCX-79-00—Estimated Revenue Effects Of The Conference Agreement For H.R. 4810, The “Marriage Tax Relief Reconciliation Act Of 2000”. July 19, 2000

JCX-80-00—Distributional Effects Of The Conference Agreement For H.R. 4810, The “Marriage Tax Relief Reconciliation Act Of 2000”. July 20, 2000

JCX-81-00—Comparison Of Federal Tax Liabilities Under Present Law And Under The Conference Agreement For H.R. 4810, The “Marriage Tax Relief Reconciliation Act Of 2000,” For Hypothetical Married Couples. July 20, 2000

JCX-82-00—Summary Of Provisions Included In The Conference Agreement For The “Marriage Tax Relief Reconciliation Act Of 2000” (H.R. 4810). July 20, 2000

JCX-83-00—Overview Of Selected Federal Income Tax Provisions Relating To Transportation Infrastructure Scheduled for a Hearing Before the Subcommittee on Oversight of the House Committee on Ways and Means on July 25, 2000. July 21, 2000

JCX-84-00—Present Law And Description Of Proposals Relating To Federal Income Tax Provisions That Impact Energy, Fuel, And Land Use Conservation And Preservation Scheduled for a Hearing Before the Subcommittee on Taxation and IRS Oversight of the Senate Committee on Finance on July 25, 2000. July 24, 2000

JCX-85-00—Technical Explanation Of The Tax Provisions In H.R. 4923 The “Community Renewal And New Markets Act Of 2000”. July 25, 2000

JCX-86-00—Estimated Revenue Effects Of H.R. 4923, The “Community Renewal And New Markets Act Of 2000”. July 25, 2000

JCX-87-00—Description Of H.R. \_\_\_\_\_ (The “FSC Repeal And Extraterritorial Income Exclusion Act Of 2000”) Scheduled for Markup by the House Committee On Ways And Means on July 27, 2000. July 27, 2000

JCX-88-00—Estimated Revenue Effects Of H.R. 4986, The “FSC Repeal And Extraterritorial Income Exclusion Act Of 2000,” Scheduled For Markup By The Committee On Ways And Means On July 27, 2000. July 27, 2000

JCX-89-00—Description Of The Chairman’s Mark Of The “Retirement Security And Savings Act Of 2000” Scheduled for Markup by the Senate Committee on Finance on September 7, 2000. September 5, 2000

JCX-90-00—Description Of The Chairman’s Mark Of The “Retired Coal Miners Health Benefit Security Act” Scheduled for Markup by the Senate Committee on Finance on September 7, 2000. September 5, 2000

JCX-91-00—Estimated Revenue Effects Of The Chairman’s Mark Of The “Retirement Security And Savings Act Of 2000,” Including Congressional Budget Act Sunset For Years After December 31, 2004, Scheduled For Markup By The Committee On Finance On September 7, 2000. September 6, 2000

JCX-92-00—Description Of Modification To The Chairman’s Mark Of The “Retirement Security And Savings Act Of 2000”. September 7, 2000

JCX-93-00—Estimated Revenue Effects Of A Modification To The Chairman’s Mark Of The “Retirement Security And Savings Act Of 2000,” Including Congressional Budget Act Sunset For Years After December 31, 2004, Scheduled For Markup By The Committee On Finance On September 7, 2000. September 7, 2000

JCX-94-00—Estimated Revenue Effects Of H.R. 1102, The “Retirement Security And Savings Act Of 2000,” Including Congressional Budget Act Sunset For Years After December 31, 2004, As Ordered Reported By The Committee On Finance On September 7, 2000. September 8, 2000

JCX-95-00—Description of H.R. \_\_\_\_\_, the “Debt Relief Lock-Box Reconciliation Act for Fiscal Year 2001” Scheduled for a Markup Before the House Committee on Ways and Means On September 14, 2000. September 13, 2000

JCX-96-00—Description of an Amendment in the Nature of a Substitute to the Provisions of H.R. 5173, the “Debt Relief Lock-Box Reconciliation Act for Fiscal Year 2001”. September 14, 2000

JCX-97-00—Description Of H.R. 4986 (The “FSC Repeal And Extraterritorial Income Exclusion Act Of 2000”) Scheduled for Markup by the Senate Committee on Finance on September 19, 2000. September 15, 2000

JCX-98-00—Estimated Revenue Effects Of H.R. 4986, The “FSC Repeal And Extraterritorial Income Exclusion Act Of 2000,” As Passed By The House Of Representatives And Scheduled For Markup By The Committee On Finance On September 19, 2000. September 15, 2000

JCX-99-00—Description Of Community Renewal And New Markets Act Of 2000 Scheduled for Markup by the Senate Committee on Finance on September 20, 2000. September 18, 2000

JCX-100-00—Estimated Revenue Effects Of A Chairman’s Mark Of The “Community Renewal And New Markets Act Of 2000,” Scheduled For Markup By The Committee On Finance On September 20, 2000. September 19, 2000

JCX-101-00—Description Of A Chairman’s Mark Of The “Railroad Retirement And Survivors’ Improvement Act Of 2000” (H.R. 4844). September 25, 2000

JCX-102-00—Description Of Chairman Roth’s Amendment To The Chairman’s Mark Of The “Railroad Retirement And Survivors’ Improvement Act Of 2000” (H.R. 4844). September 26, 2000

JCX-103-00—Description Of Proposed Modifications To The Chairman’s Mark Of The “Community Renewal And New Markets Act Of 2000” Scheduled for Markup before the Senate Committee on Finance on September 27, 2000. September 27, 2000

JCX-104-00—Estimated Revenue Effects Of A Modification To The Chairman’s Mark Of The “Community Renewal And New Markets Act Of 2000,” Scheduled For Markup By The Committee On Finance On September 27, 2000. September 27, 2000

JCX-105-00—Technical Explanation Of S. 3152, The “Community Renewal And New Markets Act Of 2000”. October 3, 2000

JCX-106-00—Estimated Revenue Effects Of S. 3152, The “Community Renewal And New Markets Act Of 2000”. October 5, 2000

JCX-107-00—Overview Of Federal Income Tax Provisions Relating To Employee Stock Options Scheduled for a Hearing Before the Subcommittee on Oversight of the House Committee on Ways and Means on October 12, 2000. October 10, 2000

JCX-108-00—Technical Explanation Of The Tax Provisions Of H.R. 4541, The “Commodity Futures Modernization Act Of 2000”. October 19, 2000

JCX-109-00—Estimated Revenue Effects Of The “Taxpayer Relief Act Of 2000”. October 26, 2000

JCX-110-00—Summary Of Provisions Contained In H.R. 5542, The “Taxpayer Relief Act Of 2000,” As Incorporated By Reference In The Conference Agreement For H.R. 2614. October 31, 2000

JCX-111-00—Technical Explanation Of The Senate Amendment To H.R. 4986, The “FSC Repeal And Extraterritorial Income Exclusion Act Of 2000”. November 1, 2000

JCX-112-00—Summary Of Provisions Contained In H.R. 5662, The “Community Renewal Tax Relief Act Of 2000”. December 15, 2000

JCX-113-00—Estimated Revenue Effects Of H.R. 5662, The “Community Renewal Tax Relief Act Of 2000”. December 15, 2000

ATTACHMENT C.—*Joint Committee on Taxation revenue estimate requests*

<i>Calendar year</i>	<i>No. of requests</i>
1986 .....	474
1987 .....	420
1988 .....	900
1989 .....	1,290

ATTACHMENT C.—*Joint Committee on Taxation revenue estimate requests—Continued*

<i>Calendar year</i>	<i>No. of requests</i>
1990	1,286
1991	1,461
1992	2,350
1993	2,380
1994	1,259
1995	2,278
1996	1,792
1997	2,079
1998	2,729
1999	4,150
2000	2,798

ATTACHMENT D.—2ND SESSION OF THE 106TH CONGRESS REQUEST DATA<sup>1</sup>

Requestors	Requests Received	Requests Pending	Requests Closed	Percent Closed
<b>Ways and Means Committee:</b>				
Republicans	657	165	492	74.9
Democrats	311	75	236	75.9
<b>Senate Finance Committee:</b>				
Republicans	541	82	459	84.8
Democrats	608	128	480	78.9
<b>Non-Ways and Means Committee:</b>				
Republicans	142	52	90	63.4
Democrats/Independent	82	38	44	53.7
<b>Non-Senate Finance Committee:</b>				
Republicans	195	69	126	64.6
Democrats	228	123	105	46.1
Others	34	6	28	82.4
<b>Total</b>	<b>2,798</b>	<b>738</b>	<b>2,060</b>	<b>73.6</b>

<sup>1</sup> Totals include both revenue and non-revenue requests as of December 1, 2000.

ATTACHMENT E.—MEMORANDUM

NOVEMBER 29, 2000.

To: Chief of Staff, Joint Committee on Taxation  
 From: Senior Refund Counsel  
 Subject: Refund Section—Operations Report October 1, 1999 through September 30, 2000

This is a report on the more significant developments in this Office during this period.

SUMMARY

*Volume.*—Refund Cases—664 reports were received during this period. The total dollar amount of refunds was \$5,553,862,865.

Reports received	1996	1997	1998 <sup>1</sup>	1999	2000
Examination Division	375	457	334	449	550
Appeals Division	101	124	92	108	99
Department of Justice	25	18	12	15	10
Chief Counsel	5	3	1	5	5
<b>Total</b>	<b>506</b>	<b>602</b>	<b>439</b>	<b>577</b>	<b>664</b>
Concerns	88	84	55	61	47

<sup>1</sup> 1998 was based on a short nine-month period, i.e., January 1, 1998 through September 30, 1998.

*Post Review.*—The Service reports 64 large deficiency cases to us on an annual basis.

*Other Action.*—We discussed various issues with the Treasury Department and Internal Revenue Service personnel, and forwarded one item for legislative clarification.

Exhibits and Appendices provide detailed information on most of the foregoing.

Errors identified by us in fiscal year 2000 and prior years, and settled in fiscal year 2000 produced a net reduction in refunds of \$11.7 million. The average annual reduction for the last ten years is \$11.9 million. Such corrections also reduced ATNOLCFs \$43 million.

We hope that we are satisfactorily accomplishing our assigned portion of the Committee's mission and meeting your expectations. We look forward to a productive, challenging year.

#### EXHIBIT I.—REPORTS TO JC AS REQUIRED BY IRS CODE SECTION 6405

[From October 1, 1999 through September 30, 2000]

Month	No. of cases received	Cumulative total	Cumulative monthly average	Dollar receipts	Cumulative dollar receipts
October .....	43	43	43	\$273,883,465	\$273,883,465
November .....	49	92	46	442,981,593	716,865,058
December .....	46	138	46	516,059,644	1,232,924,702
January .....	38	176	44	399,902,828	1,632,827,530
February .....	71	247	49	543,155,183	2,175,982,713
March .....	71	318	53	467,745,132	2,643,727,845
April .....	57	375	54	217,669,564	2,861,397,409
May .....	64	439	55	508,390,289	3,369,787,698
June .....	49	488	54	545,949,472	3,915,737,170
July .....	62	550	55	643,078,935	4,558,816,105
August .....	83	633	58	782,682,565	5,341,498,670
September .....	31	664	55	212,364,195	5,553,862,865

#### EXHIBIT II.—JOINT COMMITTEE CASES RECEIVED BY TYPES OF TAXPAYER AND SOURCE—FISCAL YEAR 2000

	Amount	Percent		Amount	Percent
TYPES OF TAXPAYERS			SOURCE OF REPORTS		
Individuals .....	27	4.1	Examination .....	550	82.8
Estates .....	22	3.3	Appeals .....	99	14.9
Trusts .....	4	.6	Justice .....	10	1.5
Corporations .....	611	92.0	Tax Court .....	5	.8
Total .....	664	100.0	Total .....	664	100.0

#### EXHIBIT III.—JOINT COMMITTEE MONTHLY RECEIPTS—REFUND REPORTS FROM EXAMINATION AND APPEALS

[From October 1, 1999 through September 30, 2000]

Month	Examination	Cumulative	Appeals	Cumulative
October .....	37	37	6	6
November .....	47	84	2	8
December .....	37	121	8	16
January .....	26	147	11	27
February .....	63	210	6	33
March .....	60	270	9	42
April .....	46	316	11	53

## EXHIBIT III.—JOINT COMMITTEE MONTHLY RECEIPTS—REFUND REPORTS FROM EXAMINATION AND APPEALS—Continued

[From October 1, 1999 through September 30, 2000]

Month	Examina- tion	Cumulative	Appeals	Cumulative
May .....	55	371	8	61
June .....	39	410	10	71
July .....	48	458	10	81
August .....	70	528	9	90
September .....	22	550	9	99

## ORAL STATEMENT OF CONGRESSMAN BILL THOMAS

Mr. THOMAS. You are correct. There is an additional \$200,000 that should be on top of the numbers that you indicated to continue the Joint Committee study on tax simplification. We recently published a three-volume study on this subject.

To a certain extent, it is a little bit like self-evident areas. However, it is very helpful if not on the major portions—and I believe the Joint Committee's statement of the desirability of repealing the alternative minimum tax both for individuals and corporations would be considered major—but when you look at the more than 50 other very specific points, especially on funding mechanisms, which could be simplified in almost a technical way, it would greatly clarify the Code.

There are more fundamental ways to clarify the Code, but the study that is ongoing is very helpful in pinpointing areas where, on a bipartisan basis, we can move without a lot of difficulty. So, that study is required, and I have found it, especially at the beginning of my chairmanship, very helpful to help me focus on portions of the Code.

The money is not for additional personnel. Save for a half a person, the staffing of the Joint Committee is the same as it was in 1980. The point that I want to make is that, given the changes, both in terms of support and, frankly, the work commitment of the staff of the Joint Committee, the productivity is so much higher, driven in part by the revenue estimate requests.

The Congress of 1980, for some reason, did not submit their requests like the Congress of today. I think it is, in part, a change in the makeup of the Members. At one point, there was a degree of seniority felt as a screening test to ask the Joint Committee for a revenue estimate. When you look at the number of requests, just to give you a feel for what has happened, only since 1986, from 474 to a peak of 4,150. That is just the sheer number of requests coming in. There was a slight dip, but it has gone back up.

I am very sensitive to the fact that this is a joint committee. So, I had to run some numbers on the number of requests of both Republicans and Democrats from the Ways and Means Committee. That was 968 requests for the second session of the 106th Congress. And from the Senate Finance Committee, Republicans and Democrats, it was 1,149 requests. So, we have a fairly decent balance.



From non-Ways and Means Members, both Democrats and Republicans in the House, it was 324 requests. From non-Finance Committee Republicans and Democrats in the Senate, it was 423, for a total of almost 2,800 requests in the second session.

When you get that many requests, there is a degree of, if not complete, at least partial, duplication so that answering one allows you to fairly rapidly turn over answering another. But when you go from 400 for the total to almost 3,000, that clearly says, when you have not increased your personnel, you are getting significant work out of those individuals. That is why we have requested a cost-of-living adjustment with a meritorious increase. We try to time the meritorious increase toward the end of the session when the clock is running literally all day and all night.

It is a little stimulus to get stuff done when we need it.

So, although there are areas of contention about the Joint Committee, including the estimates that it makes, the manner in which it makes them, and the conditions under which it makes them, I believe over this session and the next session of the 107th Congress, we will be making changes that will satisfy the concern about the now age-old argument between static and dynamic scoring to a certain extent. Not that we would create a model which would allow us to look at the world fundamentally differently, but that we begin to realize that any number has shades to it. To the degree we can begin to get a bit more sophisticated in the way we view the numbers, I think it will create an atmosphere which will allow us to come together a little easier than a single hard and fast number with no options.

With that, Mr. Chairman, I would just thank you and urge you, based upon what I consider to be the reasonableness of the request, to fund the Joint Committee at the requested level.

#### FORECASTS

Senator BENNETT. Thank you. That is very helpful and, frankly, very encouraging. One of the most frustrating things for me, coming into the Senate, as I do at the end of a business career, instead of coming into the Senate as a young man, the way some of my colleagues did—I have learned in the business world that forecasts are always fraught with problems. As I say, one of the most frustrating things for me was to come here and have people stand up and say, this number, this number 1 year out, 5 years out, 10 years out, and so on. I said, wait a minute. Nobody knows that. Nobody can be that certain.

I have been around here long enough that the anger seems to have died down a little, and that may not be good.

But it is very helpful to have you talk about this kind of study and this kind of willingness to accept a flexibility and say we are talking about a range rather than a single number and there are possibilities here. I applaud the indication that you are doing this on a bipartisan basis so that it will not be ideologically attacked.

Mr. THOMAS. If I can respond. The closer we are to the current date, if you are dealing with ranges, the narrower the range. The key point here would be that as we get into these—the House deals with 5-year numbers; the Senate chooses to deal with 10-year numbers—that you would like to indicate to people that the range con-

tinues to open up so that, although you are attempting certainty, the certainty is that you are uncertain.

I agree with you. Even if the shaded number is not an official number and a single number is, it begins to show, I think, an appreciation for our real-worldness which can only enhance our ability to make projections with the understanding that we are doing it humbly, rather than boldly with certainty.

Senator BENNETT. Senator Durbin.

Senator DURBIN. Two comments and one question.

First, Alan Greenspan is widely recognized as the wisest man in all Christendom when it comes to the economy, and 8 months ago, he was raising interest rates.

Senator BENNETT. You are excluding the Muslim world?

Senator DURBIN. I guess I should never get that close to religion in Government. But the point I am trying to make is that projections are difficult in this business, and some of us, when we look at projections of surpluses 5 and 10 years from now, think it is almost laughable to guess where America is going to be. I hope the optimistic projections are all right, but time will tell.

#### TAX SIMPLIFICATION

I would like to make a suggestion on tax simplification. I think this is very basic. It will create a political force for simplification which will be overwhelming. And that would be to require every Member of Congress to prepare their own personal income tax returns.

Mr. THOMAS. I agree. I do that myself. I have done it ever since I have come in.

Senator DURBIN. I have done it too.

Mr. THOMAS. Done it too, or did you do it? Do you do it?

Senator DURBIN. Well, here is what I did.

Mr. THOMAS. Did you do it this year?

Senator DURBIN. I did it this year, and thank God I sent it to a bookkeeper to look at; who corrected my mistakes.

The point I am making is I think a little personal experience with tax forms helps us to appreciate what a lot of people go through.

Mr. THOMAS. Especially with the availability of computer programs which help you with the accuracy of your math. I did it this time only because there was some property that had been my parents, and so it required me to go to a new form and work through that form.

Senator DURBIN. That is always exciting.

Mr. THOMAS. As you know, most of us have a fairly boring tax picture once you get in office because you do not want to be accused of doing things, so you get rid of all of those.

This required me to deal with it slightly differently, and frankly, I had to sit down and go back, read the material for preparation, read it twice and get a comfort level, then go to the help portion and continually ask questions as I was trying to fill out the form, your point obviously being well taken. It gives you a new appreciation for what I consider a fairly simple form and the difficulty in getting it right, which I hope I did.

Senator DURBIN. Well, I was glad to have somebody look over my shoulder, and I was also glad to be able to call the 800 number at the Internal Revenue Service and get answers to questions. People were extremely courteous and very responsive. I think they did a good job.

REVENUE ESTIMATES FOR PRESIDENT'S TAX PLAN

My question to you is, are the revenue estimates for the President's tax plan going to be forthcoming from the Joint Committee?

Ms. PAULL. Yes. They are in review right now. I have been out sick for a couple of days, but any day now they will be out.

Senator DURBIN. Good. That is all I have. Thanks.

Senator BENNETT. Thank you.

I gave up doing my own as soon as I was introduced to that wondrous document called the K-1, and that became impenetrable to me. I finally decided to turn this over to a professional. As long as I was dealing with the W-2, I was just fine.

Mr. THOMAS. If we traded resources, I would gladly go to a tax preparer.

Senator BENNETT. I will not comment on that.

Thank you very much, sir. We appreciate your being here and your support of this appropriations request. I think you are comfortable that you will get it.

Mr. THOMAS. I also just want to caution you that you can only hold the number at 66 for so long and you can only get productivity out of the same number for so long, and if the requests continue to go up, it is a function of additional people and more money. We are struggling with other budget numbers. I would hope folks would see this as not only appropriate but extremely reasonable for the work product that we get out of these people. They are very talented, but more importantly, they are very dedicated.

Senator BENNETT. Yes. Thank you for the warning.



LIBRARY OF CONGRESS—Continued

Senator BENNETT. We will now go to the Congressional Research Service. Again, Mr. Mulhollan, we appreciate your courtesy in allowing us to go out of order in that way.

Mr. MULHOLLAN. Thank you, Mr. Chairman.

Senator BENNETT. The budget request is \$7.7 million over the amounts appropriated last year. Half of this increase, I understand, is for maintaining current services, including the funding of the cost-of-living increases. The balance is to hire additional staff and to acquire capability that would come from the additional staff. We look forward to your statement and your explanation of what this additional staff would do.

Mr. MULHOLLAN. Thank you, Mr. Chairman, Senator Durbin. I really appreciate the opportunity to be here before you to present CRS' budget request for 2002.

I ask that my printed statement be a part of the record.

Senator BENNETT. Without objection.

Mr. MULHOLLAN. The rise of technology and the Information Age have fundamentally changed the way Congress works, from the nature of the public policy issues you debate, to the ways in which you conduct your daily work, to the methods you and your staff use to communicate, both within Capitol Hill and outside of Capitol Hill. At the same time, the nature of CRS research is changing as well from a primarily paper-based world to a digitally dominated universe.

What do these changes mean? They mean as Congress changes, so must CRS.

CRS is falling short in assisting you in critical new subject areas and working with you in an integrated, secure, and robust technology-based environment that allows us to provide you with the analysis and information you need where you need it, when you need it, and in providing the technical tools that our researchers need to perform their work for the Congress.

Our current resources are not enough to meet the new and increasing demands of policy making. Our budget request is designed to take action now before we fall even further behind.

There are two components to our request. One is to maintain our current services by funding mandatory cost-of-living and pay, just as you said, Mr. Chairman, and the balance is needed to acquire capacity to better analyze complex information and technology policy issues and to equip ourselves with the leadership, technical staff, skills, and tools necessary to address serious and significant gaps in capacity to analyze complex technology policy issues, and to conduct collaborative research and to apply technology to work and communication processes.

Specifically our plan is to hire five senior analysts to provide high level expertise and service-wide leadership on technology pol-

icy issues and to begin equipping ourselves with the leadership and technical staff and tools we need to use technology effectively and proactively to support the Congress.

Our request does not propose funding tactical change. Rather, it supports the strategic, mission-critical change necessary for the service to continue fulfilling its statutory mandate as the key non-partisan public policy research arm of the U.S. Congress in a digital environment. It is not about coping with the future; it is about confronting the future that is already here and threatens to leave us in its wake.

As the Congress is placing new and increasing reliance on information technologies, so too must CRS. We have always aligned our work with your work. That is our mission. That is our mandate. To continue the strong condition of service and reliability, CRS needs your help.

Thank you.

Senator BENNETT. Thank you very much.

#### INFORMATION REQUESTS

Do you have statistics similar to those we have just seen about requests from Congress?

Mr. MULHOLLAN. Yes, sir. In total, we respond to 600,000 requests a year.

Senator BENNETT. And is the trend upward?

Mr. MULHOLLAN. It is upward, but it has changed. It is a slightly upward number, but what is really changing is the access to the Web. The staff and Members are increasingly going to the Web for information, and we are learning how to do a better job in being responsive to Members, anticipating questions and having more interaction. Many web products have the name of the analyst and their phone number and their subject expertise so that they can provide more follow-up information. Also, if the request does not have to be answered within 24 hours, you can place that request now on our website, because we have gotten the security necessary for that.

And a particular new initiative is in the center part, the most valuable real estate on the website. We focus on the major 145 issues that are coming up this session in the most pointed way, in the most up-to-date manner and keep them up-to-date as those issues change. So, as the subcommittee moves to the full committee on action, we are taking that into account.

Senator BENNETT. So, let me understand. If my staff has an issue that they want help from CRS, in today's world the first thing they would do is not pick up the phone, but rather call up an appropriate Web page.

Mr. MULHOLLAN. They will call up the CRS website.

Senator BENNETT. And they might get the information entirely off the website and never talk to one of your analysts?

Mr. MULHOLLAN. That is correct.

#### PRODUCTIVITY

Senator BENNETT. Are you showing any increased productivity in terms, therefore, as a result of analysts' ability to off-load routine

activity onto the Web and be more available for more specific kinds of things, or is that just a dream?

Mr. MULHOLLAN. No, it is not a dream. It is happening in a number of areas. First of all, since 1992 CRS has 117.4 less staff and roughly the same number of requests.

Senator BENNETT. 1992?

Mr. MULHOLLAN. From 1992, it has been 117, a 14.1 percent reduction.

Secondly, what we have been able to do—I will give you an example. We have an electronic briefing book on campaign finance. What we have been able to do, as a result of that, is provide our two lead analysts, Page Whittaker, an attorney with our American Law Division, and Joe Cantor, an analyst in our Government and Finance Division, with tools to manage their workload for one-on-one conversations because they were able to direct, during the debate, many of the calls coming in to the website so that they could focus those questions that they had not either anticipated or had already responded to earlier on.

We look at every CRS report that we do as a workload manager. So, for instance, if I do an analysis for you on a directed memorandum, of which we did 1,000 last year, and one for Senator Durbin, I am looking back and saying, we are getting questions on roughly the same issue. If I do a report, I can manage 85 percent of the requests coming in so that I can focus my attention on those 15 percent that are more targeted, when someone has a specific amendment or there is a regional or other focused concern.

#### CHANGING NATURE OF THE WORK OF CRS

Senator BENNETT. This is not an appropriate question for this particular appropriation, but I will take the opportunity to ask it anyway. It occurs to me when I served on a Senate staff, the Senators felt newly liberated because they had come out of what was then called the Old Senate Office Building with the creation of the new Senate Office Building. So, Senators had come from three rooms to five rooms and naturally filled the five rooms with extra staff. Now I have 10 rooms, plus whatever I can steal by virtue of committee assignment.

Completely out of the blue, but do you have a sense that the proliferation of staff among Members of Congress has increased the demands on CRS or decreased?

Mr. MULHOLLAN. Well, first, if you recall, there was a 15 percent reduction in the Senate and Senate committee staff not too long ago.

Senator BENNETT. Yes, I was part of that.

Mr. MULHOLLAN. My sense is actually that the way the work is changing reflects the challenges that you face in the body. Our request emphasizes our need for expertise to deal with the impact of new information industries and the way they impact other subject policy areas. You reduced staff resources but the issues require greater expertise and examination of complex data—and these are issues that greatly affect people's lives. For example, Congress will soon have to reauthorize Temporary Assistance for Needy Families (TANF). And of course there are other issues, such as the dairy concerns in the Farm Bill, which are highly complex and require

specialized knowledge. On the other hand, there is less specialization in the Senate, and I think that trend in part is a result of the demands of campaign financing and the need to have more diverse sources of funding. In addition, I think it is also affected by the impact of the greater economic diversity taking place within the States, and so you are less apt to have homogeneity of industries within a State. Therefore my sense is—I have been here for 31 years—that in fact Members of the Senate have to pay attention to more issues than they have in the past, and that the tradition of Senator specialization in a particular cluster of issues has been in decline. There are simply more issues you have to pay attention to. There may be other factors contributing to the development I have not thought of.

Senator BENNETT. I have that same sense. I appreciate that.

#### SECURITY ISSUES

What is the status of the program to provide Members' district offices with secure access to CRS?

Mr. MULHOLLAN. I'll provide some information for the record. [The information follows:]

#### AVAILABILITY OF AND ACCESS TO THE CRS WEB SITE BY CONGRESSIONAL STATE AND DISTRICT OFFICES

Congressional state and district offices currently have full access to the Congressional Research Service (CRS) Web site. The security of the site is provided by the Capitol Hill-wide network (CAPNET), to which all congressional offices have direct access. The site ([www.crs.gov](http://www.crs.gov)) not only provides these offices with up-to-date analysis and research on current legislative issues, but also makes available to them sources that may be of particular value to state and district offices, such as:

- resources related to the CRS District/State Staff Institute (a regular CRS seminar on matters of interest to these offices);
- information on federal grants and non-financial assistance;
- the "In the Mailbag" page; designed to direct and inform offices on issues about which they are receiving constituent inquiries and mass mailings; and
- online sources to supplement state and district office reference collections.

Information security has always been a critical tenet of any communication between CRS and congressional offices, whether on the Capitol Hill campus or in state and district offices. Electronic communication links to state and district offices that are not in physical proximity to the Service are particularly important. The fiscal year 2002 CRS budget submission has several components that will enhance the Service's ability to provide secure electronic services to all congressional offices: additional technical staff for the Service, a Web server cluster which will host the CRS Web presence for the Congress, and contract funds specifically earmarked for (1) overall system security, and (2) development and deployment, with a security focus, of needed hardware and software. Specific impacts include:

- Enhancement of the current Web-based CRS inquiry system. Congressional staff may now place requests for CRS services electronically, 24 hours a day, using a secure Web-based interface on the CRS Web site. This is especially useful for state and district offices not operating in the eastern time zone and who consequently have business hours that extend beyond those of Washington, DC.
- Ability to explore approaches to providing secure remote access—such as virtual private network technology (VPN)—to CRS services from state and district offices, (as well as to Members and staff who, due to travel or other responsibilities, cannot access the CRS Web site through the standard CAPNET connections).
- Employment of technologies to enhance the reliability and security of materials provided directly to the Congress and through the Congress, to constituents (often interacting with Members through their state and district offices).
- Enhanced security of e-mail between CRS and congressional Capitol Hill, state, and district offices by exploring a variety of secure enhancements to e-mail communications, including encryption, Web-based e-mail using VPN technology, and other options.



—Improvement of the reliability and security of the CRS Web presence for the Congress to assure that operations will not be interrupted if systems failures or disasters were to occur.

Mr. MULHOLLAN. The budget request will help us towards that end. One of the benefits for CRS that helps us on computer security is that we have a sole client. That is you. So, whereas in the Library of Congress, the security challenges are of a different nature, inasmuch as they have such a public role, for the Congressional Research Service our budget request seeks to ensure the security of our systems from any public access.

Four years ago, we had the National Security Agency help us conduct our first whole review of computer security, and it was extremely sobering. We have private organizations continuing to examine this and worked very closely with the Library on a number of those issues. But we have a long way to go. But this request will help us to maintain security between State and district offices and ourselves.

Senator BENNETT. When you say it was sobering, go a little further down that. What is the source of the threat? Again, is it hackers wanting to deface the site or is it somebody trying to interfere?

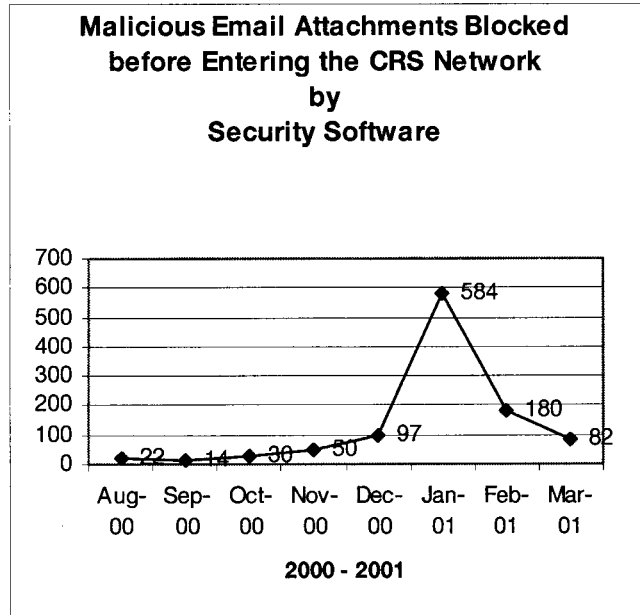
Mr. MULHOLLAN. I think it is all of the above. Part of it, you have to realize that, of course, when you have someone who is mischievous as opposed to someone who is malevolent, that when you are dealing with the drafting and the consideration of the Nation's laws, that there are a whole host of considerations we take in account and those who would want to cause harm in varying degrees. We could be embarrassed if someone wanted to just change the numbers in a memorandum being sent to you.

But I think also because CRS stands for the principle of extension of staff, confidentiality is paramount. Right now there has been demand in the Senate, for electronic communication, and Senators will say, well, I will take responsibility to send something to them. I still say no, because the fact is that though there may be a momentary embarrassment if a certain type of request a Senator asks would be made public, it would devastate the reputation of CRS because we must be certain that our reputation remains inviolate, that no one ever knows what we are asked by our client. Any damage to our reputation would be permanent. So, that is an absolute. We are working very hard on security of those communications between ourselves and you.

[The information follows:]

#### CRS COMPUTER SECURITY INCIDENTS

The following describes computer security incidents that have occurred within the past year that have either directly, or indirectly affected CRS.



This graph shows the number of malicious code email attachments that were intercepted and removed by Guinevere (an e-mail filter program that eliminates many viruses and other potentially dangerous programs) software before they could enter the CRS network. The total count for instances of malicious code (dangerous programs) prevented from entering CRS between August 2000 and March 2001 is 1,059. The spike during January may be interpreted as a holiday effect, where friends unknowingly send each other email greetings with malicious code attachments.

Since January 2000, there have been several other documented security incidents that either directly, or indirectly involve CRS:

- January 16, 2000 ... The Library of Congress (LOC) Web site was hacked. The Thomas Web pages were altered by a hacker group calling themselves "Lamer's Team". The news story can be found at <http://dailynews.yahoo.com>. The hackers gained access to 3 hosts, however there was no report that the hackers gained access to ISIS files on the SP-13 Web host.
- February 4, 2000 .... An external Web device scanned the LOC network, specifically targeting CRS servers. (A "scan" through the Internet is an attempt by a hacker to find a computer that has any type of vulnerability known to the hacker, for example, a Trojan Horse. A Trojan Horse is program that can be secretly installed on a PC or a server. If a hacker finds and triggers a Trojan Horse program, it can open a back door that the hacker can use to take control of the computer.) In this case, the LOC agency firewall successfully blocked these attempted scans.
- February 25, 2000 ... An external Web server scanned the LOC network a second time, specifically targeting several CRS servers. This second scan was successfully blocked by the LOC agency firewall, but it was worrisome because it indicated that a hacker may be in the process of becoming familiar with part of the LOC network internals.
- March 6, 2000 ..... A Trojan Horse program was identified and purged from an email message sent to a CRS user. This Trojan Horse program, called "PWSteal.TrojanB" reportedly was designed to send out password information to a 3rd party.
- March 23, 2000 ..... A CRS user was singled out as the target for a scan from outside the agency. Investigation showed that this was the possible result of the CRS user previously visiting a hacker Web site, which may have then targeted his machine for scanning. The LOC agency firewall blocked the attempted scan.

- May 4, 2000 ..... The LOVE-BUG virus was distributed worldwide. CRS immediately updated its Norton Anti-Virus software, which was quickly distributed to all CRS desktops. There were no reports of CRS being affected by the LOVE-BUG virus.
- July 12, 2000 ..... The CRS portion of the LOC network was targeted by scans coming from the "Iwon" Web site. This Web site offers games and amusements, and may also target visitors for future scans after attempting to plant a Trojan Horse on the user's PC. The LOC agency firewall blocked the attempted scans.
- October 4, 2000 ..... A CRS user received network traffic that was illogical to the agency firewall, which then tripped an alarm for the agency firewall administrator. The agency firewall blocked this suspicious traffic to the CRS user's desktop. Analysis showed the CRS user was receiving messages from a Web site that had been substituted for the original Web site the user visited. Some Web sites have the ability to shift a user from one site to another, without the user knowing that this is happening. Sometimes this switching is valid, but it must be implemented correctly to avoid alarms. This Web site switch has the potential to be a security problem, if the substituted Web site is owned by a hacker.
- October 14, 2000 ... ITS announced that it will periodically scan the LOC network to try to identify any PCs that have Trojan Horses.
- April 26-May 3, 2001. The LOC network was the target of a prolonged series of scans coming from Linux servers located in many different parts of the world. The firewall administrator identified 65 Linux servers that apparently were taken over by hacker code, and directed to scan the LOC agency. The LOC firewall administrator notified many of the Web masters for the Linux servers, who immediately disconnected their compromised machines for rebuilding. Some of the Linux server administrators could not be contacted. Because these scans were from a fixed group of servers, were 5 or 6 days duration, and were directed in a systematic pattern of scans, it may be considered an attack. CRS network addresses may have been targeted specifically. However, CRS' network was not compromised.
- May 14, 2001 ..... A CRS network address (in this case a specific PC in CRS) was the target of a series of network scans that lasted from May 3 to May 14. The scan repeatedly sought a response from network ports 2583 and 5742, which are well known ports associated with Trojan Horse programs. The majority of the computers sending the scans were located in Brazil, with several also located in other nations. The agency firewall blocked these attempted scans, so the CRS network was not compromised.

CRS has identified two approaches to address these attacks, especially the April 26-May 3rd and May 14th incidents:

- (1) CRS regularly applies operating system patches and updates to all its servers. CRS is currently instituting a process of tracking and documenting all such updates as they are accomplished.
- (2) An intruder detection system (IDS) should be implemented in CRS to continuously scan all server logs and alert administrators to suspicious activities. This security component is part of the 2002 CRS budget request.

Senator BENNETT. Senator Durbin.

#### CRS WORKLOAD

Senator DURBIN. Interesting. We just had the Joint Committee on Taxation talk about 66 employees and 3,000 requests. You have 713 employees and 600,000 requests. Quite an increase in order of magnitude here. But I also notice that 92 percent of your requests are answered the same day.

Mr. MULHOLLAN. That is correct.

Senator DURBIN. We may be comparing apples and oranges here between what is expected of each source of information. But can you give us an idea, when you talk about the workload that your people are facing, if we are talking about 600,000 requests in the course of a year and so many are answered the same day, are some of these routine requests for information?

Mr. MULHOLLAN. Well, you have to remember a good portion of those requests—and I will submit the data for the record—are those that are hits on the website. Someone can spend literally 4 hours on the website doing a number of things.

For instance, I was talking to a staff person for a Senator, and they were very complimentary of the website because they are able to take text off the web product to help on a statement and use it to provide background on an issue. The web material can be downloaded into word processing programs and thus enable congressional staff to use the website literally as an extension of staff.

So, in one instance you or your staff can go to the CRS website to use our analysis of public policy issues. This is one efficient way for you to get your answers. That is our business plan and that in fact is what is happening I believe here.

But at the same time, I can have one colleague working 3 months on one particular long-term report.

I would be happy to provide you the data of how that breaks down. Of that 8 percent, that is still dealing with 57,000 requests that are answered differently as well within 24 hours.

But a great deal of the importance of the use of CRS is for you to talk to the expert. It can be a simple phone call or having him come over and brief you for what time you have, 15 minutes or an hour. That is within the same day. But at the same time, you have had the expert available to you when you want it.

[The information follows:]

#### CRS ON-DEMAND SUPPORT FOR THE CONGRESS

CRS provides on-demand support for the Congress across the full range of policy issues. Congress places a premium on immediate access to authoritative information and high-level expertise and CRS endeavors to meet these needs through a variety of well-developed and highly effective planning activities and work practices.

##### *The nature of CRS "same-day" services*

The following characterizations of significant classes of "same-day" interactions between Congress and CRS demonstrate the nature of congressional access to information and analytical expertise from CRS as well as our responsiveness to the needs of the Congress.

—About half the congressional requests placed with CRS subject experts are made by direct telephone contact from congressional staff to specific CRS experts.

Typically, such contacts entail immediate consultation to assist staff with work in progress, to provide perspectives and information relating to breaking events or supporting last-minute meetings, and to assist with impending legislative actions including, for example, procedural and substantive consultations on floor amendments.

—Forty percent of roughly 2,000 in-person briefings CRS experts conduct annually for Members and staff are carried out on the same day they were requested and many of the remaining are carried out within 24 hours.

Briefings provide obvious benefits to both parties in the context of the need for immediate assistance. These include direct interaction, easy integration of documentation into discussions, and the ability to expand the number of participants which often results in participation of CRS experts representing different disciplines.

—Member and staff attendance at more than 300 CRS seminars, institutes and training sessions is an important same-day CRS service.

Historically, a little over one-half of those registering for events actually attend, making the ultimate decision about whether or not to attend on the day of the event. This pattern, along with multiple registration dates for each event, supports the CRS convention of regarding attendance as same-day service for the approximately 10,000 attendees at sessions conducted for new Members, quarterly reviews on the economy, public policy institutes, and institutes on legislative processes and procedures, among others.

—Congressional use of CRS electronic resources, another same-day CRS service, is essential to providing focused, authoritative and timely support to meet a large volume of daily needs across many policy areas.

CRS uses the convention of counting congressional use of its electronic services as same-day delivery of services to capture and emphasize the congressional experience in obtaining assistance. CRS made major advances in providing electronic services to the Congress early this year with the release of a totally redesigned CRS Web Site featuring an initial version of a menu-based approach to key CRS products on current legislative issues. Other electronic services include CRS Electronic Briefing Books, CRS products relating to the weekly House and Senate floor agenda, automated searching of all CRS products, and online access the Constitution Annotated which is prepared in CRS.

#### *Preparations underlying “same-day” services*

Preparations underlying same-day interactions between the Congress and CRS are resource intensive, time-consuming and analytically challenging. With extremely rare exception, these preparations are not reflected in response time data.

CRS researchers prepare about 1,000 new CRS reports and issue briefs annually. Each of these products, by design, is intended to meet known and anticipated needs of a number of Members and staff. With only an occasional exception, this kind of work is not represented in response time data. Yet this work supports a large volume of congressional needs, typically on an immediate basis, as demonstrated by distribution of over 700,000 copies of such products annually.

Generally, CRS information specialists and policy experts must accrue information, develop analytical frameworks and arrive at insights through ongoing processes to be able to meet a variety of congressional needs when they arise. Thus, CRS energy experts must be positioned to respond to substantive policy questions about the Administration energy proposal upon its release and, in some cases, even before its release because of the availability of and congressional interest in preliminary information. CRS experts face similar requirements across the full array of policy areas including Medicare coverage of prescription drugs for the elderly, military base closures, flexibility and accountability in Federal education programs, campaign finance reform, narcotics control, United States-China relations, stem cell research, marriage neutrality and the Federal income tax, fast-track for trade implementing legislation, patients' rights, etc.

Again, through a variety of well-developed and highly effective planning activities and work practices CRS strives to meet congressional needs for immediate access to authoritative information and high-level expertise on the full range of policy issues. As recent significant enhancements to the CRS Web Site services indicate, efforts in this direction are also continuing.

### CONGRESSIONAL RESEARCH SERVICE

[Summary of Completed Requests and Services Provided—Fiscal Year 2000 (All Four Quarters)]

Requester Category	Detail of Requests and Services					
	Total Requests and Services <sup>1</sup>	Analysis, Information, and Research Requests <sup>2</sup>	Cited Material and CRS Product Requests <sup>2</sup>	Seminar, Institute, and Training Participants	Reference Center Direct Requests and Self Service	Client Use of CRS Electronic Services
Total, All Requesters <sup>3</sup> .....	597,546	93,874	29,954	9,654	56,576	407,488
House, Total .....	353,388	61,764	20,329	5,739	33,053	232,503
Members .....	99,310	51,228	18,526	4,883	24,673	NA
Committees .....	21,575	10,536	1,803	856	8,380	NA
Automated (not specified) <sup>4</sup> .....	232,503	NA	NA	NA	NA	232,503
Senate, Total .....	234,634	31,087	8,466	3,738	23,202	168,141
Members .....	53,516	23,690	7,288	3,127	19,411	NA
Committees .....	12,977	7,397	1,178	611	3,791	NA
Automated (not specified) <sup>4</sup> .....	168,141	NA	NA	NA	NA	168,141
Joint .....	1,194	653	217	41	283	( <sup>5</sup> )
Congressional Support Agencies .....	7,332	370	288	136	38	6,500

## CONGRESSIONAL RESEARCH SERVICE—Continued

[Summary of Completed Requests and Services Provided—Fiscal Year 2000 (All Four Quarters)]

Requester Category	Total Requests and Services <sup>1</sup>	Detail of Requests and Services				
		Analysis, Information, and Research Requests <sup>2</sup>	Cited Material and CRS Product Requests <sup>2</sup>	Seminar, Institute, and Training Participants	Reference Center Direct Requests and Self Service	Client Use of CRS Electronic Services
Not Specified <sup>6</sup> .....	998	NA	654	NA	NA	344

<sup>1</sup>78 percent of Total Requests and Services are immediate services by definition; this includes the following: Reference Center Direct Requests and Self-Service, Product Distribution Center walk-ins, and Client Use of CRS Electronic Services.

<sup>2</sup>Analysis, Information, and Research Requests and Cited Material and CRS Product Requests no longer include Reference Center Direct Requests, effective fiscal year 1996.

<sup>3</sup>During fiscal year 2000, CRS provided services to all Members and all Committees; committee data include party organizations; House and Senate combined totals sorted by client category: Members:152,826; Committees: 35,746; House and Senate Automated: 400,644.

<sup>4</sup>Sign-ons to CRS electronic files (CRS Web), though identified by House or Senate, are not identified by Member or Committee.

<sup>5</sup>Joint committee electronic services are included in either House or Senate figures, depending on telephone location.

<sup>6</sup>Stats Line calls, Fax-on-Demand, and some cited product requests of the Product Distribution Center cannot be identified by client category.

Senator DURBIN. We had a conversation about this in my office. It came up earlier with the Library of Congress. One of the elements in your request is for additional technically skilled personnel. I have asked what kind of incentives are being used, including student loan forgiveness and deferral and bonuses. Do you anticipate including that as one of your incentives?

## INCENTIVES FOR RECRUITMENT

Mr. MULHOLLAN. We are, in fact, looking at the student loan program, working particularly with the Library of Congress' general counsel and with our own graduate recruits. We have brought in, I think, between 50 and 60 grad recruits coming in fresh from the schools. We had, 2 years ago, the Maxwell School of Syracuse do a study on recruitment. What are the factors involved in bringing people in? One of the challenges I have mentioned before is the question, first and foremost, of public service. But secondly, it is not as much money, though that is important, as the interest in the job. What CRS offers is in fact that you are helping Congress work and write the laws of the Nation. That is the kind of person we want to come in here, and that is the kind of persons that we have on staff and are currently working for you. If you can get that motivation and that inspiration which you provide, then the other things are important, but not nearly important as that motivation.

## TUITION ASSISTANCE

My understanding right now of the OPM guidelines with regard to tuition assistance is they use it as almost like a hiring bonus. First, for retention, and secondly, if they can provide unique skills. If I have 10 applications, a Ph.D. in field biology, I may not say that that one student's skills are unique. We are examining what options can be. I would be happy to work with you to get more flexibility for helping students, particularly those who have these graduate education debts.

Now, for instance, the JFK School offers a certain percentage of their tuition to be placed aside, to be forgiven, if they work in public service I believe. I think that that sort of thing could be encouraged in schools because they found the problem that more and more of their students were not going into public service, and that

a third went to the private sector, a third into the nonprofit sector. That is a couple-year-old data. But programs like that, working with what we can also do in here, I think would be extremely helpful and appreciated.

#### ADDITIONAL COMMITTEE QUESTIONS

Senator BENNETT. Thank you very much, Mr. Mulhollan. We appreciate your testimony and we appreciate the service you render to the Congress.

Mr. MULHOLLAN. Thank you very much.

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

#### QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

*Question.* Dr. Billington, I would like to congratulate you and the Library for reaching the bicentennial goal of making available on-line more than five million historically significant digital items. These digital materials will help improve the teaching of American history and other subjects throughout the country.

Does the Library's fiscal 2002 budget provide funding for making available more digital content?

*Answer.* Yes, the existing fiscal 2001 base includes funding that will continue to add content. The fiscal 2001 base funds for the National Digital Library total \$8,458,715, which includes resources to add content. No new funds are included in the request for content.

*Question.* The Office of Compliance issued a fire safety report earlier this year regarding the Library's buildings. Following the report, several citations were issued both to the Library and to the Architect of the Capitol.

How does the Library plan to address these fire safety citations? Do you believe that the Library's collections are safe?

*Answer.* The fire safety report identified problems similar to those identified in the Capitol and other congressional office buildings. The Library's staff and collections are not in eminent danger; the media characterization of the buildings as "fire traps" is an exaggeration.

The Library implemented a plan that corrects all of the issues identified as our responsibility. About 75 percent of the items identified by Office of Compliance fall under the Architect's area of responsibility (1,773 items are under the Architect's purview and 503 are the Library's responsibility). Items that fall under the Library's responsibility involve issues such as improper storage and blocked doors—items which are symptoms of overcrowding—and which the additional space at Fort Meade and Culpeper will help to reduce. By April 24, 2001, the Library had corrected 92 percent (463) of the issues under our purview, and we are working with the Architect to ensure the quickest and best possible resolution of remaining issues.

*Question.* The Library celebrated its bicentennial last year with a number of successful events and projects. Dr. Billington, you indicated that the purpose was not just to celebrate the past but to point toward the future.

What elements of the Library's bicentennial celebration were the most important for the future of the Library?

*Answer.* The Library's Bicentennial's highly successful Gifts to the Nation program had two facets: first, the Library's gift was the National Digital Library which digitized 5,000,000 items for the American people to access and enjoy; and second, the Library brought in donations and treasures from public. The largest single gift was from the Kluge Foundation—\$60 million to establish a scholarly center and a \$1 million prize in Human Sciences. Other gifts include: Harry A. Blackmun's papers; the first American Haggadah; a letter of Beethoven's; a Persian celestial globe; a survey of land in Frederick County, Virginia, signed by George Washington; and James E. Hinton's 1960's Civil Rights photographs. In addition, 82 nations of world presented over 1,000 publications—many of them rare or limited edition items—for "International Gifts to the Nation Project".

The Local Legacies Project is a significant and far-reaching program which involved the Congress, individuals, libraries, and local organizations throughout nation in celebration of America's richly diverse culture. Local Legacies teams documented creative arts, crafts, and customs representing traditional community life:

signature events such as festivals and parades; how communities observe local and national historical events; and sites and occupations that defined a community's life. Seventy-seven percent of the Congress—412 of the 535 Members—registered nearly 1,300 Local Legacies projects from every state, trust, territory, and the District of Columbia. Four thousand Americans provided 46,000 photographs, written reports, sound and video recordings, newspaper clippings, posters, and other materials as part of their projects. Almost 1,000 projects received and are currently in the process of being included in the American Folklife Center's collection. A century's end time-capsule, the scenes, sights, and events of everyday America featured in these projects are a testament to the uniqueness of our nation and to the pride of its citizens in their heritage. In appreciation for the contributions of Local Legacies participants, three days of special tours and opportunities to meet with Library staff were scheduled in late May. In addition, a festive reception was held in the Great Hall, attended by two thousand participants and Members. A sampling of Local Legacies photographs and project descriptions is available on the Bicentennial Web site ([www.loc.gov/bicentennial/](http://www.loc.gov/bicentennial/)) and fund-raising continues for resources needed to digitize and put on-line a more complete selection of project materials.

*Question.* Congress approved \$1.2 million in the fiscal year 2001 budget to start a 30-year mass deacidification project. I understand the goal of this project is to save approximately 8.5 million books as well as millions of manuscript sheets.

What is the status of this project? What are your plans for fiscal year 2002?

*Answer.* The Library has a very successful Mass Deacidification Program. To date, we have deacidified over 340,000 books. The current plan calls for deacidifying at least 100,000 books in fiscal 2001, with that number increasing to 150,000 books in fiscal 2002. The plan also includes deacidifying over 1,000,000 sheets of manuscript annually.

*Question.* The American Folklife Center has a backlog of more than 700,000 unprocessed items, including thousands of items documenting community culture from every state in the country as part of the Local Legacies project.

How does the Library plan to address the processing of this backlog?

*Answer.* The American Folklife Center's Folk Archive was established in 1928. There were 167,139 items included in original 1989 arrears which built up over time due to insufficient staffing. Recent special projects, such as the "Local Legacies", have resulted in large amounts of materials being received by the Center in a relatively short period of time. The Library's fiscal 2002 budget request includes funding for five new archival positions, to achieve a full archival staff that is expected to process approximately 80,000 items per year.

The additional staff will not eliminate completely the backlog; some level of arrears will remain constant as new collections arrive and others are processed. The additional staff will reduce and manage the backlog. In particular, the staff will enable the Center to keep abreast of backlog by reducing the time between acquisition and public access to six to eight months, which is a reasonable delay. Without the requested funding for the additional staff, unprocessed items could double to approximately 1.5 million items.

*Question.* Dr. Billington, in October 2000, Congress approved an oral history program to collect video and audio histories of veterans of our Armed Forces who served during a period of war. The Library's fiscal year 2002 budget request includes an increase of \$249,776 to begin developing the nationwide partnership program called for in the authorizing legislation.

What steps is the Library taking to implement this program?

*Answer.* The Veterans Oral History Act passed unanimously in both Houses, included authorization to spend \$250,000 in first year. The Library's fiscal 2002 request includes \$250,000 "seed money" that will allow the Center to hire nine essential staff positions to establish the congressionally mandated Veterans History Project and to fulfill the Center's core mission to preserve and protect our priceless heritage of grassroots American cultural life by: beginning construction on the project database; printing and disseminating a "Collectors Kit"; and convening experts and partner organizations. Right now, fifteen hundred World War II veterans die every day—we cannot wait any longer. The Library will also be raising private money to support this Congressional initiative, but we need a financial commitment from Congress to encourage private donations.

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QUESTION SUBMITTED BY SENATOR TIM JOHNSON

*Question.* As a new member of the Subcommittee, I look forward to working with Chairman Bennett and Ranking Member Durbin to learn more about the important provisions of the Legislative Branch. As we all know, an integral part of the Li-



brary's mission is to catalog the rich contributions made by American authors and innovators. The American Folklife Center expands that to the documentation of contributions to the rich tapestry of Americana made by everyday Americans in their daily living. For instance, the Center has worked in my state of South Dakota to preserve the pow-wows of Native Americans, which are currently recorded on fragile wax cylinders. For the past twenty years, the Folklife Center has received a static level of funding of \$1 million. Last year, Congress added the Veterans' Oral History Project to the work done by the Folklife Center.

What impact does this new mandate have on the Center and its financial ability to carry out its other archival and documentary functions?

Answer. The Veterans' Oral History Project (now named the Veterans History Project) will have an enormous impact upon the small staff and limited resources of the American Folklife Center. This large and ambitious project was mandated through Public Law 106-380, passed unanimously by both Houses of Congress last fall. The project has been greeted enthusiastically by veterans organizations, oral historians, folklorists, and private citizens around the country. The potential partners for this project together have a member base of over 10 million possible participants, representing an enormous grassroots interest. The Veterans History Project includes both programmatic activities of outreach, education, and coordination, as well as collection-building activities such as preservation, processing, storage, and reference. Already, Folklife Center staff have been assigned to planning for this national project, and preparations are underway for handling the important historical materials that will be created and deposited at the Center. In addition, the Center has recently received several other outstanding grassroots collections of enormous size (the Local Legacies Project Collection; the International Storytelling Center Archive; and the archives of the National Council for the Traditional Arts and the National Heritage Fellows of the National Endowment for the Arts). These new and important collections have stretched the Center's limited resources and staffing beyond capacity. The Center's fiscal 2002 request will allow us to hire nine essential staff positions to establish the congressionally mandated Veterans History Project and to fulfill the Center's core mission to preserve and protect our priceless heritage of grassroots American cultural life.

#### SUBCOMMITTEE RECESS

Senator BENNETT. The subcommittee is recessed.

[Whereupon, at 11:22 a.m., Wednesday, May 2, the subcommittee was recessed, to reconvene subject to the call of the Chair.]



## LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2002

THURSDAY, MAY 10, 2001

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

The subcommittee met at 10:05 a.m., in room S-128, the Capitol,  
Hon. Robert F. Bennett (chairman) presiding.

PRESENT. Senator Bennett.

### 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  
CHARLES C. COOK, SUPERINTENDENT, CONGRESSIONAL PRINT-  
ING MANAGEMENT DIVISION  
WILLIAM M. GUY, BUDGET OFFICER  
ANDREW M. SHERMAN, DIRECTOR, CONGRESSIONAL AND PUBLIC  
AFFAIRS

OPENING STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. The subcommittee will come to order. I'm informed that Senator Durbin and Senator Johnson may not be able to join us because of unavoidable conflicts this morning. We hope that they can, but we will go ahead. And, without objection, their statements for the record will be included in today's hearing, and any questions they have for the witnesses will be submitted to you in writing if they don't show. We ask that you respond accordingly. Thank you.

Now, we welcome Michael DiMario, the Public Printer. And I understand that, Mr. DiMario, you have Robert Mansker, Deputy Public Printer—these are familiar faces—Francis Buckley, Superintendent of Documents, Charles Cook, Superintendent of Congressional Printing Management Division, and William Guy, the GPO's Budget Officer.

Mr. DiMARIO. And I also brought with me Andrew Sherman, the Director of our Congressional and Public Affairs Office.

Senator BENNETT. Okay, very good. Now, for fiscal year 2002, the Government Printing Office is requesting a total of \$126.5 million, which breaks down to \$90.9 million for the Congressional Printing and Binding Appropriation, \$29.6 million for salaries and expenses, \$6 million for the revolving fund, a total increase of \$27.3 million,

or 27.6 percent, over fiscal year 2001. This is a substantial increase over what was appropriated for the year 2001. A majority of it is within one account, the Congressional Printing and Binding Appropriation. And some will be surprised by a 27-percent increase, and I expect you will address that and talk to us about it.

So, Mr. DiMario, with that, let us hear from you. And again, welcome to the committee.

OPENING REMARKS OF MICHAEL F. DIMARIO

Mr. DIMARIO. Thank you, Mr. Chairman and members of the subcommittee. It's a pleasure to appear before you to present the request of the Government Printing Office for appropriations for fiscal year 2002.

As you have noted, with me are the Deputy Public Printer, Bob Mansker, Francis Buckley, the Superintendent of Documents, Bill Guy, our Budget Officer, Charlie Cook, the Superintendent of Congressional Printing Management, and Andrew Sherman, the Director of Congressional and Public Affairs.

With your permission, I will briefly summarize my prepared statement, which has been submitted for the record.

Senator BENNETT. Please do.

Mr. DIMARIO. As you've indicated, for fiscal year 2002, we're requesting a total of \$126.5 million. This includes \$90.9 million for the Congressional Printing and Binding Appropriation, \$29.6 million for the Salaries and Expenses Appropriation of the Superintendent of Documents, and \$6 million for GPO's revolving fund, principally to replace our aging air-conditioning system. Our requested increase, while more than the President's targeted four-percent increase for fiscal year 2002, is primarily to ensure that enough Congressional Printing and Binding funds are available to cover congressional work. The requested increase includes \$9.9 million to fund a prior year's shortfall and a \$9.5 million adjustment to ensure that sufficient funding is available for fiscal year 2002. Otherwise, we project that congressional printing costs for fiscal year 2002 will increase by about \$200,000 over fiscal year 2001.

For the Salaries and Expenses Appropriation, we are asking for a modest increase to fund eight additional staff in our Cataloging and Indexing and Federal Depository Library Programs, and for electronic information service improvements. At the direction of the conferees on the fiscal year 2001 Legislative Branch Appropriations Act, we have advised depository libraries that online formats are now the primary means of dissemination in the program. We are continuing to transition the publications made available to depository libraries to electronic formats as quickly as we can without jeopardizing public access to titles for which there are no dependable electronic equivalents.

We are asking for \$6 million to replace our air-conditioning system. This project was recommended last year in an energy audit of GPO conducted by the GAO at the request of the Joint Committee on Printing. The audit said GPO is in urgent need of upgrading its air-conditioning system, which consists of chillers that have outlived their useful lives and are leaking coolants containing CFCs that are harmful to the environment and which can no longer be legally manufactured. They are energy inefficient and are

at high risk of failure. GAO also recommended that we install more energy-efficient lighting throughout GPO.

We are seeking a direct appropriation to finance these projects. Otherwise, they will have to be financed through the revolving fund, which will require us to reimburse the fund through rate adjustments. The installation of our air-conditioning system in the early 1970s was funded by direct appropriations. As you will recall, the Senate included funding for this system in its recommendation for GPO for fiscal year 2000.

Finally, we're seeking two legislative changes. The first is a 3-year extension of our current retirement-incentive authority, which includes early-out and buyout authority. We have had this authority since fiscal year 1999, and it will expire at the end of this fiscal year. We have utilized the early-out authority to effect 71 retirements achieving a savings of more than \$3.5 million.

We have not used the buyout authority to date, but the ongoing downward trend in document sales due to the Internet is causing continuing losses in our self-financing sales program. We may need this authority in the future to adjust the sales workforce levels to a more appropriate size.

The second change we are seeking is an adjustment to the statutory pay for the Public Printer and the Deputy Public Printer to restore parity with other legislative branch agency heads and deputies. As an appointee of the previous administration, I make this request not for myself, but for the interest of future GPO leaders.

Mr. Chairman, I appreciate the opportunity to have worked with you over the past several years. Your leadership and guidance have been invaluable to GPO, and I personally have always appreciated the courtesy you have shown me in my dealings with you.

#### PREPARED STATEMENT

This concludes my statement, and I will be pleased to answer any questions you may have.

[The statement follows:]

#### PREPARED STATEMENT OF MICHAEL F. DIMARIO

Mr. Chairman and Members of the Subcommittee, I am pleased to be here this morning to present the results of Government Printing Office (GPO) operations for the past year and to request appropriations for fiscal year 2002.

#### RESULTS OF 2000

GPO began the fiscal year with its second consecutive annual designation as the Nation's leading in-plant printing operation, a tribute to the continuing efforts and dedication of its skilled workforce. Noting that 2000 marked GPO's 139th year, the December 1999 issue of In-Plant Graphics magazine reported that "GPO has drastically changed itself over the past few years from a strictly ink-on-paper provider to a high-tech digital data delivery organization." We earned our third consecutive designation as the Nation's leading in-plant in the December 2000 issue of In-Plant Graphics. In between these two designations, GPO engaged in a number of high-tech online and print activities that supported Congress and Federal agencies, and which helped keep America informed.

Improving public access to electronic Government information was a major focus of our activities in 2000. By arrangement with the U.S. District Court for the District of Columbia, GPO was the outlet for all documents issued by the Court during the *Microsoft* case in both online and print formats. GPO provided technical support and hosting technology for the Supreme Court's new Web site, which later in the year was the focus of intense public scrutiny with the release of the Court's decisions in the Florida election case. Following the direction of the conferees on the

fiscal year 2001 Legislative Branch Appropriations bill, we set new policies for accelerating the transition of GPO's Federal Depository Library Program to an increasingly online basis—a transition that has been underway since 1996. Earlier this year, GPO Access, our Internet information service ([www.gpo.gov/gpoaccess](http://www.gpo.gov/gpoaccess)), was used to release the President's budget documents for fiscal year 2002.

GPO also launched new partnerships with the Department of Energy and the National Library of Medicine to create new online links to scientific and technical as well as medical information, and continued talks with legislative, executive, judicial branch agencies toward the development of effective strategies for ensuring permanent public access in this electronic age. Technology improvements included installing a new T3 fiber optic Internet connection to handle the increased demand for public access to Government information on GPO Access, and investigation of public key infrastructure (PKI) technology to enhance security. Currently, GPO Access is being used by the public each month to retrieve about 30 million documents published by all three branches of the Government.

GPO's printing functions had a strong year in 2000. We continued to support Congress with the daily production—in both print and electronic formats—of the Congressional Record as well as the bills, reports, hearings, and other documents needed by the legislative process. Daily production of essential executive publications such as the Federal Register, Code of Federal Regulations, passports, and other items continued as well. Our printing procurement program was a major participant in Census 2000, placing more than 80 contracts worth more than \$65 million with dozens of private sector printing contractors across 17 states for the forms and other materials needed in the conduct of Nation's decennial headcount.

During the year, we worked closely with the Joint Congressional Committee on the Inauguration to prepare the programs, tickets, and other materials needed for the inaugural ceremony in January 2001, and on behalf of the Senate Committee on Governmental Affairs we produced the 2000 edition of U.S. Government Policy and Supporting Positions—the so-called “Plum Book”—that draws a great deal of attention with the change of Administrations. We also revised and published a new edition of the GPO Style Manual, meeting public demand for this widely-used document.

GPO received an “unqualified opinion” on its financial statements for fiscal year 2000 following a comprehensive, independent audit of its financial operations by KPMG LLP. This is the highest level of assurance that an audit firm can give on an organization's financial statements. Fiscal year 2000 was the fourth consecutive year that we have received such an opinion since an annual audit requirement for GPO was enacted by Congress in 1996.

Our financial statements reflect that GPO completed fiscal year 2000 with a consolidated under-recovery of \$115,000 on total revenues of \$807.5 million, a margin of about one-one hundredth of 1 percent, a significant improvement over the previous year. GPO undertook a major cost-reduction effort in 2000 with the consolidation of warehouse facilities for publications and paper, a move that will save more than \$5 million over the next 5 years. Staffing levels also continued to decline through attrition, falling by 121 full-time equivalents (FTE's) during the year.

After eight years of service as Public Printer, I am pleased to report that GPO has come a long way over the past decade, successfully transitioning itself from a conventional printing and hard-copy distribution facility staffed by nearly 5,000 employees to a “high-tech digital data delivery organization” with 3,100 staff serving Congress, Federal agencies, the courts, and the public. Along the way, we developed one of the Government's early online dissemination efforts, GPO Access, into a comprehensive service that today links millions of Americans in their offices, homes, schools, and libraries with information provided by all three branches of their Federal Government.

GPO's traditional operations have changed, too. An independent management review by Booz-Allen & Hamilton, Inc. in 1998 found that GPO “effectively satisfies its priority congressional customers and meets the variable demands and outputs requested by Congress,” provides a printing procurement service that customer agencies view as “an example of ‘government at its best,’” and successfully meets Government and public expectations for electronic information dissemination. The scope of the transition at GPO over the past ten years has marked the 1990's as perhaps the single most dramatic decade of change in this agency's history.

However, the successes of the past decade have come at a price. There has been an ongoing decline in GPO's sales of publications, due principally to the increasing availability of titles on the Internet. GPO had proposed a consolidation of the Government's publications dissemination functions in 1999 for economy purposes, but in the absence of any action on that proposal we have been compelled to begin downsizing actions for our sales program. In another area, decade-long employment

reductions have forced GPO's employees to do more with less, and many critical areas are now operating understaffed. Increased recruitment, training, and associated measures will be necessary in the coming years to ensure the continued strength of GPO's workforce.

Finally, while the drive to make more Government publications available electronically has benefited millions, it has also raised new issues with respect to security, authenticity, permanence, and equity that have yet to be resolved. Addressing these will require the effective use of technology, the development of innovative partnerships with both Government and non-governmental organizations, and broad consultation and cooperation with Congress, Federal agencies, and the public. Fortunately, these are strategies that GPO has already begun deploying based on our commitment to "Keeping America Informed." We look forward to continuing to serve Congress, Federal agencies, and the public.

#### GPO'S FISCAL YEAR 2002 APPROPRIATIONS REQUEST

For fiscal year 2002, the Government Printing Office (GPO) is requesting a total of \$126.5 million: \$90.9 million for the Congressional Printing and Binding Appropriation, \$29.6 million for the Salaries and Expenses Appropriation of the Superintendent of Documents, and \$6 million for GPO's revolving fund, to remain available until expended, for the replacement of our air-conditioning system.

Our request represents an increase of \$27.3 million, or 27.6 percent, over the amount approved for fiscal year 2001 (net of the 0.22 percent rescission for all programs covered by the Legislative Branch Appropriations Act for Fiscal Year 2001). While in excess of the President's targeted 4 percent increase for fiscal year 2002, our requested increase is primarily to ensure that sufficient Congressional Printing and Binding funds are available to cover work charged against that appropriation. The requested increase includes \$9.9 million for Congressional Printing and Binding to fund a prior year (fiscal year 2000) shortfall in that appropriation, and a \$9.5 million adjustment to the fiscal year 2001 base to ensure that sufficient funding is available for fiscal year 2002. The requested increase also includes \$6 million for air conditioning and lighting improvements that were recommended last year in an energy audit of GPO conducted by the General Accounting Office at the request of the Joint Committee on Printing. The balance of the requested increase, or \$1.9 million, is for projected price level and workload increases.

*Congressional Printing and Binding Appropriation.*—The Congressional Printing and Binding Appropriation covers the costs of congressional printing such as the Congressional Record, bills, reports, hearings, documents, and other products. It is critical to the maintenance and operation of our in-plant capacity, which is structured to serve Congress's information product needs. This appropriation also covers database preparation work on congressional publications disseminated online via GPO Access.

*Salaries and Expenses Appropriation of the Superintendent of Documents.*—The Superintendent of Documents Salaries and Expenses Appropriation pays for those documents distribution programs and related functions 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 more than 1,300 academic, public, Federal, law 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 funded by revenues earned and receive no appropriated funds.

#### CONGRESSIONAL PRINTING AND BINDING APPROPRIATION

Our request for \$90.9 million for the Congressional Printing and Binding Appropriation consists of two primary components: funding to cover Congress's estimated printing requirements for fiscal year 2002, and funding to cover a prior year shortfall in this appropriation. The shortfall occurred in fiscal year 2000.

[In millions]

<i>Category</i>	<i>Estimated Requirement</i>
Estimated Fiscal Year 2002 Requirements:	
Committee hearings .....	\$21.0
Congressional Record (including the online Record, the Index, and the bound Record) .....	19.3
Miscellaneous Printing and Binding (including letterheads, envelopes, blank paper, and other products) .....	13.1
Bills, resolutions, amendments .....	8.0
Documents .....	4.2
Committee Reports .....	3.9
Miscellaneous Publications (including the Congressional Directory and serial sets) .....	3.8
Business and Committee Calendars .....	3.0
Details to Congress .....	2.0
Committee Prints .....	1.7
Document Envelopes and Franks .....	1.0
Subtotal .....	81.0
Fiscal Year 2000 Shortfall .....	9.9
Total .....	90.9

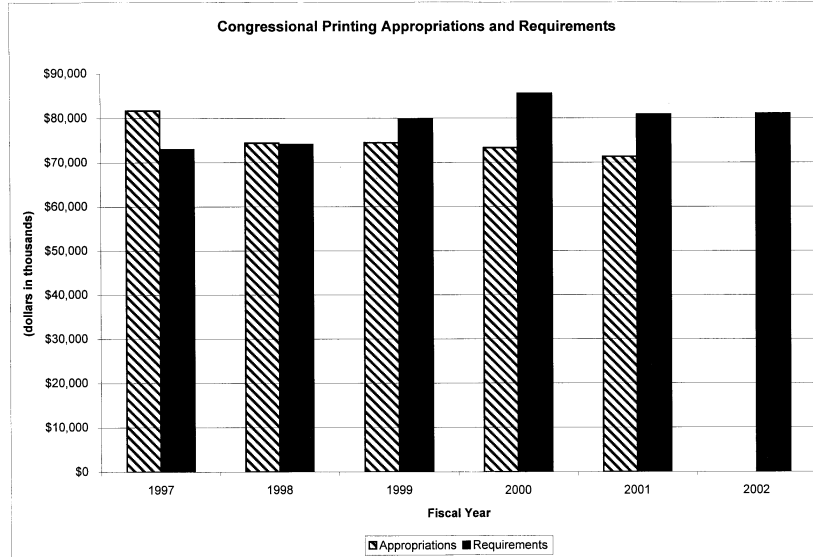
*Fiscal Year 2002 Estimated Requirements.*—We estimate that Congress’s printing requirements for fiscal year 2002 will be comparable to those for fiscal year 2001: \$81 million for fiscal year 2002 compared with \$80.8 million for fiscal year 2001. We project an increase in the cost of congressional printing of about 4 percent due to projected contractual wage increases as well as higher costs for materials and supplies. However, we anticipate that these cost increases, as well as projected workload increases for some product categories (business and committee calendars; bills, resolutions and amendments; committee reports; documents; and hearings), will be substantially offset by workload decreases in other product categories, including miscellaneous publications (primarily because the printing of the U.S. Code will be charged to fiscal year 2001), miscellaneous printing and binding, and committee prints. The net increase for price level changes and workload for fiscal year 2002 will be approximately \$200,000.

In order to fully fund the estimated work for fiscal year 2002, it has been necessary for us to adjust the current year (fiscal year 2001) base by approximately \$9.5 million. This adjustment reflects the difference between the amount appropriated for the current year (\$71.3 million) and the amount of work we anticipate that Congress will actually require (\$80.8 million). While a shortfall in the Congressional Printing and Binding Appropriation for fiscal year 2001 is projected to occur, we are not requesting funding to cover it in this appropriation request. We will make that request in the appropriation for fiscal year 2003, because we will not know the exact amount of the shortfall until after fiscal year 2001 closes out.

*Fiscal Year 2000 Shortfall.*—GPO’s Congressional Printing and Binding Appropriation covers the costs of the information products and services required by Congress itself. GPO can charge against this appropriation only when Congress orders work from us. We charge what it costs us to perform the work. The amount of the Congressional Printing and Binding Appropriation is based on GPO’s best estimates of how much work Congress is likely to order, according to prior experience and anticipated changes in costs and projected workload.

While GPO makes every effort to develop accurate estimates for the appropriation, sometimes the amount of work Congress orders varies from the estimate. The attached chart compares actual workload to appropriated amounts for the past 5 fiscal years. Variances between actual and appropriated funding occur for a variety of reasons: sometimes Congress operates on a reduced legislative schedule as the result of unanticipated circumstances, or sometimes there is an unforeseen increase in legislative printing requirements, as during the impeachment proceedings in early fiscal year 1999.





Variations mean that GPO may end up providing more or less work and charging more or less against the appropriation than was provided, resulting in either a shortfall or unused funds. In cases where more work is ordered than is funded, legislative language under the Congressional Printing and Binding Appropriation authorizes us to charge our current year appropriation for prior year obligations. Thus, we have been charging the overflow of congressional work ordered in fiscal year 2000—for which fiscal year 2000 funds have run out—against fiscal year 2001 funds. This appropriations language was recommended by the General Accounting Office to provide for the uninterrupted flow of work by GPO for Congress. However, if this shortfall situation were allowed to continue, we would eventually exhaust our current year appropriation in order to pay for prior year work. To prevent this, we seek a restoration of the funds equal to the shortfall through subsequent appropriations. In cases where Congress orders less work than we estimated, the funds lapse to the Treasury after remaining available for work charged to the specific year for which they were appropriated, for a period of five years.

Congress addressed the shortfall problem in part last year. In the Legislative Branch Appropriations Act for Fiscal Year 2001, we were authorized to transfer available unused funds from up to five prior years to the current year to help offset any shortfall in our appropriations, with the approval of the Appropriations Committees. We applied for this approval in January 2001 but have not received a final answer. If the transfer is approved, we will be able to use excess funds from prior years to eliminate a substantial part of the shortfalls that have accumulated since fiscal year 1996. However, the transfer will still leave \$9.9 million in the shortfall for fiscal year 2000 uncovered. As a result, we are seeking a restoration of that amount to our revolving fund.

SALARIES AND EXPENSES APPROPRIATION

The programs covered by our request of \$29.6 million for the Salaries and Expenses Appropriation of the Superintendent of Documents are as follows:

<i>Program</i>	<i>Estimated Requirements</i>
Federal Depository Library Program .....	\$24.2
Cataloging and Indexing Program .....	4.3
International Exchange Program .....	.7
By-Law Distribution Program .....	.4
 Total .....	 29.6

Mandatory pay increases and price level changes represent \$835,000 of the total requested increase. Mandatory pay increases account for \$439,000 of this amount. We are requesting \$396,000 to cover price level changes at the anticipated rate of inflation of approximately 2 percent.

An increase of \$644,000 over the current year base is requested for workload changes. We are requesting 8 additional staff under this appropriation: 6 in the Cataloging and Indexing program to provide necessary additional support in discovering and cataloging online Government information as well as modernizing the cataloging system, and 2 to work with the FDLP's Electronic Collection. We also need increased funds for equipment and services to enhance our data archiving capabilities and refresh essential legislative and regulatory online files. These new costs will be substantially offset by projected decreases in funding for depository and international exchange printing due to the continuing migration of formats to electronic dissemination, and by associated reductions in contractual mail transportation (currently performed through UPS Ground).

We are also requesting an increase of \$267,000 in depreciation due to an increase in asset acquisitions, primarily automated information systems in support of the FDLP.

*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) (as required by Congress in the Legislative Appropriations Act for Fiscal Year 1996). Throughout fiscal year 2000, staff of GPO's Library Programs Service (LPS), which manages the FDLP, searched the Web for online versions of Government publications for inclusion in the FDLP Electronic Collection. As a result, 53 percent of the 61,155 new FDLP titles made available during fiscal year 2000 were disseminated electronically. In January 2000, GPO began its own electronic archive to assure permanent public access to those agency products disseminated solely online from agency Web sites. To date in fiscal year 2001, 62 percent of the new titles 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.

Last year, the conferees on H.R. 4516, the Legislative Branch Appropriations Act for Fiscal Year 2001, directed that "emphasis should be on streamlining the distribution of traditional copies of publications which may include providing online access and less expensive electronic formats." GPO responded to that direction immediately. In August 2000, the Superintendent of Documents wrote to the directors of all Federal depository libraries, advising them that online information would be the primary means of dissemination for the FDLP, and that most publications would be disseminated solely online. In October 2000, at the beginning of fiscal year 2001, GPO amended over 100 agency term printing contracts to eliminate the requirement for paper copies for FDLP distribution. In January 2001, the Superintendent of Documents issued policy guidance (produced with library community input) to assist GPO staff in determining which products should be disseminated solely online.

*GAO Study.*—The conferees on H.R. 4516 also directed the General Accounting Office (GAO) to conduct a "comprehensive study on the impact of providing documents to the public solely in electronic format," and to evaluate the feasibility of transferring the FDLP to the Library of Congress (LC). The study was published recently by the GAO as *Information Dissemination: Electronic Dissemination of Government Publications* (GAO-01-428). I provided comments on the draft report and transmitted copies of those comments to the Chairman and Members of this Subcommittee as well as other Members of the House and Senate.

As I stated in my comments, the day is coming when Federal Government information may be made available to the public solely in electronic format, but that day is not here yet nor is it likely to appear in the foreseeable future. Apart from the fact that large amounts of Federal information are not digitized, significant issues concerning security, permanence, authentication, equity, and cost remain to be resolved before the American people can put their faith in an electronic dissemination system that will serve as one of the foundations of their social contract with the Government. Unfortunately, the draft report's attention to these and related issues is simply too cursory to resolve them.

As I also stated, LC is a unique national institution of singular importance to Congress and the public. As a sister legislative branch agency, GPO has a longstanding relationship with LC that we value very highly; LC is a selective depository library and by-law distribution recipient, and we work together on many issues of importance in the field of Government information dissemination. With all due respect, however, LC is not an appropriate home for the FDLP. Its mission and operations are inconsistent with a large-scale publications/information dissemination

program. Transferring the FDLF there will increase costs, impose additional burdens on LC, and not result in any improvement in the public's ability to access Government information.

#### REVOLVING FUND

*Fiscal Year 2000 Financial Performance.*—GPO completed fiscal year 2000 with an under-recovery of \$115,000 on \$807.5 million in total revenues, compared with an under-recovery of \$5 million on \$765 million for fiscal year 1999. The under-recovery was financed by retained earnings and did not place GPO in an anti-deficiency position or require additional appropriations. During the year, an audit of GPO's financial reports and systems for fiscal year 2000 was conducted by KPMG LLP, under contract with GAO. The audit resulted in a clean opinion for GPO.

*Sales Program.*—The primary cause of the under-recovery was in our sales program, which is funded entirely by revenues earned on sales of publications. The free availability of publications on GPO Access and other Government web sites has contributed to reduced sales of printed products, although other factors, including reduced agency publishing and competition from other sales organizations, both public and private, have also contributed to reduced sales. The losses have been temporarily financed through our revolving fund and we are taking actions to address them. We have made price adjustments and have reduced costs where possible through staff attrition and related measures.

We have also developed a plan that includes closing several of GPO's retail bookstores nationwide. Most of these stores were established in the 1970's. Closing these stores will reduce costs, and we project we will be able to retain most store revenues through our online, fax, phone, and mail order operations. At the same time, localized access to Government information will be preserved through Federal depository libraries as well as free Internet availability.

We have taken steps to initiate closings of three stores: our McPherson Square store in Washington, DC (one of three in the metropolitan area) and our stores in Boston and San Francisco (both of whose leases are about to expire and which are experiencing staff declines). We have notified the respective House and Senate delegations for these stores about our plans, and we are prepared to seek final approval for the closures from the Joint Committee on Printing (JCP), which must approve all GPO facility-related changes under the terms of a 1982 JCP resolution. Additional store closings are currently under consideration.

Beyond these efforts, we may be compelled to take additional measures to reduce the sales program. An additional management tool is available to GPO through early-out/buy-out authority provided to us for three years by the Legislative Branch Appropriations Act for Fiscal Year 1999. That authority is set to expire September 30, 2001, and we request an extension for an additional three years because significant employee downsizing action in the sales program may become necessary. GPO cannot effect any reduction-in-force without the prior approval of the JCP, pursuant to its 1982 resolution.

*Air Conditioning System.*—Our appropriations submission includes a request for \$6 million for the revolving fund, to be available until expended, to cover the cost of necessary improvements to GPO's air conditioning and lighting systems.

Our air conditioning system is in critical need of replacement. An energy audit of GPO, concluded in July 2000 by the GAO at the request of the JCP, found that

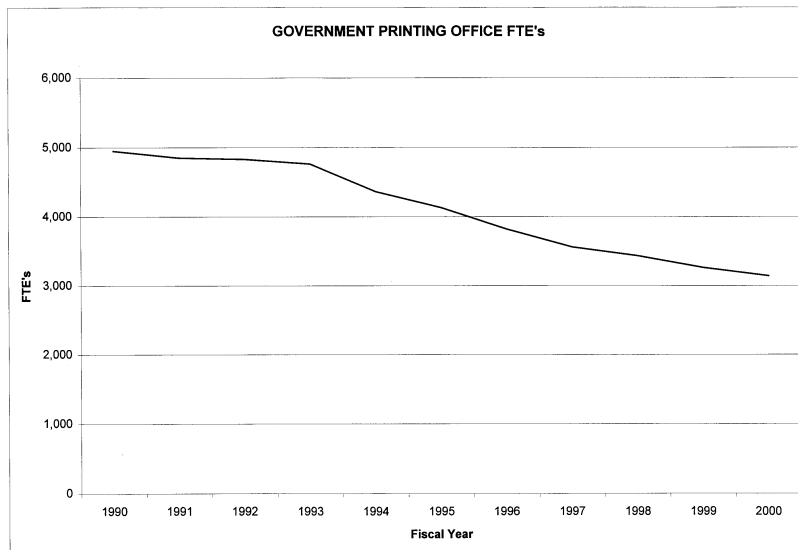
GPO is in urgent need of upgrading its air conditioning system, which consists of chillers that (1) have outlived their useful lives, (2) use and are leaking coolants that contain chlorofluorocarbons that are harmful to the environment and which can no longer be legally manufactured, (3) are energy inefficient, and (4) *are at high risk of failure*. (Letter from Bernard L. Ungar, Director, Government Business Operations Issues, GAO, to Chairman William M. Thomas, Joint Committee on Printing, July 24, 2000.) (emphasis added)

An independent contractor recommended by GAO, Aspen Systems Corporation, estimated the cost of a new system best suited to our needs to be approximately \$4.4 million. GAO said we could save over \$400,000 annually with the new, more energy efficient chillers. We are awaiting final approval for a new air conditioning system from the JCP, under the provisions of a 1987 JCP resolution requiring GPO to obtain prior approval for all capital improvements valued at more than \$50,000. On the recommendation of GAO, we also plan to install more energy-efficient lighting throughout GPO, at an estimated cost of approximately \$1.6 million. New, more efficient lighting systems would yield annual savings of approximately \$800,000.

We are seeking a direct appropriation to finance both of these projects. Without a direct appropriation, financing this extraordinary capital expense through the revolving fund—either by direct purchase from retained earnings in the fund or by financing it through projected energy savings—will require us to reimburse the fund through rate adjustments. As this expense is not directly related to the provision of printing and information product services, its impact on our rate structure will be detrimental to our ability to carry out our mission to provide cost-effective and economical products and services. The savings from these energy products will help keep down the costs that we must recover through our rates.

We are aware of finance programs that allow Federal agencies to undertake energy saving projects without having to pay for the projects up front. However, these programs are more expensive than direct purchase because agencies must pay a financing fee. GAO itself stated that “the final cost of the new chillers would be higher if a financing program was used instead of purchasing the chillers outright.” Accordingly, we believe a direct appropriation is the best way to minimize the impact of this cost on the Government. A direct appropriation would also be consistent with past practice. The installation of our air conditioning system in the early 1970’s was funded by direct appropriations to the revolving fund. As you will recall, the Senate included funding for this system in its recommendation for GPO for fiscal year 2000.

*FTE Level.*—We are requesting a statutory ceiling on employment of 3,260 FTE’s. This is a decrease of 25 from the previous year, and reflects a reduction of 33 FTE’s in the sales program with an increase of the 8 FTE’s requested for the Superintendent of Documents Salaries and Expenses programs. As the attached chart shows, total GPO FTE’s dropped 37 percent between fiscal year 1990 and fiscal year 2000, 35 percent in past eight years alone. 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.*—In addition to an extension of the early-out/buy-out authority, 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 congressional staff. We are providing new information on this matter to our legislative oversight committees. 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.

*Audit Recommendations Status Report.*—Consistent with the requirement contained in House Report 105-734, accompanying H.R. 4112, the Legislative Branch

Appropriations Act for Fiscal Year 1999, we have submitted the third and final annual report on the status of actions to implement the recommendations contained in the management audit of GPO, conducted in 1998 by Booz-Allen & Hamilton, Inc.

The latest report shows that GPO either plans to act, is currently acting, or has acted affirmatively on 77 percent of the recommendations contained in the Booz-Allen & Hamilton final audit report. These include recommendations on planning, program modernization, ensuring financial stability, promoting intra-agency communications, and improving information technology capabilities.

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

#### CONGRESSIONAL PRINTING AND BINDING

Senator BENNETT. Thank you very much, Mr. DiMario. We appreciate that. You're talking about the early out and buyout authority because of downward trends in headcount or employment needs. As you talk about these lower workforce levels, though, you are talking about increased money. You need more money to make up a shortfall. Can you reconcile these two, give us an understanding as to why the need for money is going up, while the need for workforce is going down.

Mr. DiMARIO. These needs address two separate programs. The need for money is primarily because Congress did not give us enough money in previous years to do the congressional printing work that was required to be done. We, nevertheless, performed the work. Under the existing law, we are authorized to go to the current fiscal year to use the money appropriated to pay for previous fiscal years. And that is what we have been doing. We are asking to have the money restored so that we can pay back the fiscal year 2000 monies that we need. Last year, you authorized us to use surpluses that had been appropriated in 1997 and 1998 and had not been spent, in part to pay back those monies. And we have asked to do that. But even if we do that, we come up with a shortfall in the previous fiscal year, and we're using current-year monies to fund those obligations. So we're asking for the \$9.9 million for that unfunded fiscal year 2000 shortfall.

We are also asking for \$9.5 million to adjust the fiscal year 2001 base. So that would bring us back up to the level that we should be at in that year, anticipating the workloads for 2001. In addition to that, we are asking for \$2.9 million to cover mandatory pay and price-level increases. We offset that, in part, because there is a reduction of \$2.7 million in workload from fiscal year 2001 due, primarily, to the printing of the new 2000 edition of the U.S. Code this year. So those two figures are a near wash, the \$2.9 million and the \$2.7 million, and that is where our \$19.6 million increase comes in.

The true increase that we're asking, in terms of the additional cost to do work, as opposed to funding prior years, is \$200,000 in Congressional Printing and Binding, so it's well within the four-percent guidelines.

The request in the Superintendent of Documents' Office is where we made reference to the need to use the buyout authority. That authority is needed for our sales program, which is a self-funding operation. We receive no appropriations for it whatsoever. Because of our success with GPO Access where we put up all of these electronic files, where we now have some 32 million publications a month being downloaded from the system, we have experienced an

enormous decline in the sales of publications. We went from an \$80 million program to a \$40 million program. We are trying to manage our operation with that decline in revenue in mind, but our workforce is geared at a higher level, and the attrition we have been experiencing has not been enough to offset that.

So by continuing to have the buyout authority, plus the early-out authority, we are hoping to manage that reduction we're experiencing. We're not getting the revenues in the door. Even aggressive marketing programs are not doing it. The Sales Program is out of a different side of the house, if you would.

Senator BENNETT. Okay. Could we get a chart that outlines all of what you just said?

Mr. DiMARIO. Yes, sir.

Senator BENNETT. In other words, how much in 2000 was covered by old surpluses? You talk about surpluses back to 1997. How much was covered by old surpluses? How much was covered by the appropriation that you got for 2000? And then there was still an overrun beyond that—taking money out of the current year to cover that.

Mr. DiMARIO. In our prepared statement, we included such a chart. Bill can explain it to you.

Mr. GUY. In fiscal years 1997 and 1998, but primarily in 1997, the appropriation exceeded requirements. It turned out that Congress didn't need as much as what was set aside. That situation reversed in 1999 and 2000.

In the 1950s, Congress realized this could happen, and the solution, which was recommended by GAO, was to allow the current-year appropriation to be charged for prior-year shortfalls as a temporary measure.

Senator BENNETT. This is separate from the revolving fund?

Mr. GUY. Yes, sir.

Senator BENNETT. What role does the revolving fund play, if any?

Mr. GUY. Temporarily, we finance everything through the revolving fund. This appropriation is used to reimburse the revolving fund for the cost of congressional work, as other agencies reimburse the revolving fund for the cost of their work. This appropriation is an annual appropriation, and the purpose of it is to support the Congress.

Senator BENNETT. You've got a spike in requirements in 2000. Is that because of the printing of the U.S. Code?

Mr. GUY. No, sir.

Senator BENNETT. And then it comes back down in 2001.

Mr. GUY. Yes.

Senator BENNETT. And you're projecting that 2002 will be level—except for the \$200,000, essentially level?

Mr. DiMARIO. Yes. Now, we also indicate in our statement that we anticipate asking next year, again, for the funding of the shortfall that we're anticipating this year and that's not in this request. We will know better at the end of the year what that number is, and we will ask for that shortfall funding.

Senator BENNETT. You have a request, which presumably could make another bar on the chart for 2002. Where does it come?

Mr. GUY. That comes from—

Senator BENNETT. No, where on the chart? How high would that bar be?

Mr. GUY. In fiscal year 2002, we are requesting \$90.9 million in total. That additional bar on top of the \$81 million for fiscal year 2002 requirements would be for the \$9.9 million shortfall from fiscal year 2000. The reprinting of the United States Code is going to be charged to 2001. It is the 2000 edition of the Code, but it's actually going to be printed this year and will be charged to 2001.

Senator BENNETT. So what causes the spike in 2000 if it doesn't include the code?

Mr. GUY. Sir, that was due to workload increases as well as COLAs. Looking at the chart, it went from about \$80 million in fiscal year 1999 to about \$85 million in fiscal year 2000.

Senator BENNETT. Yeah, but what I don't follow here—you're in 1999 at \$80; you go up to \$85—in 2000, which is 6-percent, 7-percent increase. You come back down to \$80—in 2001, and yet you say the printing of the U.S. Code, a one-time event, is included in the 2001 figure.

Mr. GUY. Yes, sir.

Senator BENNETT. I don't understand. Why the spike in 2000? Is there a single event that caused it? Why should there be a spike in a year where there is not an unusual event, like the printing of the U.S. Code. And then in the year when the printing of the U.S. Code is, it comes back down.

Mr. GUY. That was not due to any one event that I can put my finger on, other than general workload in the Congress, which does vary somewhat by session of Congress and by presidential election year and many other factors.

Senator BENNETT. I can understand that.

Mr. DIMARIO. This is essentially an appropriation by the Congress for congressional work that simply gets housed in GPO. We do not control the volume of work that you're going to require in the Congress, in either house.

Senator BENNETT. I understand you can't control it, but what I am after here is an ability to forecast it, and nobody should be in a better position to forecast it than you, because you've lived with it for a long period of time.

Mr. MANSKER. We did have the unusual event of additional printing for the impeachment. That was a substantial amount of printing.

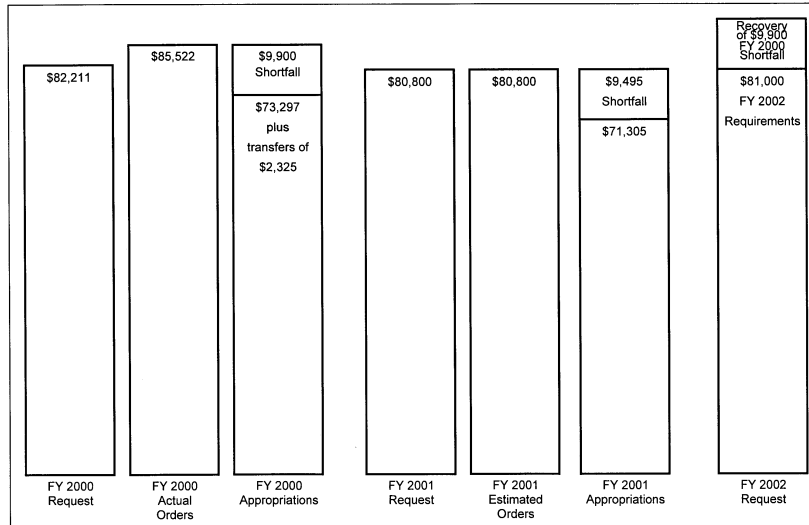
Senator BENNETT. Can you break it down for me and give me some numbers? Not here, obviously.

Mr. DIMARIO. Yes, sir, we certainly can.

[The information follows:]

The volume of hearings increased from 305,000 pages in fiscal year 1999 to 344,000 pages in fiscal year 2000. The volume of bills increased from 84,000 pages in fiscal year 1999 to 112,000 pages in fiscal year 2000. The pages of business and committee calendars increased from 22,000 pages in fiscal year to 35,000 pages in fiscal year 2000, which is typical of a second session because the calendars are cumulative.

CONGRESSIONAL PRINTING AND BINDING  
 APPROPRIATIONS AND REQUIREMENTS  
 (dollars in thousands)



Mr. GUY. In 2002, we have a workload reduction due to the U.S. Code, but we have an offsetting increase due to pay raises and mandatory increases which will essentially offset that savings from not having to redo the Code.

Senator BENNETT. Well, from that, then, I would assume that the cost of doing the Code is roughly the same as a cost-of-living increase for a year.

Mr. GUY. Yes, sir.

Mr. DiMARIO. It was about \$2.7 million for the Code, versus \$2.9 million for the mandatory pay and price level increases.

Senator BENNETT. So the Code is not really that big a deal.

Mr. GUY. It is about 3 percent of total fiscal year 2001 requirements. The Congressional Record and hearings, for example, together account for about half of total requirements.

Mr. DiMARIO. We can provide the data that supports the chart, if it is giving a misleading impression.

Senator BENNETT. No, the chart is very helpful in clarifying your verbal statement, in that I can see now that, in 1997, the appropriation was higher than you needed. And I'm sure you forecast a need as high as \$80 million in 1997, but—or we wouldn't have appropriated it. I mean, we don't deliberately appropriate more than you need.

Mr. DiMARIO. We attempt to find "like" years and do our appropriations request based on historical data, because each congressional year is not the same. If there's an election year, we certainly have, you know, a different work requirement. And so we look at those workloads, and then we try to project out—

Senator BENNETT. Is it a higher workload in a presidential election year, as opposed to a congressional election year?



Mr. DIMARIO. I believe so. Charlie would be the best to respond—Charlie Cook, who is our congressional printing and management officer.

Senator BENNETT. Is that true, that it is higher in a presidential year, traditionally?

Mr. COOK. Traditionally, yes, that is so.

Senator BENNETT. Does anybody have any reason or thoughts as to why that is the case, or just that's the way it works out?

Mr. DIMARIO. I have no explanation.

#### REVENUE TRANSACTIONS

Senator BENNETT. Well, this assumes that all of the cost is paid out of appropriations. Is there any revenue? For example, how much revenue do you make on the sale of the U.S. Code?

Mr. GUY. We do sell some copies of it. Revenue totaled \$3.5 million on the sale of the previous 1994 edition.

Mr. DIMARIO. But that's sold through the Office of the Superintendent of Document's, and those revenues go into that self-sustaining sales program. And so they're not included in here. In other words, those revenues don't come in and offset the appropriation for congressional printing. At the same time, we're doing the U.S. Code, we purchase copies of the U.S. Code by the Office of Superintendent of Documents from the printing side of the house for our sales program to sell. So we're not selling those publications, in the sense of making revenue that would offset—

Senator BENNETT. But you say you "purchase"—I assume this is a bookkeeping entry.

Mr. DIMARIO. Yes, sir, that's what it is, and they get it at a rider rate. They buy it, not at the cost of originally producing the publication, but at the added cost that it takes to run additional paper through the equipment. It's at a reduced rate, and then they're able to offer publications for sale through the Superintendent of Documents' sales program.

Senator BENNETT. I would understand that you would not try to make an artificial profit on an internal transfer within GPO, but once again the question arises: Where does the revenue show up? Is this number stripped of all revenue, and all the revenue shows up someplace else?

Mr. GUY. Yes, sir.

Senator BENNETT. And is there any additional revenue that shows up someplace else that can be applied back to this, or are all other accounts exactly even?

Mr. DIMARIO. No sir, there is no revenue that can be applied back. There is a bylaw distribution from this as a requirement—as an example, to distribute a copy of the U.S. Code to each Member of the House. Is that correct?

Mr. GUY. The U.S. Code is only distributed to a very small number of House Members.

Mr. DIMARIO. But there are none in the Senate.

Mr. GUY. There are no distributions to Senators, but there is a distribution in the House and the Senate to various offices that need the United States Code.

Senator BENNETT. But somebody in GPO sells it to the outside world, and some revenue is generated.

Mr. DIMARIO. Yes, sir, that's the office of the Superintendent of Documents for sales purposes.

Mr. BUCKLEY. We're paying for copies that we sell, and we're selling them and getting the revenue back.

Senator BENNETT. Presumably you're selling them for more than you're paying for it.

Mr. DIMARIO. Yes, sir.

Mr. BUCKLEY. We attempt to cover our expenses involved in selling them, but the Sales Program is not recovering all costs from sales revenue at this time.

Mr. GUY. The Superintendent of Documents can purchase copies at the incremental cost, essentially, the cost of running the additional copies. That's the charge that goes to them and—

Mr. DIMARIO. And that is what we call the "rider rate."

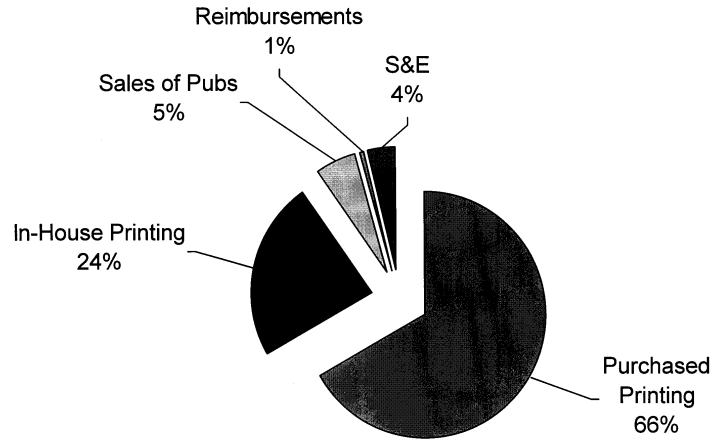
Senator BENNETT (continuing). They get reimbursed. Let me tell you what would be useful to me, and I thank you for putting up with my questions here. Going back to my own experience as a businessman, I would like to understand all of this. And at the moment, I don't. So if you could do a similar kind of analysis to this for each component in GPO so that I could see appropriations and expenditures for the Superintendent of Documents, appropriations and expenditures for each different office, and see where the money comes from, how much of it comes from appropriations and how much of it comes from sales, and then what the expenses are that are charged against that, and then we can put it all together and see if there's extra money in one pigeon hole that could be used to offset shortfalls in another pigeon hole and get an understanding of the whole thing. And then we get into the revolving fund and the role it plays in this. I've never quite understood how your books are kept overall, and this discussion has been a little helpful in getting me closer to that understanding.

Mr. DIMARIO. Each agency of government is able to purchase from us, on a prepublication basis, if you would, publications at the same rider rate that the Superintendent of Documents does. So if they anticipate a need for a publication like the U.S. Code, and we tell them it's going to be published, then they send us their order, and we sell it to them at the same rate. That revenue reimburses the cost of producing those additional copies.

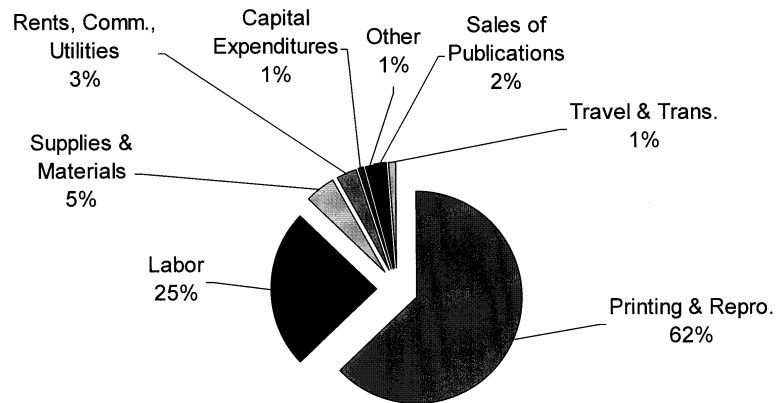
After it's published, if agencies need a publication, they buy it just like the public, and that revenue reimburses costs in the sales program.

The bulk of the work that we do for executive agencies is based on surcharging the cost of the work. So we have over \$500 million worth of work that we acquire for the executive branch, and we charge a surcharge of seven percent. It varies from time to time. That money then goes to fund the printing procurement program and overhead. So we can put it all together for you.

## GPO's 2000 REVENUE (\$835 million)



## GPO's 2000 EXPENSES (\$835 million)



### STAFFING REQUEST

Senator BENNETT. I would appreciate that kind of detail, and it would be helpful. You're asking for some additional people—is there any possibility of transfer of people for whom you're offering

an early-out into vacancies so that you don't have to do the buyout, or are the skills so completely different?

Mr. DiMARIO. They are different. These are very skilled librarians that we're talking about hiring to do cataloging and indexing. We need people who are skilled in doing that kind of thing, and they're not skills that we currently have available. That is for six of the people. The additional two that makes up the eight, they also would be required to have technical skills to reach out and bring in the kinds of work that we're talking about.

#### NETWORK SECURITY

Senator BENNETT. That is helpful. Have you experienced any problem with hackers or any attempt at unauthorized access?

Mr. DiMARIO. Yes, sir. We have anti-intrusion programs on our GPO access computer systems. We have had attempts in very, very large numbers, to get into the system.

Senator BENNETT. What is your definition of a large number?

Mr. DiMARIO. In the range of 300,000.

Senator BENNETT. 300,000?

Mr. DiMARIO. Huge numbers. That's over a 4-month period of time. We have not had any penetrations. We have had one that got into an html page, one page. It was not consequential. They did not get beyond the firewall. The firewall protection is strong. They could alter data on that page. It happens to be a public page, and it was just not a problem. I'm not saying we are the most secure, but we have a very, very substantial system to protect it.

Senator BENNETT. So you've had only one instance where someone actually defaced a page?

Mr. DiMARIO. Yes, sir, during that time frame.

Senator BENNETT. During that time frame. I see. Well, thank you, that is helpful.

I have no further questions. Thank you very much for coming. We will look forward to these data we talked about.

Mr. DiMARIO. Thank you, Mr. Chairman.

#### ADDITIONAL SUBMITTED MATERIAL

Senator BENNETT. The subcommittee has received a letter from the American Library Association which will be placed in the record at this point.

[The letter follows:]

#### LETTER FROM THE AMERICAN LIBRARY ASSOCIATION

MAY 24, 2001.

The Honorable ROBERT BENNETT,  
Chairman, Senate Legislative Branch Appropriations Subcommittee, United States  
Senate, Washington, D.C.

DEAR SENATOR BENNETT: The American Library Association is pleased to submit testimony for the May 16 record on appropriations for the Government Printing Office. We support the request of the Public Printer for fiscal year 2002 of \$126.5 million: \$90.9 million for the Congressional Printing and Binding Appropriation, \$29.6 million for the Salaries and Expenses Appropriation of the Superintendent of Documents, and \$6 million for GPO's revolving fund.

The American Library Association's 61,000 school, academic and public librarians, library trustees and friends of libraries particularly would point out the need for funding the Salaries and Expenses Appropriation of the Superintendent of Documents, since 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 more than 1,300 academic, public, Federal, law and other libraries nationwide. This account was funded below the requested level in fiscal year 2001, which impacted the program. It is critical to fund GPO Access, since there is a greatly expanded use of the system.

The funding shortfall makes it even more critical that the amount requested for fiscal year 2002 be funded. We appreciate the opportunity to express to the Subcommittee our thanks for past efforts on behalf of funding for the Government Printing Office, and we look forward to full funding of the GPO account this year.

Sincerely,

EMILY SHEKETOFF,  
*Executive Director, ALA Washington Office.*

RESOLUTION ON SUPERINTENDENT OF DOCUMENTS FISCAL YEAR 2002 SALARIES AND  
EXPENSES APPROPRIATIONS

WHEREAS, Public access to government information is vital to a democratic society and the economic well-being of the nation and the American public; and

WHEREAS, The Government Printing Office (GPO) Federal Depository Library Program (FDLP) reaches the entire nation through the geographically dispersed system of over 1,300 depository libraries and is the primary provider of no-fee public access to federal government information regardless of format; and

WHEREAS, Over 200,000 electronic titles are available to the public through the award-winning GPO Access system which attracts 26 million downloads per month; and

WHEREAS, In fiscal year 2000, 47 percent of the new titles GPO received from government agencies in all three branches and distributed to depositories were in print and other tangible formats; and

WHEREAS, User needs cannot be met by exclusive electronic dissemination, thereby requiring GPO to maintain multiple distribution systems; and

WHEREAS, This request ensures current and permanent public access to government information through partnership programs with federal agencies and depository libraries, electronic government information locator services, and bibliographic control of electronic government information, as outlined in GPO's "Managing the FDLP Electronic Collection: A Policy and Planning Document"; now, therefore, be it

RESOLVED, That the American Library Association urge Congress to fund fully the Government Printing Office Superintendent of Documents Salaries and Expenses appropriation for fiscal year 2002 at the level requested by the Public Printer; and be it further

RESOLVED, That the American Library Association transmit a copy of this resolution to the Chairs of the House and Senate Legislative Branch Appropriations Subcommittees, other appropriate House and Senate committees, and to the Public Printer of the United States.

Adopted by the Council of the American Library Association, Washington, D.C., January 17, 2001 (Council Document #20.2).



GENERAL ACCOUNTING OFFICE

STATEMENT OF DAVID M. WALKER, COMPTROLLER GENERAL

ACCOMPANIED BY:

GENE L. DODARO, CHIEF OPERATING OFFICER

SALLYANNE HARPER, CHIEF MISSION SUPPORT AND CHIEF FINANCIAL OFFICER

RICHARD L. BROWN, CONTROLLER

Senator BENNETT. Our next witness is Mr. David Walker, the Comptroller General. And I understand, sir, that accompanying you are Gene Dodaro, your Chief Operating Officer, Mrs. Sallyanne Harper, Chief Financial Officer, and Dick Brown, the GAO's Controller. We have seen you all before, and we welcome you back, look forward to an open and frank exchange on your budget requirements.

The GAO fiscal 2002 budget request provides for a significant increase of 11.2 percent over the amounts enacted by Congress for the fiscal year 2001. We understand that half of this amount, roughly, is for scheduled cost-of-living increases, inflationary increases, and travel and printing supplies, et cetera, and contract rate increases, and building operations maintenance, information technology programs, and the balance of the increase includes the addition of 120 full-time-equivalent employees, which would bring the total number to 3275, and then \$5.2 million for new GAO responsibilities created by the Truth in Regulating Act.

So we look forward to your statement in support of this significant increase and appreciate whatever you have to tell us.

OPENING REMARKS

Mr. WALKER. Thank you, Mr. Chairman. It's a pleasure to be here again. If I can, let me give you an overview on a few things, and then we can go to Q and A.

First, I want to touch briefly on the results that the Congress and the public received from GAO in fiscal year 2000. It was a record year in a variety of ways. We set records in almost every major category—\$23.2 billion in financial benefits, a return on investment of \$61 for every dollar invested in us, 263 congressional hearings, and 78 percent of our recommendations were adopted. All of those were at record or near-record levels.

But, in addition to that, we made major progress in making ourselves a model agency, in transforming how we do business and, frankly, in setting an example for other government agencies as to how they can go about becoming more results-oriented and improving outcomes for the American people. We implemented our congressional protocols, a new strategic plan, realigned our headquarters, restructured our field offices, engaged in a number of human capital initiatives, and implemented a number of risks and matrix management practices.

In 2001, our progress continues. As you know, we issued our performance accountability and high risk series. We have also included a presidential and congressional transition section on our Web site. We're moving to implement our human capital legislation. This committee and you, in particular, Mr. Chairman, were helpful in getting us this legislation at the end of the session. We are realigning our mission support, moving to a competency-based performance-appraisal system, and engaging in a number of other activities.

#### MANDATORY CHANGES

With regard to our fiscal year 2002 budget request, you are correct that a significant percentage of what we're asking for represents mandatories, or nondiscretionary items. The 120 FTEs, for the record, do not represent an additional request. They represent the ability for us to use our full complement. Basically, we have had authority for 3,275 FTEs for several years, but because we have not received an adequate appropriation, we have not been able to staff those positions. And so, therefore, what we're seeking is to be able to staff at our authorized level, the reason being is that demand continues to increase. Supply has been dwindling. Therefore, unless something gives, at some point in time we're going to have to modify our policies and practices to the point where ultimately we may only be able to respond to requests from committees and subcommittees, rather than also from individual members. At some point in time, something is going to have to give to be able to get the supply and demand in balance.

I think it's important to note that the selected enhancements above and beyond the mandatories are for our people who represent our most important asset—80 percent of our costs, 100 percent of our most important assets. We would like to make a number of targeted investments. For example, we would like to be able to participate in the tuition reimbursement program. We think that is very important. The executive branch has it. We don't want to be at a competitive disadvantage with the executive branch. We'd like to be able to offer the transit subsidy, which the executive branch has to offer by Executive order. We're not automatically covered by that because we're in the legislative branch. It's not a matter of whether "we want to"; we've got to have funding to be able to do that. We'd like to be able to continue to enhance our training and enabling technology in order to make us a model agency.

One of the important things we're trying to achieve under our strategic plan is being a model agency. We're trying to be as good or better than any other agency in this government and, frankly, comparable to private-sector enterprises, as well. In order for us to be able to do that, we need some targeted investments to be able to transform how we do things. The benefit of that is that it will not only help us, but, frankly, it will help others, because many are looking to us for leadership and for an example of the way forward.

The bottom line, Mr. Chairman, is three key messages. Number one, if you look at our request for fiscal year 2002, which is about an 11.2 percent increase, that represents basically making us whole since our mandated downsizing. In other words, if we had



gotten our mandatories, and only our mandatories, and nothing above our mandatories, since our downsizing in the 1990s, we would not be asking for any more money than that. So the increase is basically to try to keep us whole since our downsizing.

#### PERFORMANCE BUDGETING

Second, after being in my position now for 2½ years, I hear a lot about performance budgeting. I hear a lot about matching resources to results; but candidly, it hasn't happened a lot. I'm hoping that we're going to be able to start moving in that direction. I stand by our record. We have fantastic results. We've got fantastic people. I would hope that, while there are overall restraints—and I understand that, and I respect that, and I know it's tough for you and others to be able to deal with that—I think it is important that there be some type of matching of resources to results.

One of the concerns I have is all too frequently in Washington, we're debating the increment up or the increment down. The assumption is that the baseline is okay. In many cases, I don't think the baseline is okay. I can assure you that what we're trying to do is to make sure that we can do everything we can to get the most out of whatever resources you give us. But in the end, I hope that Congress is going to be able to move towards matching resources to results, because, quite frankly, I think that is what we need to do. In the absence of doing that, it's demoralizing to our employees, it doesn't look good in the press, and it doesn't sound good to the public, and none of us, I think, like that.

#### LEADING BY EXAMPLE

Last, just to keep in mind that we are trying to lead by example in every area—strategic planning, financial management, information technology, human capital, client service, and knowledge management. You name it, we're trying to lead by example. In many cases, we're already there; in others, we're getting there, and we're going to stay there. But to do that, in some cases, we need modest investments. If we don't get them, then not only does it hurt us, but frankly, it has a broad-based ripple effect. To the extent that others are looking to us for leadership and for a way forward, then, we have to slow down our efforts because of resource constraints. Then, it means others aren't going to benefit from that, as well.

#### PREPARED STATEMENT

So, Mr. Chairman, thank you for the opportunity to present our case. I think our budget team—Dick Brown and his people—have done an outstanding job putting together this budget request and we're happy to answer any questions you might have.

[The statement follows:]

#### PREPARED STATEMENT OF DAVID M. WALKER

Mr. Chairman and Members of the Subcommittee: Good morning! As the Comptroller General of the United States, it is a pleasure to appear before you today to present the General Accounting Office's (GAO's) budget request for fiscal year 2002. I am proud to say that we served the Congress and the American people well in fiscal year 2000. Our work resulted in substantial financial savings and significant

improvements to government that will benefit all Americans. I am confident that fiscal year 2001 will be just as productive.

At the outset, I want to thank the Committee for its support in helping enact GAO's human capital legislation. This legislation will go a long way toward helping us address many of our human capital requirements and ensuring that GAO remains prepared to meet the Congress' needs in the future. We have issued implementing regulations for the early retirement and scientific and technical staff provisions and plan to issue authorizing regulations later this year to guide any potential future buy-outs and reductions-in-force.

GAO's fiscal year 2002 budget request is critical to our continuing efforts to reorganize and reshape the agency, reengineer our business processes, and train and equip our staff with up-to-date technology to help meet Congress' current and future needs. Congressional mandates and requests continue to represent over 90 percent of our work, and our workload and productivity remain at near-record levels. Our budget request represents our needs—not wants—to sustain this level of effort and support to the Congress.

Since becoming the Comptroller General at the beginning of fiscal year 1999, GAO's appropriations have been insufficient to fund mandatory and inflation expenses associated with employee compensation and benefits, and make needed investments in critical areas, such as technology, training, and performance recognition. We have managed our resource shortages by reducing our staffing levels and underfunding critical investments. We cannot, and should not, continue this trend.

The funds we are requesting are essential to helping us remain prepared to meet the complex, controversial, and multidimensional issues and challenges confronting the Congress now and in the future. Our request includes only those funds we need to stabilize at our approved 3,275 full-time equivalent staffing level and to incrementally increase investments needed in training, technology, performance recognition, and other key support items to a level consistent with best practices of other comparable government and private sector entities.

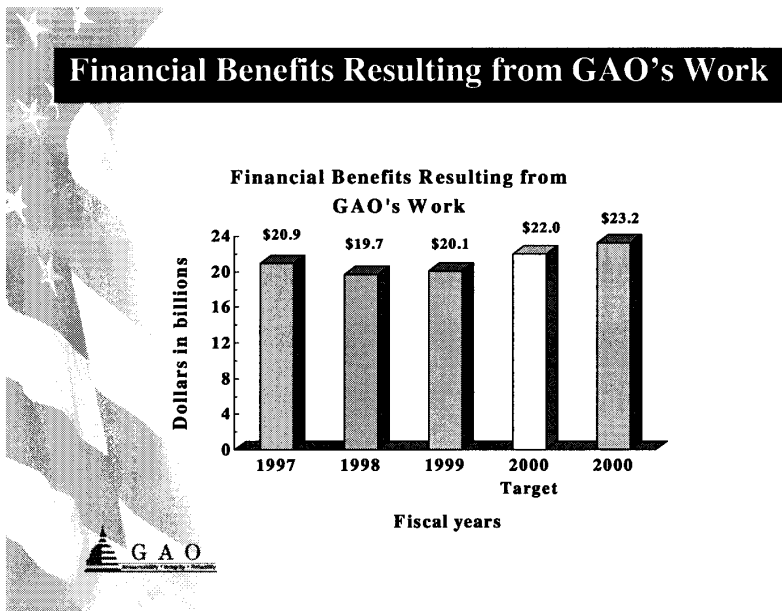
Before I begin detailing our fiscal year 2002 budget needs, I would like to highlight some of GAO's accomplishments and achievements in fiscal year 2000 and the major challenges confronting us.

#### A REVIEW OF GAO'S FISCAL YEAR 2000 ACCOMPLISHMENTS

GAO had a tremendous year in fiscal year 2000. As a result of actions taken on our work by the Congress and federal departments and agencies, taxpayers benefited from over \$23 billion in financial savings—a \$61 return on every \$1 invested in GAO. Our work also resulted in significant improvements in government operations and services that will benefit all Americans. Among other things, by acting on our recommendations, the government improved public health and safety, strengthened national security, better protected consumers, and improved its financial management and information systems. We also contributed critical information to public debates on Social Security and Medicare reform and called attention to looming problems, such as the security of government computer systems and the knowledge and skills needed in the federal workforce in coming years. Other indicators of our performance, such as the number of testimonies our senior executives provided and recommendations implemented, exceeded that of most recent years. I also am pleased to report that we made significant progress toward addressing many of the organizational, human capital, and information technology challenges that I outlined for you at last year's hearing. We had a very busy and productive year.

#### *Taxpayers Benefit from \$23 Billion in Financial Savings*

In fiscal year 2000, GAO helped achieve about \$23.2 billion in direct financial benefits for the American taxpayer. These benefits are a result of the Congress or federal departments and agencies implementing our recommendations to make government services more efficient, improve the budgeting and spending of tax dollars, and strengthen the management of federal resources. The estimated financial benefits include budget reductions, costs avoided, resources reallocated, and revenue enhancements. These results exceeded our target of \$22 billion and were greater than that of the previous three fiscal years, as illustrated in the following graphic.



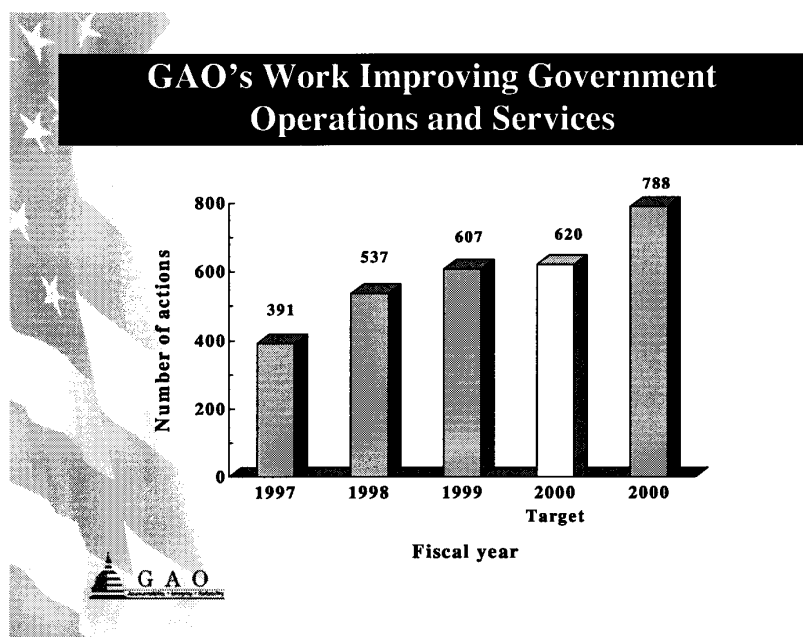
Some examples of GAO's work that contributed to these financial savings include the following.

- Helping to Prevent Fraud and Abuse in Medicare.*—GAO had long advocated increased funding specifically for activities to prevent fraud and abuse in the Medicare program. In 1996, the Congress passed the Health Insurance Portability and Accountability Act, which provided the additional funding. As a result of these activities, the Medicare program's net savings were about \$3 billion in fiscal year 2000.
- Cutting Costs of the F-22 Aircraft Program.*—In a series of reports beginning in the mid-1990s, GAO questioned various aspects of the Air Force's F-22 aircraft acquisition program. We reported that the acquisition strategy was risky and that the program was experiencing cost growth, manufacturing problems with test aircraft, and testing delays. Our analysis helped the Congress reduce the final fiscal year 2000 appropriation request for the F-22 by about \$552 million and to identify conditions that should be met before the Department of Defense could begin full production.
- Supporting Oversight of the Internal Revenue Service (IRS).*—GAO continued to support congressional oversight of IRS' operations, including IRS' implementation of the 1998 IRS Restructuring and Reform Act, its budget requests, and administration of various tax functions. For example, our testimony on IRS' broad-based modernization efforts provided an integrated assessment of the challenges IRS continues to face in its tax enforcement and customer service operations and its modernization of performance management, information systems, and business practices. At the same time, our work generated savings and potential reductions in taxpayer burden. Our work on the improved use of information returns in IRS' tax enforcement operations yielded \$83 million in savings this year. IRS also agreed to begin tracking information that has the potential of clarifying its notices to taxpayers and easing their task in complying with those notices.
- Recapturing Excess HUD Funding.*—GAO identified funding from several sources in the Department of Housing and Urban Development's budget, including unexpended balances no longer needed, that could be recaptured in fiscal years 1998 and 1999. The Congress rescinded \$1.65 billion from the Section 8 housing program's fiscal year 1998 budget authority and rejected \$1.3 billion of HUD's fiscal year 1999 request for housing assistance for a total reduction of \$2.95 billion. Subsequently, GAO and HUD worked together to revise HUD's

analysis to show that, by using recaptured funds, HUD had sufficient funding to meet its needs.

*Almost 800 Actions Taken To Improve Government Operations or Services*

GAO's recommendations and audit findings also resulted in or contributed to many improvements in the effectiveness and efficiency of government operations and services during fiscal year 2000. While immeasurable in dollar terms, they contributed to improving public safety and consumer protection, establishing more effective and efficient government operations, and safeguarding the nation's physical and information infrastructure. We recorded 788 actions taken in response to our recommendations to improve how the federal government operates, a number far exceeding that of the preceding 3 years as illustrated in the following graphic.



Examples of GAO's work that resulted in these accomplishments follow.

—*Improving Nursing Home Quality of Care.*—The Health Care Financing Administration (HCFA) and several states—including California, Maryland, and Michigan—improved their oversight and enforcement of nursing homes' quality of care standards in response to GAO's recommendations highlighting weaknesses in existing processes. Improvements included increased funding for nursing home surveyors, more prompt investigation of complaints alleging serious harm to residents, more immediate enforcement actions for homes with repeated serious problems, a reorganization of HCFA's regional staff to improve consistency in oversight, and increased funding for administrative law judges to reduce the backlog of appealed enforcement actions.

—*Managing Wildfire Prevention.*—“Federal Experts Saw Massive Wildfires Coming” read an August 7, 2000, news headline. The article was referring to GAO's April 1999 report on wildfires. Since then, GAO has used the increased risk of uncontrollable and often catastrophic wildfires as an example of the need for “strategic budgeting” to address issues that are not aligned with the current budget and organizational structures of the four major federal land management agencies. Responding to the wildfires that burned over 6.5 million acres of public and private land in 2000, the Congress appropriated an additional \$240 million in fiscal year 2001 to reduce hazardous fuels in high-risk locations where wildlands and urban areas meet. GAO testified on the need for the four land management agencies to act quickly to develop a framework to spend

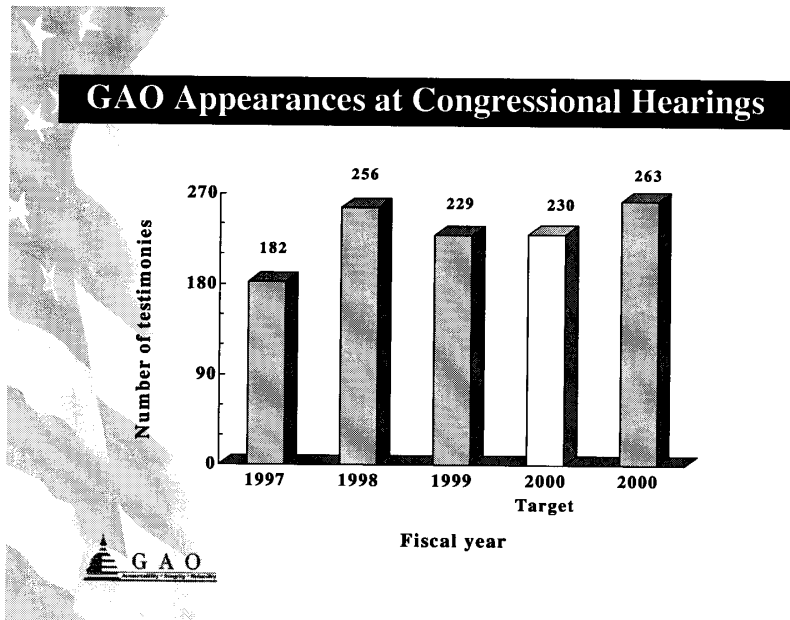
funds effectively and to account accurately for what they accomplish with the funds.

- Improving Human Capital Practices.*—Our work on human capital issues helped focus the attention of the executive and legislative branches on the importance of these issues, particularly in managing for results. We helped spur the administration to make human capital a priority management objective in the fiscal year 2001 budget submission, and our framework for human capital self-assessment is being used at other agencies, including the Social Security Administration, Small Business Administration, National Aeronautics and Space Administration, and Environmental Protection Agency. The framework also is used throughout GAO to help guide our research and development work and our congressionally driven examinations of how well agencies are pursuing strategic human capital management in support of their missions and goals. We have designated strategic human capital management as one of the federal government's high risk areas in our 2001 Performance and Accountability Series and High-Risk Update.
- Strengthening Information Security.*—GAO has evaluated the security of critical information systems at federal agencies and recommended numerous improvements, most recently at three Treasury agencies, the Department of Energy, Department of Veterans Affairs, and the Environmental Protection Agency. In September 2000, GAO issued a governmentwide perspective on federal information security that covered Inspector General and GAO audit findings reported since July 1999. We concluded that weak security continues to be a widespread problem that places critical and sensitive federal operations at risk of tampering, disruption, and inappropriate disclosure. In October 2000, government information security reform provisions were enacted into law to strengthen information security practices throughout the government.
- Stabilizing the Balkans.*—Despite the presence of two large forces led by the North Atlantic Treaty Organization, the Balkans remain volatile. GAO's work has shown that the international operations in Bosnia and Kosovo face severe obstacles to achieving enduring peace and stability. Most local leaders and members of their respective ethnic groups have not embraced the political and social reconciliation needed to build multiethnic, democratic societies. Our work also has shown that the international community has not provided the resources that the United Nations mission in Kosovo says it needs, particularly for building a civilian police force. If progress is not made with these matters, violence may escalate or armed conflict may result.

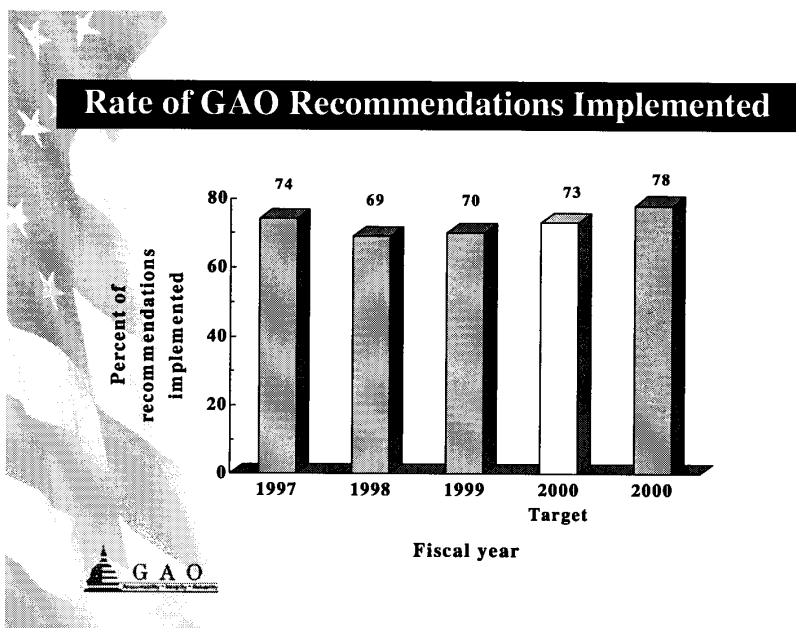
*Requests for GAO Testimony and Implementation of Recommendations Increased*

In fiscal year 2000, the number of times that GAO's senior executives testified before the Congress and the rate at which our recommendations were implemented exceeded that of most recent years. Because GAO's primary function is to support the Congress in carrying out its decision-making and oversight responsibilities, the number of times our experts testify before congressional panels each year is an indicator of our responsiveness and reflects the impact, importance, and value of our work. In fiscal year 2000, GAO officials testified 263 times before 104 different House and Senate Committees and Subcommittees, more than half of all congressional committees and subcommittees. Our experts testified on a broad range of issues of national importance, including arms control, health care, Social Security, human capital, nuclear waste cleanup, wildfire prevention, aviation safety and security, international trade, computer security, financial management and reform, and budget issues.

Our assistance to the Congress at public hearings continues to remain high, as illustrated below. However, it is clear that the number of congressional oversight hearings and other GAO testimony opportunities will decline significantly in fiscal year 2001 as a result of factors beyond our control. Among these include the slow start of the 107th Congress due to the power sharing arrangements in the Senate, closer margins and committee leadership changes in the House, and delay in filling many Bush Administration policy positions.



We also exceeded our performance of previous years with respect to the rate at which the recommendations we made 4 years ago were implemented. We use a 4-year interval because our historical data show that agencies often need time to take action on our recommendations. By the end of fiscal year 2000, 78 percent of the recommendations we made in fiscal year 1996 had been implemented. As illustrated in the graphic below, this rate exceeds that of the preceding 3 years. Implemented recommendations correct the underlying causes of problems, weaknesses in internal controls, failures to comply with laws or regulations, or other matters impeding effective and efficient performance.



*Significant Progress Made Addressing Management and Operational Issues*

Last year, I outlined for you a number of major management and operational challenges facing GAO. These challenges included human capital, information technology, organizational, job processes, and communication issues within the agency. I am pleased to report that we made significant progress toward addressing many of these issues.

We continued to enhance our effectiveness and efficiency through a variety of means during fiscal year 2000, including issuing a strategic plan, establishing congressional protocols, realigning the agency, implementing key human capital initiatives, and increasing the use of information technology. These efforts to enhance and strengthen GAO and its services to the Congress and the American people include the following.

- In the Spring of 2000, we issued our first strategic plan for the 21st century based on input from the Congress and supplemented by GAO's own expertise and other outreach efforts. The plan focuses on how we intend to support the Congress in helping to shape a more efficient and effective government. It describes our role and mission in the federal government; the core values that guide our work; the trends, conditions, and external factors underlying our plan; and our goals, objectives, and strategies for serving the Congress. Our intent is to update the strategic plan every 2 years for each Congress.
- We established a set of congressional protocols to govern our interactions with and ensure our accountability to the Congress. These protocols, which underwent a 9-month pilot test, set out clear, transparent, consistently applied policies and practices for GAO's relations with the Congress to reduce miscommunication and ensure that all requesters are treated equitably. The final protocols were issued in November 2000.
- We continued our outreach efforts to understand how best to meet congressional needs and assist the Congress in using our resources and services. During each Congress, I and other GAO executives plan to meet with the leadership of the Senate and House, all Committee Chairs and Ranking Minority Members, and Members of our oversight and appropriations committees to obtain feedback on our performance and information needed to update our strategic plan.
- We issued our first-ever Accountability Report to the Congress discussing our performance and accountability in serving the Congress and the American people in fiscal year 1999. The report reviews our accomplishments in meeting our mission and sustaining our core values of accountability, integrity, and reli-

ability. We also issued a performance plan for fiscal year 2001 that contains the performance measures and annual performance targets we will use to gauge progress toward accomplishing our strategic goals and objectives.

- We also realigned the agency to better support the Congress and prepare ourselves with current and expected resource levels to meet the future challenges outlined in our strategic plan. To align GAO's structure with the goals in our strategic plan, we reorganized both our field and headquarters operations. The changes were primarily designed to better align our resources with our strategic plan, eliminate a layer of managerial hierarchy, reduce the number of organizational units, increase internal and external coordination activities with the Congress and other accountability organizations, clarify the roles and responsibilities of management, increase the number of personnel who perform rather than manage or review work, and increase the critical mass and enhance the flexibility of field resources.

We also began implementing a range of new and enhanced human capital and information technology strategies to position GAO for future success. Thanks to the Congress, we now have legislative authority that provides us greater flexibility to effectively manage our human capital. This legislation, enacted into law in October 2000, grants us the authority to establish new senior-level scientific and technical positions; offer targeted voluntary early-outs and buy-outs; and carry out reductions in force to downsize, realign, or correct skills imbalances within our agency. We have issued implementing regulations for early-outs and the scientific and technical positions and plan to issue buy-out and reductions-in-force authorizing regulations later this year.

Other accomplishments within the human capital area include:

- Completion of a first-ever electronic knowledge and skills assessment and inventory that is being used to help identify skill gaps and succession planning needs within the agency. In addition, staff completed an employee preference survey that is being used along with the results of the knowledge and skills inventory to meet our institutional work needs while accommodating staff preferences for engagements to the extent possible.
- Significant recruiting and college relations efforts on the nation's campuses. Aggressive efforts are underway to attract, recruit, and hire high-caliber staff with the skills and abilities needed to assist GAO in achieving our strategic goals and objectives.
- Revised performance standards for all staff that incorporate GAO's core values and strategic goals, update descriptions of performance to better reflect the current nature of GAO's work, and include key management and performance concepts, such as leadership by example, client service, and measurable results. Also, during fiscal year 2000, we began a major initiative to develop a competency-based performance appraisal system for analysts to reflect prevailing best practices. In fiscal year 2001, we will begin updating the performance systems for attorneys and mission support staff to reflect prevailing best practices.
- Enhanced internal communications that remain a vital tool for change management throughout the agency. Throughout fiscal year 2000, I conducted a number of telecasts to all agency staff to discuss GAO's strategic plan and congressional protocols, client service, employee survey results, initiatives to enhance the agency's human capital programs and legislative proposals, work processes, organizational alignment, information technology, and other areas of interest to the staff. Also, to engage our employees more fully in improving the agency's performance, we established the Comptroller General's Employee Advisory Council to discuss current and emerging issues of mutual interest and concern and implemented an employee suggestion program that received more than 800 submissions in its first year of operation.

We also made significant gains in strengthening and improving our operations and processes in fiscal year 2000. We implemented two new management strategies: risk management and matrix management. GAO's risk management approach allows management to identify and involve key stakeholders throughout an engagement to transcend traditional organizational boundaries to maximize institutional value and minimize related risks. GAO's matrix management approach maximizes our value to the Congress by leveraging the knowledge, skills, and experience of all employees to ensure the highest quality products and services and to help the Congress address the challenging, complex, multidimensional problems facing the nation.

Throughout fiscal year 2000, we also continued to improve our use of information technology as a tool for productivity and knowledge management. To provide our teams of analysts with a mechanism for simplifying and standardizing their work, we launched the Electronic Assistance Guide for Leading Engagements—the



EAGLE, which is a prototype of a comprehensive Web-based guide to conducting GAO engagements. We also continued to enhance the capabilities of our computer network and successfully made our systems Y2K compliant. In addition, we began a number of projects on enabling technologies, including software upgrades, the deployment of notebook computers, and improved remote access to allow teams to work more efficiently in the field. Also, to carry out GAO's responsibilities under the Presidential Transition Act of 2000, we developed a separate section on our Internet web site with links to key GAO contacts and reports on the major executive branch agencies, which was completed at the beginning of fiscal year 2001.

#### FISCAL YEAR 2001 PLANS AND FUTURE CHALLENGES

During fiscal year 2001, we will continue to focus our work on the major issues facing the Congress, including Social Security solvency, education, economic development, Medicare reform, national security, international affairs, and government management reforms and computer security. Another top priority this year will be working with leaders on the Hill to help the Congress strengthen its approach to oversight, with an emphasis on looking hard at what government does, how it does it, and the long-term consequences of today's policy choices. GAO's 2001 Performance and Accountability Series and High-Risk Update will serve as a solid foundation for congressional oversight. Also, as I mentioned earlier, we have several key initiatives in progress to improve how we serve the Congress, among them an expanded client feedback system; protocols governing our dealings with federal agencies; new high-level advisory bodies to gain the expertise of business leaders, former Cabinet officials, and other experts; and new avenues for sharing our own expertise with other accountability organizations.

We also are preparing to carry out two new responsibilities mandated by the previous Congress. We will chair a panel to review the government's A-76 process for obtaining services through competitive sourcing. Also, if the needed funding is provided, we will review the costs and benefits of major regulations under the Truth in Regulating Act (Public Law 106-312, Oct. 17, 2000). We have a request pending for \$2.6 million in supplemental funding for fiscal year 2001 and are requesting \$5.2 million for fiscal year 2002 to meet the requirements created by the Truth in Regulating Act.

Internally, we will continue to emphasize initiatives to address our two major management challenges: human capital and information technology. With about 80 percent of our resources devoted to staff salary and benefits, the area of human capital presents a major challenge. A significant percentage of our workforce is nearing retirement age, while marketplace, demographic, economic, and technological changes indicate that competition for skilled workers will be greater in the future. With our agency realigned to facilitate our work for the Congress and new legislative authority in hand to manage our workforce more effectively, we are pursuing several initiatives to strengthen our human capital. For example, we are recruiting diverse, high-caliber staff with the skills and abilities we need to achieve our strategic goals and objectives. We will be putting into place a competency-based performance appraisal system and using the results of our staff knowledge and skills inventory to help us in workforce planning. We also have reestablished and are expanding training opportunities for our staff—from the senior executives to the new hires.

Another major management challenge is building an integrated and reliable information technology (IT) infrastructure that supports the achievement of our goals. We are conducting a comprehensive IT review to identify opportunities to increase our efficiency, effectiveness, and productivity. We also are mapping our business processes to our IT architecture and will link future IT investments to our business goals. In addition, we plan to continue initiatives to increase our employees' productivity, maximize the use of technology, and enhance the Web-based knowledge-sharing applications on the desktop. Last, we also must heighten the security of our network.

#### FISCAL YEAR 2002 BUDGET REQUEST

To fully support the Congress as outlined in our strategic plan and the additional congressional mandates received since its issuance, we are requesting a budget for fiscal year 2002 of about \$430.3 million. This funding level will allow us to support and staff to our approved level of 3,275 full-time equivalent personnel. We will increase our emphasis on areas of congressional and public interest and, internally, will continue to emphasize initiatives to address our two major management challenges: human capital and information technology. Our request also includes \$5.2 million to carry out new responsibilities created by the Truth in Regulating Act. In

addition, we are seeking a nominal increase in GAO's representation expenses, from \$10,000 to \$12,500, to accommodate our expanded role with both domestic and international accountability organizations.

Additional funding in fiscal year 2002 is being requested for:

- mandatory pay and benefit costs resulting primarily from federal cost-of-living and locality pay adjustments, based on Office of Management and Budget (OMB) guidance, increased participation in the Federal Employees Retirement System, and an increase in the estimated number of retirees—\$17,554,000;
- uncontrollable inflationary increases in transportation, lodging, postage, printing, supplies, contracts, and other essential mission support services, based on OMB's 2-percent inflation index and other factors—\$1,565,000; and
- uncontrollable contract rate increases in building operations and maintenance and information technology programs—\$1,453,000.

Funding of \$8,004,000 for salaries and benefits also is being requested to staff and support our approved 3,275 full-time equivalent staffing level. We plan to use these resources to enhance our review efforts in areas of congressional and public interest and concern, such as government computer security, Social Security solvency, education, economic development, Medicare reform, and international affairs.

The additional funds requested also would be used to continue initiatives begun in fiscal year 2000 that are critical to supporting the Congress and the goals and objectives identified in our strategic plan. These initiatives include human capital initiatives and enabling technological advances to enhance the performance and productivity of our workforce as follows.

- Human capital initiatives—\$3,324,000:
  - Mass transit subsidy allowance comparable to the mandatory benefit provided in the executive branch—\$1,500,000;
  - Performance-based recognition and compensation programs—\$1,014,000;
  - Training and professional development activities to continue efforts begun in fiscal year 2000 to address skill gaps, maximize staff productivity and effectiveness, and update our training curriculum to address organizational, change management, and technical needs of both individuals and the agency—\$400,000;
  - Education loan repayments to provide recruitment and retention incentives and benefits comparable to the executive branch—\$410,000.
- Enabling technology initiatives to increase employee productivity, maximize the use of technology, and enhance employee tools available at the desktop, including such initiatives as reengineering business processes, upgrading hardware and software applications, expanding our videoconferencing capabilities, and implementing a best practices network security program—\$2,585,000.

Other efforts include:

- Enhancing security and removing asbestos within the GAO Building to protect the health and safety of our most important asset—our staff—\$2,839,000;
- Upgrading GAO's computer security facility to ensure our continued ability to conduct effective, comprehensive computer security controls testing of complex, diverse, and interconnected executive branch systems and to attract and retain skilled, technical staff—\$750,000;
- Enhancing the International Organization of Supreme Audit Institution's efforts to combat government related corruption around the world, multi-lateral training efforts with eastern-bloc and selected South and Latin American countries, and bilateral assistance to Russia—\$250,000; and
- Contracting for the development of a requirements document to be used along with other legislative branch agencies to jointly procure and share a common financial management system—\$250,000.

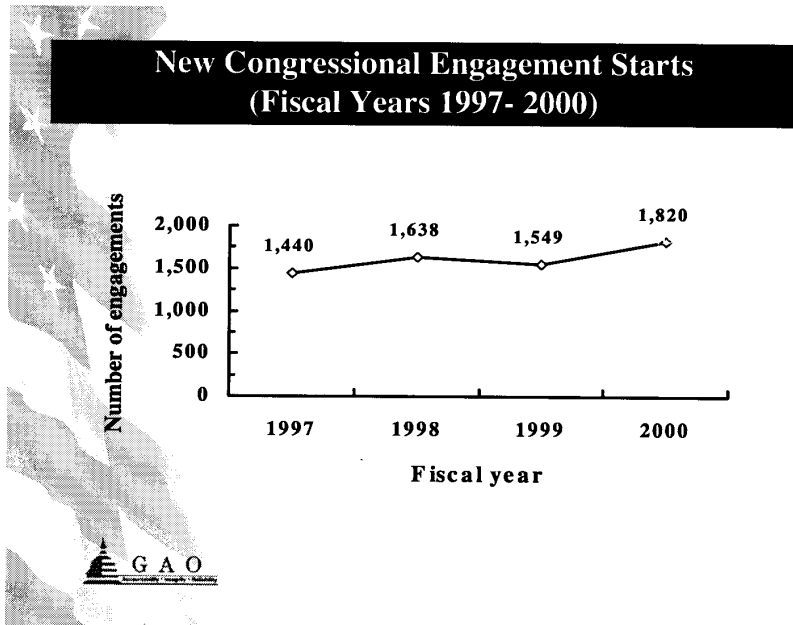
In addition, as previously mentioned, we are requesting \$5.2 million to provide the annual funding requirement specified in the Truth in Regulating Act.

BUDGET REQUEST CRITICAL TO SUSTAINING EXISTING LEVEL OF SERVICE TO THE  
CONGRESS

The resources we are requesting for fiscal year 2002 are critical to addressing our human capital and information technology challenges and ensuring our ability to effectively meet the increasing congressional requests for GAO services. We have reached a point that if sufficient funding is not received to address these issues and properly support our staff, we will need to take actions that will negatively impact our service and responsiveness to the Congress.

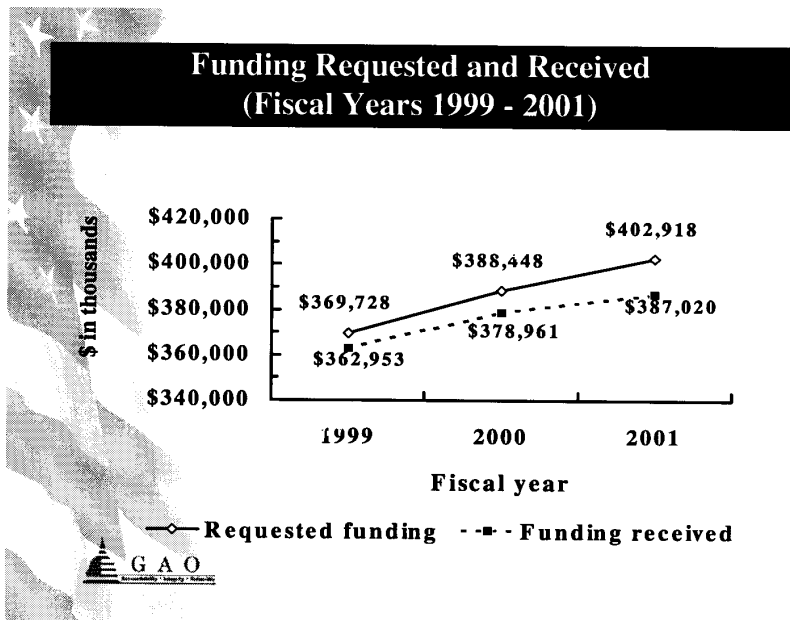
Congressional demand for GAO services continues to increase. For example, as illustrated below, the number of engagements begun as a result of a congressional

request has increased during the past 4 years. These numbers do not include hundreds of other requests that had not yet been started.

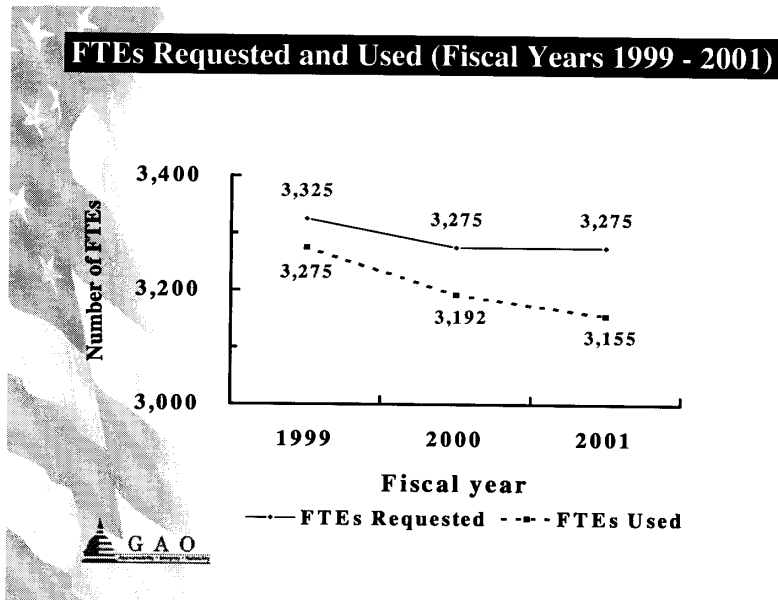


We have worked hard over the past 3 years with available resources to significantly increase our productivity levels to successfully meet increasing congressional demand. For example, we realigned our organization, reengineered many of our business processes, retooled our engagement and risk management practices, revised our performance appraisal and recognition systems, and updated our information technology infrastructure. However, we have reached a point that significant additional productivity gains are unlikely without sufficient funding to further enhance our human capital and information technology programs.

We are concerned about our ability to continue to increase our productivity levels, sustain our return on investment, and meet future congressional demands given the recent trend in our funding levels. Since becoming the Comptroller General at the beginning of fiscal year 1999, I have not asked for any increase in our approved 3,275 full-time equivalent staffing level. I have only requested the funding necessary to properly maintain and support this staffing level and cover mandatory expenses, including inflation and compensation costs. However, as illustrated in the following graphic, the funding GAO received has been significantly less than what we requested and needed to support our approved staffing level.



In order to cover our mandatory expenses during the past 3 years, we had to staff well below our approved staffing level, as illustrated below, and delayed or made reduced investments in important human capital and information technology initiatives. As a result of these funding shortfalls and the mandated funding reductions in the mid-1990s, our training, performance-based recognition and rewards programs are not where they need to be. Consequently, we are at a competitive disadvantage with the executive branch in some areas, such as performance rewards. In addition, we have some management information systems that are obsolete and incapable of interfacing within our network environment and a variety of software that needs to be upgraded to ensure continued vendor maintenance and support. We cannot continue down this path. We have reached the point at which investments in these critical programs and other areas must be made in order to effectively support our staff and provide the high level of service expected and required by the Congress.



The funds we are requesting are critical to addressing our succession planning challenges and enhancing the knowledge, skills, and abilities of our workforce. A large percentage of our workforce will become eligible for retirement within the next 5 years. More than 35 percent of our analysts and 50 percent of our senior executives will be retirement eligible within that time period. We need to aggressively continue our efforts to hire new staff, develop existing staff, and otherwise build the future GAO. In order to be competitive in attracting, hiring, and retaining high caliber and talented staff, we need to be able to further enhance our human capital programs. Thus, the funding we are requesting for training, performance-based recognition and compensation programs, education loan repayments, mass transit subsidy allowance, and enabling technology is critical. Without such funding, we will not be competitive in attracting and retaining the best, brightest, and expertise needed to effectively serve the Congress in addressing the complex, controversial, and multidimensional issues and challenges it faces each year.

If the funding trend of the past 3 years is continued, we will need to restrict our work to only responding to requests from committees and subcommittees, thus severely limiting—and potentially eliminating—work done for individual members. Such a restriction also would further reduce the limited flexibility we have to research and develop expertise on emerging issues, thereby limiting our ability to respond to the Congress when related issues arise on short notice. For example, were it not for the advance research and development work we had done on computer security, China, the World Trade Organization, and last year's presidential election issues, we would have been unable to be responsive to the congressional requests and public debates on these real time, event driven issues. We need sufficient funding to build and ensure we have the capacity and expertise to address such emerging issues on short notice in the future.

#### CONCLUDING REMARKS

Fiscal year 2000 was a tremendous year of accomplishment and achievement for GAO—a year of great service to the Congress and of great benefit to the American taxpayer. We have made significant progress in addressing many of the areas in need of improvement in GAO and need to continue these efforts. The resources we are requesting for fiscal year 2002 are critical to sustaining our high-level of performance and service to the Congress. We are the nation's and possibly the world's leading accountability organization. We need these additional resources to continue our efforts to further strengthen GAO and be a model organization for the rest of the federal government and accountability organizations around the world. In addi-

tion, given GAO's impressive results and return on investment, it only makes sense for GAO to receive resource allocations that are well above average for other federal entities. To do otherwise would send a troubling message to GAO's employees, the press, and the public.

We look forward to your continued support and working even more closely with you and your staff this year and in fiscal year 2002. This concludes my statement. I would be pleased to respond to any questions that the Members of the Subcommittee may have.

STAFFING LEVELS

Senator BENNETT. Thank you very much. I appreciate your candor, and I appreciate your enthusiasm.

In anticipation of this, I had Mr. Kimmitt, the clerk, draw up an analysis of what's happened since the downsizing. As you know, I was on this subcommittee—not the chairman, but working closely with the chairman—at the time the downsizing was made, and we made a pact with GAO, which I have done my best to uphold ever since, which was: if you can take a 25-percent cut, which we were convinced you could, we would then hold you harmless from that point forward. And you weren't here through some of those early fights. Dick Brown was and remembers some of the difficulty we had with members of the House who wanted to come back and do further.

So I asked Mr. Kimmitt to do a historic analysis, and it is oversimplified, but it is kind of interesting. I'll give you a copy of this, but here's the FTE Employees in fiscal year 1995. And without objection, this will be made a part of the record at this point. So anyone reading the record will see the document we're reading off of.

[The information follows:]

GENERAL ACCOUNTING OFFICE (GAO) FULL TIME EQUIVALENT (FTE) EMPLOYEES ACTUALS

	FTE Employees	25 Percent Cut	Difference
Fiscal year 1995 .....	4,342	3,256	1,086
Fiscal year 1996 .....	3,677	3,256	421
Fiscal year 1997 .....	3,341	3,256	85
Fiscal year 1998 .....	3,245	3,256	(11)
Fiscal year 1999 .....	3,275	3,256	19
Fiscal year 2000 .....	3,192	3,256	(64)
Fiscal year 2001 (Est.) .....	3,155	3,256	(101)
Fiscal year 2002 (Request) .....	3,275	3,256	19

Senator BENNETT. GAO was at 4,342 FTEs. And an exact statistical cut would take you to 3,256. So in fiscal year 1995, there were 1,000 people, roughly, too high, almost 1,100. It came down in 1996 and again in 1997, and that's appropriate because we said, "You have 2 years in which to do this." So it got down to 3,341 in 1997, essentially achieved that. In 1998, you were 11 under the statistical 3,256. And then, as you say, the authorization was set at 3,275, and you hit that, which was 19 positions over. Then fiscal 2000 dropped down to 64 under and dropped down to 101 under. Now you're asking to come back to the 3,275, which would put you again 19 over, which is essentially full compliance.

What caused the 64 and the 101 drops in those two years, which is what makes your request now look so big if we have to catch up

the 120 you're talking about? Was it congressional appropriations? Was it the uncertainties of retirement? Was it some other shift? You came on board about in the middle of this. Maybe your personality drove all of those people out. Who knows?

Mr. WALKER. I hope you intend that as compliment.

Senator BENNETT. I intend that as a joke.

Around here, Senators are constantly putting up two charts and saying, "Look, this trend line is going up, and this trend is going down, so naturally this triggered that." And I've long since learned that, very often, there is no correlation whatsoever between those two.

But these, at least, are a first cut at why we find ourselves in the position of trying to have this big a jump if I'm going to justify this big a jump to the full committee. We are fortunate to have the chairman of the full committee as a member of the subcommittee, although he couldn't be here today. I need some background, so let me throw that at you and have a discussion as to where we are.

Mr. WALKER. Well, first, we did not receive our mandatories in all the years since 1999. Therefore, if we don't have the funding, something has got to give. We either have to cut back on training, we have to cut back on travel, we have to cut back on enabling technology, or we have to cut back on investments in people and not fill authorized slots.

Senator BENNETT. So you're saying this was caused by a shortfall in appropriations?

Mr. WALKER. It was caused primarily by the fact that we did not receive our mandatories. My personal opinion is that I don't measure success by how many people we have and what our budget is; I measure it by results. I would rather invest in our current people and get the most out of our current people than merely fill slots. However, the difficulty that we have is, if we don't continue to get our mandatories, this sets a trend where we are going to get smaller and smaller every year. At the same time, demand from our client, the Congress, is going up every year. And you've got a lot of data your staff has given you to be able to demonstrate that fact. Therefore, that means our backlogs increase, which means that our flexibility and our ability to respond in a timely manner can be adversely affected.

Now, we've done a lot to help that through leveraging technology, through streamlining how we do things, having more people focused on doing the work rather than reviewing the work, et cetera, but there's a limit as to how far you can go in that regard. So it's basically because we didn't get our mandatories. I made the decision that I would rather invest more in the people that we have now, rather than merely to fill the slots.

#### HIRING RATES

Senator BENNETT. How rapidly can you hire 120 people? Could you get up to this level?

Mr. WALKER. We could, Mr. Chairman. The fact of the matter is that, as you probably know, we had a virtual hiring freeze for a 5-year period. We were out of the market until right about the time that I came on as Comptroller General. This year, we have a very aggressive recruiting and college-relations effort. We're going to

meet or exceed our goals. We have been very fortunate. While many Federal Government agencies and departments have had difficulty in attracting and retaining people, we are doing a very good job in that regard, and we are still seen as an employer of choice. And so I believe we could do it if we had the resources to be able to do it.

#### EMPLOYMENT SUBSIDIES

Senator BENNETT. Let's talk about the metro subsidy and the tuition. I'm assuming that means there is a forgiveness of student loans if they come to work for you and pledge to stay for so many years.

Mr. WALKER. Right.

Senator BENNETT. Have you got a dollar figure on that?

Mr. WALKER. Well, the dollar figure that we're asking for is \$410,000. Basically, the way—

Senator BENNETT. That covered both of those programs?

Mr. WALKER. No, \$410,000 for the tuition reimbursement, \$1.5 million, I think, for the transit subsidy.

Senator BENNETT. I'm not challenging you at all, but I'm surprised that the transit subsidy is more than the tuition.

Mr. WALKER. Let me tell you why. Because the way the transit subsidy works, it's a specified amount that you have to provide, and it applies to every individual who's eligible for it. Therefore, what we have done is come up with an estimation that, if we make it available, how many GAO people would likely take it.

The way the tuition reimbursement works is—some of the costs are back-loaded. Basically, the way the statute works is that an employee has to work at least 3 years in order to be able to get the subsidy. He/she can't receive more than \$6,000 per year. He/she can't receive more than a total of \$40,000 over the period of the subsidy. What I would want to try to do, quite frankly, is to structure this in a way that maximizes the incentive for people to stay 3 or more years. I would back-load some of this. The reason that I would want to do that, Mr. Chairman, is because our statistics show that if people stay at GAO for at least 3 years, then the odds of us keeping them long-term increase exponentially. And so, therefore, we have an ability to be able to back-load some of the budgetary costs that would be associated with this. That's the primary reason why you don't see as much money in that area.

Senator BENNETT. I see. The Governmental Affairs Committee probably ought to authorize it.

Mr. WALKER. The law is already on the books. OPM—

Senator BENNETT. Okay, it is already authorized.

Mr. WALKER. OPM has to issue regulations that will cover us, but we anticipate they're going to do that shortly, and then we'll be able to do it.

Senator BENNETT. All right. So you are already authorized, and that means we can appropriate without having the ire of certain Senators coming down upon us. But this is a 3-year—rolling 3-year obligation, so the \$410,000 you're talking about is for the first year?

Mr. WALKER. That is correct.



Mrs. HARPER. That is correct, and there is a 3-year work commitment from the individual to repay that loan.

Senator BENNETT. And that also makes the numbers make a little more sense, because you're really talking \$1.2 million, in terms of the relief that the individuals are looking for.

Mr. WALKER. Right.

Mrs. HARPER. Yes, that's correct.

Senator BENNETT. Okay, good.

Mr. WALKER. And the importance of that, Mr. Chairman, is that many people who are choosing public service are facing two problems: (1) they don't make as much money in compensation as they could in the private sector; and (2) at the same time, they have a significant debt load with which they must deal. So there are many people whose heart and head will say, "I would like to do public service," but their wallet won't let them. That is why we're trying to be able to do something here. We don't want to be on an un-level playing field with the executive branch, which is our concern, because that wouldn't help the Congress.

Senator BENNETT. I understand that. If I could wave a magic wand, it would be that any institution of higher learning that has an endowment above a certain billion-dollar level would have to have that show up in their tuition. There are certain Ivy League colleges where it would be free.

Mr. WALKER. We know you have a lot of influence, Mr. Chairman.

#### WINTER OLYMPICS PREPARATIONS

Senator BENNETT. You recently observed a counter-terrorist exercise done with respect to the Salt Lake Winter Olympics. Have you got any observations or reactions you can share with the committee? And I have a particular interest in that.

Mr. DODARO. Our team, as part of looking at counter-terrorism activities in a broad sense, did observe the exercise for the Olympics and found a couple of things. One, we thought the plan was good. Also, we thought that the cooperation that was shown among the agencies was excellent. So we were pretty impressed with the observations to date. Now, we're going to continue to track this and monitor this whole issue. It is an area that is increasing in terms of demand from the Congress—looking at counter-terrorism activities and, of course, the proposals for homeland defense. So we're watching that very carefully, but our initial reaction was a positive one.

Senator BENNETT. Good. Well, the folks in the Secret Service and other law-enforcement agencies tell me that the Olympics constitute the number one attraction for terrorist activities. There is nothing more attractive to a potential terrorist than an event that is being watched worldwide by somewhere between three and four billion people at any one given time. And the days when the Olympics are a sporting event are long-since over and are never coming back. Yes, we do sporting events at the Olympics, but they have become far more than that. And if we're ever going to have the Olympics in the United States again, after the Salt Lake Winter Olympics, we must recognize, as we have recognized in Salt Lake, and previously in Atlanta, that the Olympics cannot be put on

without massive Federal involvement. And whatever you can do to help us see that the Olympics are a non-event, as far as terrorist activities are concerned, is effort well spent, and we appreciate it.

Mr. DODARO. Yes, we're going to stay close to that. As you know, Senator, another related issue is critical infrastructure protection. We are spending more and more time on that, too, both within the Federal Government computer security programs—and we're asking for some additional money for our own computer lab facility—but also public-private partnerships.

Senator BENNETT. And you can expect that I'll be talking to you about that when I wear one of the other hats that I wear.

Mr. WALKER. Mr. Chairman, I lived in Atlanta during the 1996 Olympics, so I know firsthand what you're talking about, and your points are well taken.

#### TRUTH IN REGULATING ACT

Senator BENNETT. All right. Just help me understand the \$5.2 million with respect to the Truth in Regulating Act.

Mr. WALKER. The way that works, Mr. Chairman—as you know—last year authorizing legislation was enacted passing the Truth in Regulating Act, which basically gave the ability for the Congress, either a chair or ranking member of a committee, to request the Comptroller General, to review certain regulations that had been proposed by the executive branch. In order for that to become effective, the statute specifically provides that there has to be an express appropriation earmarked for this activity. The Congress recognized that we were already being squeezed with regard to being able to achieve our current mission and, since they were interested in us taking on this additional responsibility, provided that we needed to receive earmarked funding for it. We have a supplemental request for this fiscal year of \$2.6 million that is currently pending. The \$5.2 million would represent a full year's appropriation, and we will not begin doing this work unless and until we receive the appropriation.

#### CAPITOL POLICE

Senator BENNETT. Finally, a thicket we keep getting into on this committee is the Capitol Police. And we created a chief administrative officer of the capital police in our last bill to address a number of deficiencies in their administrative operations. And the act requires you, Mr. Walker, to evaluate the administrative officer's performance. This was one of the most contentious issues between the House and the Senate in the conference. We resolved it, as we ultimately resolve everything around here, one way or another, but I would appreciate any comments you might have on the Capitol Police's progress in addressing fiscal management and human-resource management and information-technology issues from your perspective.

Mr. WALKER. First, let me assure you, we're on the case, Mr. Chairman, and there was coordination with the Chief of Police as well as the board, regarding the criteria for the type of person they were looking for and the selection process. They have hired a chief administrative officer. I have met with the chief administrative officer. Gene Dodaro has, as well. We have a team that is monitoring

their activities. I received a first draft of an outline of what will end up being the basis for the plan that he is required to produce within a 6-month time frame after he's appointed. Unfortunately, he was not appointed until the end of February, and so he has been on board less than 3 months. The plan is not required to be completed until August, and so there are some challenges with regard to timing, but I can assure you that we're staying right on top of this. We know that this is a matter of interest to you, as well as the body as a whole.

Mr. DODARO. And actually, we're trying to identify, in a constructive way, what needs to be addressed in the plan. In fact, our team met with the chief administrative officer yesterday to begin sharing some of our thoughts in that regard, but it's a little early yet to make any determinations.

#### MERGING OF POLICE FORCES

Senator BENNETT. Let me ask you an unfair question. This place is full of unfair questions. One of the suggestions we've made—indeed passed the Senate last year, didn't survive conference—was for the consolidation of police forces—the Capitol Police, the Library of Congress Police, the Government Printing Office Police, and, I think, the Supreme Court Police—all into a single police force. It struck me that there could be some administrative savings in that kind of a structure, that there could be a career-path opportunity for, particularly, someone at the Government Printing Office Police who could start there, and then, with additional training, say, "Well, I can now move up to a position that might be considered a little more demanding and maybe a little more rewarding, with the Capitol Police." There could be some, not only monetary savings, but administrative efficiencies—that you have, instead of four different jurisdictions in a particular geographic area, just one.

As I say, it didn't survive, for a variety of reasons. Do you have any reaction to this? And if it is too early, as you work with this administrative officer, could you give me some advice as to whether you think this is a good idea?

Mr. DODARO. I'm not aware of what work we have done on this previously.

Mr. BROWN. Yes, we did look at this matter last year. We looked at some of the issues surrounding a merger of the different police forces. We certainly could go to that next step, based on what we've done up to this point, if you want us to.

Mr. DODARO. We did look at differences in the current pension systems and some of the administrative hurdles that would have to be addressed should the forces be consolidated. But I would think if we were to examine costs and benefits, we would also have to look more broadly at: What are the threats? What are the levels of services? What are the other issues that are intertwined from a law-enforcement protection standpoint, as well as administrative efficiency, because I think that would be a more holistic way to approach it.

Senator BENNETT. That has to be the primary concern, obviously.

Mr. WALKER. I think there's two sides, Mr. Chairman. One side is the operational side, which deals with the issues that Gene Dodaro just mentioned, and we have not done that yet. We'll be

prepared to do it if we get a request. On that, I think what we can do is—we can lay out the options, talk about the pros and cons so that you could make an informed judgment—you and the Senate could make an informed judgment on the issue.

The other issue, though, is the administrative side. And on that, frankly, there's more of an opportunity for government, as a whole, to look at shared-service concepts. An important issue is whether or not there is an opportunity to have shared-service arrangements where you don't end up having individual self-sustaining operations and where you end up consolidating certain activities to provide services to a range of federal entities. So there may be an opportunity there, as well, that we would be happy to take a look at.

#### CAPITOL VISITOR CENTER

Senator BENNETT. Well, I would appreciate it if you would keep this in mind as you fulfill your responsibility with the Capitol Police, as we look forward to the visitor center for which we have now broken ground. We've probably put grass back over it.

But, nonetheless, we have officially broken ground, and I have the shovel to prove it. We are in the process of pushing the perimeter farther and farther away from the physical Capitol itself. A manifestation of that is the new guard station down on the other side of the Russell Garage. This morning, for the first time, as I drove in, the policeman waved good morning at me there, and the old guard station on C Street and Delaware is vacant, and the guard has moved it down there. Their perimeter has been pushed out to that point. The entrance into the Capitol campus, for trucks and other services, is anticipated that it would be pushed farther away. Now it's Constitution and Delaware. It will move farther away, and that means, I think, it makes more sense in the expanded perimeter to have just one law enforcement/anti-terrorist protection force instead of the ones that have traditionally grown up in the days when the Library of Congress was self-contained and the Capitol was self-contained. We didn't think in terms of a Capitol Hill campus with perimeter security in a broader area.

#### CRITICAL INFRASTRUCTURES

Mr. WALKER. Well, candidly, Mr. Chairman, I think this whole concept of rethinking things, in light of changes that have occurred over the past decades in different threats and circumstances, has application throughout government. Take for example the issue of food safety. There are six agencies involved in food safety. Does that make a lot of sense? I can give you ten examples of where we've—over the years—created independent operating entities or independent programs. And one of the things I think there's really a need for the Congress to take a look at where we're at, and does it make sense for the future. So this is just one example.

Senator BENNETT. A very small one, but I appreciate your pointing that out. And critical infrastructure is another example where the stove-piping that goes on in the modern world in which we live is not only not appropriate, but counterproductive towards getting any kind of a solution.

Mr. WALKER. One of the areas we are looking into right now, just for your information is—if you look at real property and related in-

frastructure, it's not just a DOD issue, it is a VA issue, and it's a civilian agency issue. It's also an overseas issue with regard to the State Department.

We have a lot of footprints in an age of diverse and diffuse threats, and that means that we also have a lot of excess infrastructure, which costs us money. It costs us money because you have to maintain those facilities. You have to protect those facilities. But in addition to that, it costs us money because their asset-recovery values, in some cases, are very, very significant that could otherwise be achieved and redeployed. The amounts, we believe, are huge. We're going to be doing some work in this area. Obviously, we understand there are some political difficulties associated with some of this, but the problem is only going to get greater, it's only going to get worse. It's not going to get better. It's only going to get worse. The excess is only going to get worse, given technological advances and things of that nature.

Senator BENNETT. That's the subject for another lunch. I look forward to it.

Thank you very much. We appreciate your testimony, and we will do what we can to help solve your problem.

Mr. WALKER. Thank you, Mr. Chairman.



## CONGRESSIONAL BUDGET OFFICE

### STATEMENT OF DAN CRIPPEN, DIRECTOR

#### ACCOMPANIED BY BARRY ANDERSON, DEPUTY DIRECTOR

Senator BENNETT. Our final witness today is Mr. Dan Crippen, Director of the Congressional Budget Office, accompanied by Mr. Barry Anderson, who is the Deputy Director, and we welcome you both here today and appreciate all of the efforts you have put forward.

The Congressional Budget Office is requesting \$30.7 million for its operations for fiscal 2002, a 7.9 percent increase over the amounts appropriated in fiscal 2001. The majority of the increase is to support the 4.6 percent cost-of-living increase authorized, as well as a request to add four full-time-equivalent positions, which would bring CBO to its authorized level of 232 employees.

Mr. Crippen, I note for the record CBO is also asking for major changes in its legislative authorities. I understand you wish to create a CBO education fund using non-appropriated receipts, provide direct student-loan repayment for new employees, and clarify long-standing administrative provisions governing the operations of CBO, such as training and property disposal. And we look forward to your explanation of these initiatives and how they might improve the operations of CBO. With that, Mr. Crippen, we're in your hands.

Mr. CRIPPEN. Mr. Chairman, thank you. I would like to note that also here today are Polly Hodges, who is our long-suffering budget officer, and Bill Gainer, who runs our administrative side.

Mr. Chairman, I would commend—I know you have more than enough to read, but—for nighttime reading, at least—I would commend to you our submitted statement. It is, I think, a very good statement about what we're trying to do, in terms of changing CBO and making some progress and modernizing both the facilities and our approach to things.

Our request, as you've just said, is really quite simple. We're asking for an additional \$2.3 million, of which \$1.7 million would be for compensation-related items for the current workforce; about \$400,000 for four additional FTEs; and a couple hundred thousand dollars net to develop some needed ADP resources, primarily because the House has decided to shut down its mainframe. We're one of the few remaining users of that mainframe, so we're going to have to migrate that work ultimately—we're going to have to contract out for mainframe support in the short run, and then we'll migrate that back inside. And so that \$200,000 net for ADP is largely because of the need to move off the House mainframe.

## MAINFRAME SUPPORT

Senator BENNETT. Let me interrupt you there. You say “migrate it out” or “migrate it back.” Where will you go out, and where are you going back?

Mr. CRIPPEN. We’re going to the Department of the Interior. It has some spare mainframe capacity. I think the facility is called the National Business Center. And so we’re essentially contracting with Interior to support our system in the short run. We had hoped and thought that the House would not close down its mainframe this soon. So what we’re going to do is take a 1-year contract out for mainframe support, take that year to build—to adapt the system to a PC-server environment, and bring it back in. So our need is a matter of timing more than anything else.

Senator BENNETT. When you say “bring it back in,” you mean bring it back into CBO so that you will then be independent of the House and the Senate or anybody else?

Mr. CRIPPEN. Yes. The one thing we are dependent upon the House for is space in the old computing facility, which happens to be on the sixth floor of our building, and we’re on the fourth floor. The House has redundant power and air-conditioning and, obviously, some extra space up there. We have a small piece of real estate there now, where we keep some of our critical servers because of the redundancy and the security. We’re going to need to move more of our equipment upstairs eventually, and we’re now talking to the architect and chief administrative officer about doing that.

Senator BENNETT. Pardon me for my ignorance, but which building are you in?

Mr. CRIPPEN. We’re in the Ford House Office Building, which was House Annex number two—across the freeway, across the tracks, on the other side, on the edge of the campus, on the outer edge.

## SAFEGUARDING SENSITIVE DATA

We’re also going to build—we’re designing at the moment—an even more secure facility for our sensitive data that we’re about to get from the IRS and, hopefully, from the Census Bureau. It will be a facility that is not only physically secure in the usual sense, with sensors and monitoring, but also will have no connections to the outside world. And so there’s no chance that anyone could figure out a way to get in. We will probably have a secure room on our floor, in which the monitors and consoles will be, and the server will be upstairs in a more physically secure environment.

## CYBER SECURITY

Senator BENNETT. Have you had any attempts to hack into your facilities?

Mr. CRIPPEN. Not that we know of. No one has gotten far enough to show up. I’m assuming somebody has attempted. I have a list of all of the things that we have done, which I will give you for the record. It’s fairly impressive. Until I read the answer to your question, I wasn’t aware of what we do now to protect our existing facilities. And it is a lot, in terms of what we check for, for anything inside our system. We have an outside contractor who checks all



e-mails, for example, before they can get into our system. We have special access with these key fobs that you may have seen, which change passwords every minute. So we have taken a lot of steps to protect what we have now, but I felt compelled that, given the sensitivity of some of the data we're going to get for our long-term modeling efforts, we ought to make it even more secure and actually have no physical connection to the outside world for that set of data.

[The statement follows:]

PREPARED STATEMENT OF DAN L. CRIPPEN

Mr. Chairman and Members of the Subcommittee, I am pleased to present the fiscal year 2002 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. CBO does not make policy recommendations; instead, it presents the Congress with options and alternatives in a wide range of subject areas having economic and budgetary impacts.

The Congressional Budget Office is requesting \$30,680,000 for its operations in fiscal year 2002, a 7.9 percent increase over the agency's fiscal year 2001 appropriation. The funding increase is largely explained by external forces, including a workload that continues to grow and a competitive labor market in which we must compete for highly skilled employees, and the internal need to replace our most mission-critical computer system. Overall, 94 percent of the increase would go to pay and benefits, while all other costs would be tightly controlled.

Specifically, we are asking for an 8.7 percent increase in pay and benefits, which would fund mandatory pay and benefit increases and add four full-time positions; a modest increase in information technology spending; and level funding for all other goods and services by continuing to reduce administrative costs.

Our 2002 budget request would:

- Support an increasing workload, which is expected to include more than 2,800 legislative cost estimates and mandate cost statements (a 30 percent increase from fiscal year 1999); 37 studies and other publications; and a heavy schedule of Congressional testimony.
- Fund our authorized level of 232 full-time-equivalent positions, four more than we could support in fiscal year 2001, to accommodate the growing workload.
- Provide an annual pay adjustment of 4.6 percent for nonmanagers. This adjustment was requested in anticipation of the expected executive branch proposal, but it is also what we believe is needed to remain competitive in the labor market (and it is consistent with the call for continued parity between civilian and military pay increases). The last two years' cost-of-living adjustments have been important in restoring our competitiveness as a recruiter, and we hope to maintain that competitiveness.
- Fund promotions and merit increases for nonmanagement staff, as well as performance-based pay for our managers and senior-level employees, who do not receive automatic annual wage adjustments.
- Allow a modest increase (\$115,000) in technology spending to replace BADA, a 20-year-old legacy system now operating on the HIR mainframe (which HIR plans to eliminate at the end of this year). This system, which allows us to track the progress of pending legislation and make 10-year budget projections, is absolutely critical to our mission. We plan to replace this system with a client server application compatible with our current hardware and software environment. The redevelopment is estimated to cost over half a million dollars, but we will offset much of the cost by savings elsewhere within ADP and delays of some software upgrades.

We are also asking for certain changes in our legislative authority to allow us to (1) create a CBO Education Fund using nonappropriated funds; (2) pay off some portion of employees' student loans, using authority similar to that granted other legislative and executive branch agencies; and (3) clarify provisions governing our training programs and disposal of surplus property. The legislative language for these provisions is included as an appendix.

COST SAVINGS

Price inflation for certain goods and services has been quite high in recent years, particularly for subscriptions, communications technology, software, and computer

support services. To help offset that inflation, we have identified a number of operating cost savings. In fiscal year 2000, we identified (or realized) nearly \$400,000 in such annual operating cost reductions. Some examples are:

- Eliminating software licenses (≈\$100,000) and canceling unnecessary journal subscriptions (≈\$36,000);
- Consolidating local phone lines, and reducing long distance and data communications costs (≈\$42,000);
- Reducing printing, mailing, and document storage costs (≈\$20,000);
- Canceling equipment maintenance contracts that were no longer cost-effective (≈\$10,000); and
- Cutting the cost of mainframe time-sharing by shifting certain operations to the Library of Congress (≈\$100,000).

We are now working on additional operational changes that will save at least another \$250,000 annually beginning in fiscal year 2002.

#### ACCOMPLISHMENTS IN FISCAL YEAR 2000

Fiscal year 2000 saw an increased workload at the Congressional Budget Office, as the second session of the 106th Congress produced almost 900 legislative proposals that required a CBO federal cost estimate. Almost 80 percent of those proposals also required state and local, and private-sector mandate estimates for a total of 1,400 mandated estimates. Overall, the number of cost estimates and unfunded mandate estimates increased by 30 percent over the fiscal year 1999 level.

In particular, we prepared estimates for a large number of proposals related to major health care initiatives, including the establishment of a new prescription drug benefit in Medicare, improving the long-term financial status of Medicare, and modifying provider payment rules established by the Balanced Budget Act of 1997. These proposals are large and complex, and analysis of them strained the capacity of our health units and reinforced our efforts to add resources in this area.

Other major legislative initiatives in fiscal year 2000 that required analysis by CBO included the Agriculture Risk Protection Act of 2000 (crop insurance); the Conservation and Reinvestment Act; the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001; the Water Resources Development Act of 2000; and major education initiatives. Education legislation reviewed by CBO during 2000 included the Education Opportunities to Protect and Invest in Our Nation's Students Act, the Educational Opportunities Act, the Students Results Act, the Educational Partnership Act of 1999, and the IDEA Full Funding Act of 2000.

In addition, the agency continued to provide timely responses to requests from the Congressional leadership and the budget committees.

We also devoted resources to the task of analyzing the long-term budget outlook and the longer-term budget prospects associated with the Social Security and Medicare programs. Our relatively new Long-Term Modeling Group (established in 1999) developed the first versions of models designed to generate 75-year cost estimates of proposed changes to the Social Security program. To strengthen this area, we recently convened an advisory group to help us with our modeling efforts.

We began to examine the concept of the "New Economy," convening a conference of experts to examine trends in productivity, the effects of new technology on certain industries, and the implications of relatively strong productivity growth in 1995 through 1999 for monetary and fiscal policies. And we provided analyses in support of Congressional consideration of proposals relating to patients' rights, increasing the number of people covered by health insurance, military health care, national missile defense, federal national disaster insurance, and increasing the federal minimum wage.

The Congress's view of the quality of the agency's assistance in the budget process is made clear by the numerous times CBO was asked to testify and the many occasions on which it was asked by the Congress to provide answers on budget questions in the waning hours of the fiscal year 2001 budget process. During the year, CBO officials testified 14 times for a variety of committees, including several appearances before the House and Senate Budget Committees, House and Senate Appropriations Committees, House Ways and Means Committee, and other House and Senate legislative committees.

In 2000, we continued to publish our Budget Options report detailing hundreds of possible methods for reducing spending or raising revenues. The report also included a discussion of major proposals to increase spending or cut taxes that have been prompted by the emergence of large budget surpluses.

## WORK PRIORITIES FOR FISCAL YEARS 2001 AND 2002

As always, our emphasis must be on producing the budget projections, cost estimates, and other information that the Congress relies on to do its work. In particular, issues related to the projected budget surpluses have been prominent this year, and Social Security and Medicare reforms are expected to continue as priorities during this Congress. Tax issues will also likely require significant effort as the 2002 budget process unfolds.

In fiscal year 2001, CBO will produce long-range cost estimates and impact analyses of Social Security for both current law and what is expected to be a large number of reform proposals. As part of the agencywide effort to analyze Social Security reform options, we will expand and enhance our actuarial and microsimulation models for estimating Social Security over the long term (75 years). Our analytic agenda includes integrating analysis of the long-term macroeconomic effects and fiscal (budgeting) implications into our long-range models. And we will begin development of long-range models for estimating Medicare. We anticipate a continuing high level of interest in estimating Medicare proposals over both the short and the long terms.

Other important policy work that will be completed in 2001 includes an analysis of the effect of estate and gift taxes on charitable giving; a primer on Social Security; an analysis of the California electricity crisis; and a study of military operations and maintenance accounts.

Also important to our work this year and next will be our access to new data on income, Social Security, and Medicare. That data will enhance our long-term modeling efforts but will also put demands on our staff and ADP resources as we integrate, process, and safeguard these new resources.

## INTERNAL MANAGEMENT STRATEGY, PROGRESS, AND PRIORITIES FOR 2001 AND 2002

In addition to focusing directly on its mission, CBO, like any effective and highly 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 the next two years, we will expand on the initiatives undertaken last year to identify, hire, and retain a highly talented and diverse workforce by strengthening our recruitment efforts, investing more in training and staff development, and reconfiguring our space so that it better meets the needs of our staff.

—*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 who left. Consequently staffing dropped from 227 full-time-equivalent positions in 1997 to 205 in December 1998. We recovered somewhat in 1999, but still ended the year far 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. Early in fiscal year 2000, a CBO task force made significant recommendations on how to build a better recruitment program. As a result, we created a recruitment program that allowed us to fill vacancies more quickly and to reach our fiscal year 2000 staffing objective of 225 staff years. Our program included:

- raising offering salaries for new Ph.D. and Master's candidates and enhancing our internship programs;
- simplifying our application process and drastically shortening the time from application to interview and job offer;
- creating a high-quality recruitment brochure for our college recruitment program and strengthening the employment pages on our Web site ([www.cbo.gov](http://www.cbo.gov));
- developing new systems to track recruitment contacts and job applicants; and
- more aggressively advertising critical vacancies and beginning the use of recruitment bonuses in hard-to-fill specialties.

We also expanded the number of schools where we recruit and began sending recruitment materials to more institutions with relevant programs in economics and public policy, and to a wider variety of schools with diverse student populations.

In fiscal years 2001 and 2002, we will further expand our campus visits to include more schools with diverse student populations, provide additional training to staff on effective recruitment techniques, complete our automation efforts, and implement an expanded training and orientation program for new employees.

Furthermore, to help retain high-performing employees and to be more competitive in recruiting, we are providing larger merit pay increases to entry-level employees and continuing what we believe is a very successful awards program for outstanding performers. The awards program benefitted roughly a third of our permanent employees in fiscal year 2000.

—*Improve CBO's Training Programs.*—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 and training 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 that the agency competes with for staff. In fiscal year 2000, we increased training expenditures by nearly 30 percent (to a level still far short of private-sector standards) while eliminating less cost-effective training. We also undertook a more deliberate assessment of needed training and began training managers in leadership and communications skills. To date, we have provided such leadership training to one-third of our managers.

During the remainder of 2001 and in 2002, we will maintain the higher level of spending on training, education, and professional development and intend to provide management training to the remainder of our senior staff.

—*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. These work spaces adapted poorly to computer technology; and conference space, which is critical to the collaborative nature of our work, was in short supply.

During fiscal year 2000, in cooperation with staff of the Architect of the Capitol, we developed a range of strategies to address our space problems, and we began to make modest investments in our facilities. By June, we will have completed the reconfiguration of roughly a dozen small office suites and other areas constituting roughly 20 percent of our usable floor space. The result will be about 50 offices renovated, with a net gain of 18 private offices and three additional conference areas. We also reduced the amount of wasted space and greatly reduced the amount of space devoted to storage.

Because we will still have a significant number of employees in substandard space, we plan to continue our renovation efforts through at least the end of 2002 by that time we hope to have renovated perhaps half of the remaining space. This should allow us to create adequate offices for all our analytical staff, eliminate poorly utilized space, and greatly improve the appearance and livability of our offices.

—*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 products remains strong, the use of the electronic versions of the products on the agency's Web site is growing significantly year to year. We plan to improve both:

—*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.

During fiscal year 2000, the content of CBO's Web site expanded by a third, to nearly 2,700 documents. Activity on our site nearly doubled since last year to a rate of roughly 9 million hits, or more than 1 million page requests per year. And the number of subscribers to our ListServer, which e-mails users when documents in their area of interest have been posted, increased by about 60 percent.

During the remainder of 2001 and into 2002, we plan a major redesign of our Web site. We will undertake a survey of those who use our material to identify needed improvements. More immediate improvements will include making additional publications from earlier years available on the site and creating versions of important reports with advanced search capabilities. We will also improve the Web site in less obvious ways the ListServer will be enhanced so that cus-

tomers can have publications in addition to notices e-mailed to them; the site will become more “visible” to outside search engines, thus increasing public access to CBO’s research; and the search function will be made more user-friendly. Among visible changes, visitors to the site will be able to customize the first screen they see so that it emphasizes the information they are most interested in, publications will be easier to read on screen, and navigation will improve.

—*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 copies of reports and reduce inventory costs. For example, printing costs for our three major mandated reports were about one-quarter lower last year than the year before and about half as much as two years earlier. New reproduction technology has improved the quality and timeliness of reports and testimony produced in-house, while lowering our costs. Consequently, for several reports last year, the initial copies produced in-house to meet tight Congressional deadlines were of much higher quality and resembled the final copies from commercial printers. We have improved some of our processes for graphics and now do most of the design and production work in-house.

During 2001, we will continue to modernize the appearance of our publications and achieve a consistent and professional look. We will also improve the production underlying our publications by centralizing the work and streamlining processes. Similarly, by revising additional graphics processes, we will produce more finished graphics in-house, saving additional time and money.

*Technology and Process Redesign.*—As noted earlier, highly effective organizations must build a skilled staff and then provide them with the technology and work processes necessary to support them. In exit interviews and focus groups with current staff, technology emerges as an area where CBO excels compared to other places people have worked. It is also critical to our ability to do the highly complex analyses that underlie much of CBO’s work.

—*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 year 2000 and the first half of 2001, we upgraded most desktop computers and for the first time achieved an ideal hardware/software configuration for every employee. We also improved our network communications, strengthened network security with a firewall and other changes, added nearly a terabyte of needed data storage, and strengthened system reliability with more redundancy and better disaster recovery capability. We also moved our mission-critical server room to the 6th floor of the Ford House Office Building, which has emergency power and air conditioning and a higher level of physical security.

In the past few years, we have invested steadily in our technology to the point where, as mentioned earlier, every employee has up-to-date hardware and software, and our internal network and data communications are among the best in government. That level of accomplishment allows us to reduce new hardware and software spending somewhat in fiscal years 2001 and 2002 to accommodate major systems development efforts. Thus, in fiscal years 2001 and 2002, we will:

- migrate our mission-critical Budget Analysis Data System to a new platform;
- automate or replace older systems for administrative processes, including ones for project tracking, requisition and procurement, invoice tracking, supply distribution, inventory, applicant tracking, and human resource management functions;
- further develop our intranet as a primary delivery mechanism for internal services and communications;
- update a limited number of network and desktop software packages and further improve computer system reliability and security; and
- develop a secure facility to house confidential and sensitive data we expect to utilize in our modeling efforts.

—*Streamline Procurement.*—Our goal is to modernize our procurement process so that it is a streamlined, paperless process with greater emphasis on competition.

During fiscal year 2000, we investigated processes and supporting software used by other organizations and began redesigning our current procurement process. We are now implementing a new automated system for processing purchase requests, issuing purchase orders, and tracking obligations, orders, and payments to vendors.

## CONCLUSION

Mr. Chairman, during the last two 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 increase you provided last year remedied our earlier financial problems and, along with our extensive efforts to reduce our nonpayroll costs, has allowed us to make good progress. Nonetheless, we are still having difficulty attracting new Ph.D.s, and we must maintain competitive wages for all our analysts in order to retain them. Our budget request will allow us to continue our progress and meet the goals we have set for ourselves.

## APPENDIX

ADMINISTRATIVE PROVISIONS FOR NEW LEGISLATIVE AUTHORITY—FISCAL YEAR 2002  
BUDGET REQUEST*Coverage Under the Training Act*

SEC. 102. (a) The Director of the Congressional Budget Office may, by regulation, make applicable such provisions of chapter 41 of title 5, United States Code, as the Director determines necessary to provide hereafter for training of individuals employed by the Congressional Budget Office.

(b) The implementing regulations shall provide for training that, in the determination of the Director, is consistent with the training provided by agencies subject to chapter 41 of title 5, United States Code.

(c) Any recovery of debt owed to the Congressional Budget Office under this section and its implementing regulations shall be credited to the appropriations account available for training employees of the Office at the time of recovery.

*Sale of Surplus Property*

SEC. 103. Section 105(a) of the Legislative Branch Appropriations Act, 1996 (2 U.S.C. §606(a)), is amended by striking “or discarding.” and inserting “sale, trade-in, or discarding.”, and by adding at the end the following: “Amounts received for the sale or trade-in of personal property shall be credited to funds available for the operations of the Congressional Budget Office and be available for the costs of acquiring the same or similar property. Such funds shall be available for such purposes during the fiscal year in which received and the following fiscal year.”

*Repayment of Student Loans*

SEC. 104. (a) The Director of the Congressional Budget Office may, in order to recruit or retain qualified personnel, establish and maintain hereafter a program under which the Office may agree to repay (by direct payments on behalf of the employee) all or a portion of any student loan previously taken out by such employee.

(b) The Director may, by regulation, make applicable such provisions of section 5379 of title 5, United States Code as the Director determines necessary to provide for such program.

(c) The regulations shall provide the amount paid by the Office may not exceed—

(1) \$6,000 for any employee in any calendar year; or

(2) a total of \$40,000 in the case of any employee.

(d) The Office may not reimburse an employee for any repayments made by such employee prior to the Office entering into an agreement under this section with such employee.

(e) Any amount repaid by, or recovered from, an individual under this section and its implementing regulations shall be credited to the appropriation account available for salaries and expenses of the Office at the time of repayment or recovery.

*Educational Gift Fund*

SEC. 105. (a) The Director of the Congressional Budget Office may establish an educational program of conferences and research fellowships designed to advance the learning and capabilities of the Congressional Budget Office to assist the Congress through economic or financial forecasting, projections, and analyses, and statistical studies and modeling.

(b) The Director may accept, hold, and administer gifts and bequests of money for the benefit of the program. Gifts and bequests shall be deposited in the Treasury of the United States in a trust fund called “Congressional Budget Office Educational Fund”. For the purpose of Federal income, estate, and gift taxes, money accepted under this subsection is considered as a gift or bequest to or for the use of the United States.

- (c) Sums in the Fund shall be available, without regard to fiscal year, for—
- (1) the costs of educational conferences concerning the work of the Office;
  - (2) the award of fellowships for the conduct of research in areas within the mission of the Office; and
  - (3) the costs of a program providing for study or uncompensated work experience of employees of the Office as provided in subsection (g).
- (d) Under the program, the Director may award fellowships to individuals and may accept voluntary services of individuals without regard to section 1342 of title 31, United States Code, to conduct research in areas within the mission of the Congressional Budget Office. The term of each fellow shall be for 1 year, and may be renewed for a term of 1 additional year.
- (e) Research fellows under the fellows program shall, for purposes of rules of ethics, including those related to conflicts of interest and standards of conduct, be considered to be an employees of the House of Representatives. For purposes of financial disclosure, such individuals shall be considered to be officers or employees of the Congress under section 109(13) of the Ethics in Government Act of 1978 (5 U.S.C. app §109(13)).
- (f) An individual performing voluntary services under the fellows program may receive pay and other benefits, including stipends, allowances, travel and subsistence expenses, from a non-partisan, tax-exempt organization described under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. §501(c)(3)).
- (g) The Director may, by regulation, make applicable such provisions of section 3396(c) of title 5, United States Code, as the Director determines necessary to establish a program providing opportunities for employees of the Office to engage in study or uncompensated work experience which will contribute to the employee's development and effectiveness.

#### EDUCATIONAL GIFT FUND

Senator BENNETT. Let's talk about your educational gift fund for a minute. You indicate that this will be funded with gifts and bequests to the fund. You're aware, I'm sure, of the criticism that has been raised that possibly this could give the appearance of some kind of conflict of interest. Just explore that with me.

Mr. CRIPPEN. Yes. I understand the concern. I can't—I'm not certain I can—assuage all of those concerns, but one would clearly look for foundation-like support that was viewed as neutral and non-political, that didn't have an axe to grind in Washington, and that didn't take public policy positions.

Senator BENNETT. Give me an example of such a foundation.

Mr. CRIPPEN. The Ford Foundation, perhaps, but it is foundation funding like that that I had in mind, and there are a number of ways that we could, I think, help with any concerns about appearance. For example, any grant that we might receive would come back to you for approval before we accepted it, before it was deposited in this fund. So the arrangement would be similar to re-programming, which would have you officially sign off on anything that we accepted. So you would get another cut at whatever it was that we're doing and what the purpose was for the funds—the grant. And so I'm not sure I can assuage all of those concerns, but I'm hopeful that I can. What we're trying to do, as our material suggests, is create a way to fund some things that aren't as traditional for Congress to fund, in terms of personnel development and training. We're an academic-like institution. Our competition in town is the Fed and the World Bank, but our primary competition for Ph.D.s is the academic world. So if we could do things like accept people and give them a half-time schedule for the first 3 months to finish their dissertation—the Fed does that—if we could let them go outside for 2 or 3 months to another institution and do research, or collaborative research with someone—the Fed and

others do that—we could be more competitive. So it is that kind of thing we’re trying to do, as well as develop the ability to have more educational conferences on pertinent issues and the ability to bring in outside experts to help inform our assumptions about how the world works, because some of those folks have a better sense of the real world than we do.

Senator BENNETT. These are all salutary things. Why shouldn’t the Congress just fund it?

Mr. CRIPPEN. It’s possible that you might want to. Some of them, I just assumed, frankly, that you wouldn’t want to or that some would be difficult to justify, especially in a tight budget environment—for instance, giving people a part-time schedule to go do something else or 3 months or 6 months off on a sabbatical-like arrangement. It is difficult, I understand, for you and for us to justify paying someone to not specifically do the job for which he or she was hired. So in that sense I think there are some things that this grant funding may be appropriate for, and certainly there is a willingness on the outside to fund them. But they could equally be justified for appropriated funds.

Senator BENNETT. My father used to say, “We legislate at the highest level at which we can obtain a majority,” and I’m not sure I could obtain a majority for this view, but my own view would be that we should fund this entirely out of the Congress and say, “This is way things are done in this particular agency.”

Mr. CRIPPEN. We will develop a very specific proposal for what we have in mind and come back to you so you have a sense of that arrangement and the potential cost to the federal budget.

Senator BENNETT. Well, I will leave it at that.

Mr. CRIPPEN. In any event, foundation-like support would not be, in our view, a lot of money.

Senator BENNETT. It is not a lot of money, but the appearance of some kind of influence could be there, and also the sense that someone who funded this might look to CBO for recruits for their own staff later on and use the fact that they were a funder of it as a leverage to try to pry some of your people away. And if we said, no, this was all done by federal money—

Mr. CRIPPEN. Federal funding is certainly a much cleaner solution.

Senator BENNETT. All right. I think we have exhausted all of our concerns. If we have any more, or other members of the subcommittee have them, we’ll be in touch with you in writing.

Mr. CRIPPEN. We’ll be happy to respond any way you want.

#### ADDITIONAL COMMITTEE QUESTION

Senator BENNETT. Thank you very much for your testimony. Thank you for your public service. I know you could make more money, and maybe have more fun, on the outside.

Mr. CRIPPEN. Well, as we say, some days are better than others.

Senator BENNETT. That’s true of elected officials, as well. Thank you.

[The following question was not asked at the hearing, but was submitted to the Office for response subsequent to the hearing:]



## QUESTION SUBMITTED BY SENATOR ROBERT F. BENNETT

## CONGRESSIONAL BUDGET OFFICE EDUCATIONAL FUND

*Question.* If the Congress were to provide appropriated funds to support the activities envisioned in your proposal to establish a CBO educational fund, instead of authorizing CBO to accept private donations, what new authority would be required and how much money would be needed in the first year.

*Answer.* In the first year, CBO could effectively use \$350,000 to carry out the activities under the new authority. This amount would fund six to eight highly specialized educational conferences attended by CBO employees and other legislative branch analysts; one highly competitive fellowship for an academic economist to perform targeted research while in residence at CBO; and one or two CBO employees' pursuit of long-term training or developmental work experience expected to benefit economic or budget-related work essential to CBO in accomplishing its mission. If successful, and deemed cost-effective, the program could grow modestly over a five-year period by perhaps 5 percent per year in financial terms.

Legislative language that could be used to fund this new authority with an appropriation rather than gifts follows.

(a) The Director of the Congressional Budget Office may establish and hereafter maintain an educational program designed to advance the learning and capabilities of the Congressional Budget Office to assist the Congress through economic or financial forecasting, projections, and analyses, and statistical studies and modeling.

(b) Educational conferences concerning the work of the Congressional Budget Office may be conducted in non-Government facilities or in Government facilities under either the control of the Congressional Budget Office or other agencies. The Director, from appropriations or other funds available to the agency, may pay all expenses necessary for attendance at educational conferences by invited employees of the Congressional Budget Office, employees of other agencies, or non-Government personnel.

(c) The Director may award fellowships to individuals and may accept voluntary services of individuals without regard to section 1342 of title 31, United States Code, to conduct research in areas within the mission of the Congressional Budget Office. The term of each fellow shall be for 1 year, and may be renewed for a term of 1 additional year.

(d) Research fellows under the fellows program shall, for purposes of rules of ethics, including those related to conflicts of interest and standards of conduct, be considered to be employees of the House of Representatives. For purposes of financial disclosure, such individuals shall be considered to be officers or employees of the Congress under section 109(13) of the Ethics in Government Act of 1978 (5 U.S.C. app 4, § 109(13)).

(e) The Director may, by regulation, make applicable such provisions of section 3396(c) of title 5, United States Code, as the Director determines necessary to establish a program providing opportunities for employees of the Office to engage in study or work experience that will contribute to the employees' development and effectiveness.

## SUBCOMMITTEE RECESS

Senator BENNETT. Our next subcommittee meeting will be next Wednesday at 10 a.m. in Room 124 of the Dirksen Building. And testifying at that hearing will be the Senate Sargeant at Arms, the U.S. Capitol Police board, and the Office of Compliance.

There being no further business, the subcommittee is recessed.

[Whereupon, at 11:25 a.m., Thursday, May 10, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, May 16.]



**LEGISLATIVE BRANCH APPROPRIATIONS FOR  
FISCAL YEAR 2002**

**WEDNESDAY, MAY 16, 2001**

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

The subcommittee met at 10 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Robert F. Bennett (chairman) presiding.  
Present: Senators Bennett, Stevens, and Durbin.

U.S. SENATE

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

**STATEMENT OF HON. JAMES W. ZIGLAR, SERGEANT AT ARMS AND  
DOORKEEPER**

**ACCOMPANIED BY:**

**LIZ McALHANY, DEPUTY SERGEANT AT ARMS  
RICK EDWARDS, ADMINISTRATIVE ASSISTANT**

OPENING STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Good morning to everyone. The subcommittee will come to order. It's a demonstration of the fact that people are a little more interested in us than they used to be because of the visitor's center. We have a little more attention. We require a bigger room.

We meet today to take testimony from the Sergeant at Arms, Mr. James Ziglar, on the Sergeant at Arms fiscal year 2002 budget request.

This will be Mr. Ziglar's last appearance here, assuming a favorable report out of the Senate on his new assignment. We're not too anxious to see you leave, Jim, but I will vote for your confirmation in your new opportunity.

He will then appear again as the chairman of the Capitol Police board followed by Chief James Varey.

Finally, we'll hear from the new executive director of the Office of Compliance, Bill Thompson.

We'll go forward in that order. Jim Ziglar, Sergeant at Arms, is requesting \$135 million, an increase of \$27.9 million over the current year. A substantial portion of this requested increase is attributable to technology requirements, the continued upgrades in the Recording Studio, data networks, and technology infrastructure. The total staffing of the Sergeant at Arms would increase by 24 employees to a total of 779.

The additional employees coupled with pay raises for existing employees results in \$4.3 million or 12 percent increase in the salary request.

Mr. Ziglar, we welcome you here and look forward to what you have to tell us.

Mr. ZIGLAR. Thank you, Mr. Chairman, and I'm very pleased to have the opportunity to be here to present the 2002 funding request for the Sergeant at Arms.

I would like to introduce the two folks with me. To my right is Liz McAlhany, who I think most folks in the Senate know. Liz is now the new Deputy Sergeant at Arms. She took Loretta Symms' place.

And I'm happy to report that Loretta is doing very well in retirement. I called her the other day, and she told me I was interfering with her reading a magazine, by calling. She's enjoying her retirement, and Liz has done a tremendous job by stepping into Loretta's shoes.

Liz, notwithstanding her young looks, has been in the Senate for almost 24 years. She has done a little bit of everything in the Senate. She worked for a member, Senator Danforth, and she has over the years, among other things, been head of what we used to call the computer center—which has given her a real good handle on the technology issues—as well as head of the customer relations area.

She was head of customer relations before coming over to be administrative assistant. When Loretta left, it was obvious that Liz was the right candidate to be the deputy, and she is just doing a terrific job. We're very pleased.

To my left is Rick Edwards, somebody who is newer to the Senate. Rick came a couple of years ago. We recruited him out of the private sector to take over what we call Central Operations, which is one of the bigger management challenges we've had at the Sergeant at Arms operations. Rick did a terrific job there, and I'll talk a little bit about a couple of his accomplishments later.

When the administrative assistant job opened up, he was the logical choice. He now has general management responsibilities in the Sergeant at Arms operation. He's doing a great job, and we're very pleased with Rick and his performance.

As you mentioned, Mr. Chairman, it would appear that this is my last appearance before this committee, at least in terms of the Sergeant at Arms role, and I wanted to, before I launch off into some other things about the Sergeant at Arms, tell you how much of an honor it has been to serve you and your colleagues as Sergeant at Arms of the Senate. It is a unique job, certainly historically unique job, and there have been fewer Sergeants at Arms in history than there have been presidents. So I've been very honored to do that.

I particularly want to express my appreciation to the many loyal, devoted employees in the Sergeant at Arms operation. They've been terrific to work with, very responsive, and they're dedicated and loyal to the Senate.

Also, I want to express my appreciation to you and this committee for the support you've given the many initiatives I've thrown out to you in the last 2½ years.

And also, although this is not the Rules Committee, I would like to express my appreciation on the record to the Rules Committee for their support of our many initiatives.

We've accomplished a lot, I believe, in the last 2½ years, but none of that would have been possible without the support of this committee and the Rules Committee.

Mr. Chairman, Senator Durbin, how are you, sir? I was just expressing my gratitude to you gentlemen and to the Senate for the opportunity to serve as Sergeant at Arms. And assuming I get confirmed, I won't be doing this testimony any more, but it has been a real pleasure and a real honor. And we appreciate your support and the committee's support throughout the last 2½ years.

PREPARED STATEMENT

Mr. Chairman, I have prepared testimony that I would like to have put in the record, if that's possible.

Senator BENNETT. Without objection.  
[The statement follows:]

PREPARED STATEMENT OF JAMES W. ZIGLAR

Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear before you today to present the fiscal year 2002 funding request for the Office of the Sergeant at Arms and Doorkeeper. I am accompanied by: Liz McAlhany, Deputy Sergeant at Arms; and Rick Edwards, Administrative Assistant.

Before discussing our fiscal year 2002 funding request, I would like to update the Committee on several of the major initiatives which we have undertaken during the past two years. Of course, none of these initiatives would have been possible or their implementation successful without the continued support of this Committee.

During my tenure, I have attempted to instill a "business approach" in the Sergeant at Arms organization. We have looked into all facets of our operations and sought opportunities for improvement. We have left no stones unturned.

We began our review with the SAA operating structure. The year prior to my arrival, the Sergeant at Arms had 827 FTE's and, in my view, too many layers of management. We performed "Top down, bottom up" reviews of every department and recognized that we could elevate performance and reduce our costs by transitioning the work environment from one that was hierarchal and redundant to one that is customer focused and process driven. We have eliminated two layers of management and seventy-two FTE's through consolidation and attrition, saving over \$3,000,000 in annual salary expenses.

We elevated expectations and standards of performance, holding our staff accountable for their actions. Our compensation plan was converted from one of entitlement to merit based. As a result, productivity has increased and quality has improved.

Employee training and development have been key elements in changing our culture. We have emphasized leadership, team building, quality, and customer service as we increased the number of training programs by 25 percent. We developed and employees participated in an ongoing program entitled "SAA C.A.R.E.S.," an acronym for Customers Always Require Excellent Service. SAA C.A.R.E.S. embraces "best practices" as we strive to create a work environment that encourages zero defects, while making the experience for those we serve as pleasant as possible.

Operationally, we discovered some troubling realities. Policies, procedures and precedents were not readily available to those who needed them. As a result, we tasked each department to document all policies, procedures and precedents, and, now, a complete list of these are compiled within my office. Additionally, I was shocked to learn that a written, executable plan for continuing operations had not been prepared for the Senate should the Senate Chamber, the Capitol Building generally or the office buildings become uninhabitable. We have worked for the past two years with the U.S. Capitol Police, Architect of the Capitol, General Services Administration, and the Secretary of the Senate in developing and documenting a viable Continuation of Operations Plan (COOP). We anticipate that the plan will be in place within the next 60 to 90 days.

We have made improvements in our operations that have a direct and immediate positive impact on the Senate offices we serve. One of the best examples involves

Senate office mailing expenses. We were able to save Senate offices \$1.7 million in postage expenses last year by being proactive in working with Senate staff in the design and addressing of mail. Mailing expenses will continue to decline during 2001. Our team members were able to secure, at no charge, surplus mail sorting equipment valued at \$300,000 from the Department of the Navy. This equipment was installed during February of this year and, based on March and April performance, we have been able to further reduce average mailing costs of letters addressed to constituents by sixteen percent. This translates into estimated postage savings to Senate offices of an additional \$250,000 annually.

We are performing tasks that in the past were outsourced. A case in point is the Legislative Information System, where existing SAA employees have taken responsibility for daily maintenance, saving \$2 million annually.

Financially, we have taken an all encompassing approach, looking at both the short term and the long term. When I arrived here, we had no executive level process for tracking actual versus budgeted expenses on a monthly basis. We now generate monthly financial reports and conduct monthly review meetings with each department director to ensure that we are upholding our commitments to the Senate community. We have instituted an "evergreen" budget process that requires those same directors to forecast expenses for each of the next five years. The evergreen budget is a high level tool for forecasting future needs. It is used to identify the systems to be modernized; the cost of modernization; the priority for modernization; and the schedule for implementation.

As part of our long range planning process, we are moving to actively manage the upgrade or replacement of every major asset, system and network. In some cases, capacity utilization will drive replacements; in others, expanded service offerings; in yet others, new technology may render the existing systems too costly and obsolete. We are developing a program for a more systematic and rational cycle to avoid large technological and service leaps, which are then followed by a standstill period until another critical mass develops and another quantum leap in infrastructure improvements is required. We need to do a better job of anticipating the Senate's needs. I believe that a well developed and well executed asset replacement program is an important tool for managers.

We have adopted a project management approach to presenting our proposals to this Committee and to the Committee on Rules and Administration. We study the underlying problem, develop a project plan that solves the problem, obtain cost estimates and time frames on the plan components and make the business case for our recommendations. Both this Committee and the Rules Committee should expect that we will always come prepared to justify our project initiatives and convey their value to the Senate.

We have reviewed our ongoing operations to find opportunities to perform our tasks better, faster and in a less expensive manner. For example, we have requested proposals from vendors seeking a better deal on existing contracts. We recently signed contracts with our correspondence management system vendors which have resulted in annual savings of up to thirty percent of our annual maintenance costs. Recently, we replaced a highly customized financial system with off-the-shelf software that has elevated staff productivity while reducing maintenance and support costs by \$100,000 annually.

We have taken steps to simplify our acquisition process. Purchase orders generated by the SAA cost approximately \$100 to process, regardless of dollar value. Often, the cost to create a purchase order was greater than the item to be purchased. We now use a credit card for purchases under \$1,500, thereby saving \$50,000 annually. Additionally, we have consolidated maintenance agreements with our vendors, thereby reducing the number of purchase orders that are being generated.

We are drafting better Requests For Proposals (RFPs), clearly defining expectations and holding suppliers accountable for their performance. A good example was the recent acquisition of our electronic printing equipment where we negotiated one year maintenance warranties versus the traditional 90-day warranties, saving approximately \$145,000. Additionally, price increases for maintenance contracts are now tied to the Producer Price Index (PPI). This has limited our exposure regarding the amount that vendors can charge for their services and is contrasted to the past practice of allowing the suppliers to arbitrarily set prices. Furthermore, the past strategy in acquiring printing and photocopy equipment was "lease to buy." We have opted to purchase this equipment, thereby avoiding interest charges and saving over \$900,000 during the next five years.

The Senate's systems and infrastructure have presented, and will continue to present, significant challenges. Beginning with the entire Y2K effort almost two years ago, and continuing through the end of the last fiscal year, we have worked

with this Committee to identify opportunities that would enable the Senate to make significant improvements in its system and services. Since then, we have begun to migrate the Senate Recording Studio to an all digital format and will complete the first phase of the project during the summer recess.

We have been working closely with the Senate Committee on Rules and Administration, the Appropriations Committee, and a number of Senate offices on the major technology project to replace the Senate's electronic mail system, cc:Mail. With the exploding number of electronic mail messages being sent to and from the Senate, we believe this technology upgrade needs to be completed as soon as possible. The direction of this project has changed dramatically during this year and, once we have completed a thorough test of the proposed architecture, we will begin implementing the new system, based on Microsoft's products, Exchange and Outlook.

In the photocopy, printing and graphics area, we made a timely and forceful move to replace outdated equipment with an electronic printing network that will connect Senate PC's to our copy centers, enabling Senate staff to send electronic files much as they send documents to a printer located on their desk. Currently, most of our copiers do not have networking capabilities and original hard copy documents must be physically delivered to the copy centers for duplication. This project will create a modern high speed network between all copy centers and Senate desktop workstations by connecting the equipment to the Senate Data Communications Network, thus reducing labor requirements throughout the Senate and the Sergeant at Arms operation. Digital electronic printers will replace copiers and enable all reproduced printed matter to be originals, eliminating the normal degradation associated with photocopy technology. The digital printers will have other advanced automated features that will improve quality and efficiency, while reducing turnaround time.

This brings me to a point that I would like to reiterate. Much of what we do adds to the productivity of member and committee staff. For example, a few of the systems and services that we have deployed or will shortly deploy that will greatly increase the productivity of office staff include: the electronic printing network already mentioned will offer a better quality product with reduced effort on the part of office staff; an e-mail filtering system will enable offices to filter and categorize hundreds or thousands of e-mail messages based on set criteria instead of having to review each individual message to determine an appropriate first response; anti-virus software can now be updated in a more centrally managed process, over ninety offices having taken advantage of this capability enabling office system administrators to update all anti-virus software at once; and we have developed a process for preparing press releases for posting on member office web sites.

We have elevated the performance of our technology team. A case in point is the Senate.gov web site that our employees created. These technical professionals received a Federal Design Achievement Award from the National Endowments for the Arts, only one of two government web sites so recognized. The award noted that:

The new Senate website humanizes the venerable institution of the U.S. Senate by making its everyday activities and rich history readily accessible to the public. Three objectives guided the designers in creating the site: (1) to provide a gateway to the home pages of individual Senators, (2) to make it easy to find legislative information, and (3) to serve as a library for the vast historical, art, and architectural archives of the Senate.

The multi-layered site provides a broad range of useful information, from the Senate's calendar of activities to information on the status of current bills and treaties.

It also provides interesting historical facts . . . and seeks to dispel several myths. And through the virtual tour—the viewer can explore the U.S. Capitol without ever leaving home.

We have been doing our work with a smaller work force. Seventy-two fewer authorized FTE's than when I arrived. Last year, we put in place a program to reduce staffing levels and have eliminated much of the fat that had existed. We have achieved the objectives of that plan. This year, you will note an increase in our request for authorized staffing and necessary funding. These increases largely are targeted toward specific network and systems maintenance functions which are critical to providing the Senate with secure, efficient networks and applications. At this point, I would like to ask my Deputy, Liz McAlhany, to discuss the details of the major projects that the Senate has tasked us to complete, as well as the details and initiatives contained in the 2002 budget.

Thank you, Jim. Mr. Chairman and Members of the Committee, I too appreciate the opportunity to appear before you today. The new technologies that Jim has referenced are not the only major initiatives that we are addressing.

As Jim noted earlier, the Senate has approved a new electronic mail system. This system ultimately will affect every office and committee and every Senate employee. This is a major undertaking to replace a critical system. E-mail traffic into and out of the Senate has increased sixfold in the past two years. Web sites with easy to use mailing lists or forwarding capabilities have proliferated and created large mail volumes of unpredictable frequency on a wide variety of issues. We see no end to this and are prepared to handle greater volumes. In January we could process 20,000 messages per hour. Today we can process 50,000 messages per hour; in June we will have the capacity to process 75,000 messages per hour.

We have increased the capacity of the computers that first receive incoming e-mail and we are developing and testing an e-mail product that is designed to filter and categorize incoming messages to Senate offices. This system will enable offices to efficiently reply to these messages in the manner most appropriate to each office's practices.

Converting the Senate Recording Studio to a digital format is a significant undertaking. The five phase plan begins this year with the conversion of the Senate Television to High Definition Television and the installation of an audio/video/text browsing system on the Intranet. Both projects will be completed this fall. The second year of the plan will focus on the studio, news servers for editing playback, and the first of three phases of the centralized control facility. This facility will enable the studio to meet the requirements of the Senate for supporting committee broadcasts and multimedia. The third year will be to convert the radio operation to digital technology and complete phase two of the centralized control facility. The fourth year of the plan will be for the final phase of the centralized control station deployment and the design and purchase of equipment for the studio control stations and core facility. The fifth year will be for the installation of the studio control stations and core facility. Because our experience leads us to believe that we have the capability to accelerate the project, we are requesting funding in fiscal year 2002 to cover the second and third years of the five year plan.

In developing the Budget Request before the Committee, we recognized that significant challenges lie ahead. We must complete the implementation and delivery of the Recording Studio and printing upgrade projects. We must complete the e-mail system on time and within our budget. Finally, we must put in place the infrastructure, in staffing levels and skills and in equipment, to operate, monitor and maintain these increasingly complex systems in a secure and effective manner.

I would like to discuss the philosophy of our budget process and then the details of the fiscal year 2002 Budget Request.

The Fiscal year 2002 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.

In order to help us understand and manage our cost structure and our operations, we divided the budget into four distinct types of costs, a practice that we instituted for the fiscal year 2001 budget: General Operations and Maintenance, Mandated Allowances & Allotments, Technology Capital Investment and Nondiscretionary Items. Each of these budget areas cover a distinct component of the SAA operations.

Our Budget Request reflects the needs and requests of our Senate customers. Members of the Senate, individually and collectively, continue to make clear to us that they require a modern technological infrastructure to support the operations of their offices. They have requested additional network capacity in Washington, D.C. and the state offices, an improved messaging infrastructure, enhanced information systems and physical security, integration of the Internet e-mail with the Correspondence Management Systems, and office productivity tools. Our Budget Request includes funding for these and other initiatives to satisfy the Senate's requirements.



## FISCAL YEAR 2002 BUDGET REQUEST

## OFFICE OF THE SERGEANT AT ARMS—UNITED STATES SENATE—EXECUTIVE SUMMARY

[Dollars in thousands]

	TOTALS		Variance Fiscal Year 2002 vs. Fiscal Year 2001	
	Fiscal Year 2001 Budget	Fiscal Year 2002 Request	Amount	Percent Incr/(Decr)
General Operations & Maintenance:				
Salaries .....	\$34,811	\$39,082	\$4,271	12.3
Expenses .....	19,767	21,544	1,777	9.0
Total General Operations & Maintenance .....	54,578	60,626	6,048	11.1
Mandated Allowances & Allotments .....	42,245	49,952	7,707	18.2
Technology Capital Investment .....	7,710	21,433	13,723	178.0
Nondiscretionary Items .....	2,589	2,975	386	14.9
TOTAL .....	107,122	134,986	27,864	26.0
Staffing .....	755	779	24	3.2

The total budget request for fiscal year 2002 is \$134,986,000, up \$27,864,000 or 26.0 percent. This significant increase continues the programs to upgrade our Recording Studio, data networks and technology infrastructure. Funding also is requested to provide improved support to state offices in security, equipment and services. This request includes the addition of 24 FTE's needed primarily to operate, maintain and monitor our state office and D.C. networks and our enterprise-wide applications on a round the clock basis.

We are requesting that funds in the amount of \$11,354,000 for the Recording Studio digital technology upgrade and relocation remain available until expended; and that funds in the amount of \$8,654,000 for the purchase of computer equipment and software for member offices and committees remain available for obligation until September 30, 2004.

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 will increase \$4,271,000 or 12.3 percent to \$39,082,000. The increase is to fund positions (\$1,369,000) that were authorized but not adequately funded in the fiscal year 2001 salary appropriation, add 24 new positions (\$1,305,000) in fiscal year 2002, and award a COLA (\$1,597,000). Staffing will increase from 755 to 779, including 16 in the Technology Development Services Division to maintain the data network, new e-mail systems, mainframe computer and central servers; to maintain the integrity and security of Senate data; and other initiatives.

General operations and maintenance expenses for existing and new services will increase \$1,177,000 or 9.0 percent to \$21,544,000. The increase is to fund support to monitor and maintain the throughput and security of our networks (\$600,000); software maintenance for the new mainframe computer and central servers, and tech support for the financial system database (\$506,000); higher costs of the Senate Information Services program (\$387,000); and improved service levels for desktop computer help desk and support (\$334,000).

Mandated allowances and allotments for computers, mail systems, copiers, telephones and state offices will increase \$7,707,000 or 18.2 percent to \$49,952,000. The increase is to fund new mail systems (\$1,950,000); a digital technology upgrade for the RPC and DPC studios (\$1,800,000); increased rents in state offices (\$1,246,000); state office security enhancements (\$1,744,000); and expanded telecom services consisting of new phone sets and voice mail services in state offices (\$850,000).

Technology capital investment will increase \$13,723,000 or 178.0 percent to \$21,433,000. The fiscal year 2002 request funds the Recording Studio digital upgrade project (\$9,254,000), temporary relocation of the Studio during construction of the Capitol Visitor Center (\$2,100,000); continued upgrades of the state office wide

area network (\$1,550,000) and the Capitol Hill network (\$2,025,000); upgrade Senate telephone services in D.C. (\$1,250,000); begin implementation of the operations recovery plan (\$500,000); data storage, back up and disaster recovery initiatives (\$492,000); improve data security (\$300,000); and various other projects.

Nondiscretionary Items will increase \$386,000 or 14.9 percent to \$2,975,000. The increase is to fund operational support for the Financial Management Information system (\$470,000), which was partially offset by a decrease in Legislative Information System enhancements (\$84,000). Nondiscretionary items support initiatives that are funded by the Sergeant at Arms but managed by other entities.

#### FISCAL YEAR 2002 BUDGET REQUEST BY DEPARTMENT

The following is a summary of the SAA's fiscal year 2002 budget request on an organizational basis.

[Dollars in thousands]

Department	TOTALS		Variance Fiscal Year 2002 vs. Fiscal Year 2001	
	Fiscal Year 2001 Budget	Fiscal Year 2002 Request	Amount	Percent Incr/(Decr)
Central Operations .....	\$8,925	\$9,480	\$555	6.2
Technology Development .....	19,930	25,807	5,877	29.5
IT Support Services .....	35,433	40,486	5,053	14.3
Office Support .....	23,418	26,484	3,066	13.1
Capitol Division .....	14,214	27,302	13,088	92.1
Staff Offices .....	5,202	5,427	225	4.3
<b>TOTAL .....</b>	<b>107,122</b>	<b>134,986</b>	<b>27,864</b>	<b>26.0</b>

Each department's budget is presented and analyzed in detail beginning on the next page.

#### CENTRAL OPERATIONS

[Dollars in thousands]

Central Operations	TOTALS		Variance Fiscal Year 2002 vs. Fiscal Year 2001	
	Fiscal Year 2001 Budget	Fiscal Year 2002 Request	Amount	Percent Incr/(Decr)
<b>General Operations &amp; Maintenance:</b>				
Salaries .....	\$6,577	\$7,037	\$460	7.0
Expenses .....	2,348	2,443	95	4.0
<b>Total General Operations &amp; Maintenance .....</b>	<b>8,925</b>	<b>9,480</b>	<b>555</b>	<b>6.2</b>
Mandated Allowances & Allotments .....	0	0	0	0.0
Technology Capital Investment .....	0	0	0	0.0
Nondiscretionary Items .....	0	0	0	0.0
<b>TOTAL .....</b>	<b>8,925</b>	<b>9,480</b>	<b>555</b>	<b>6.2</b>
Staffing .....	167	164	-3	-1.8

The Central Operations Department consists of the Printing, Graphics and Direct Mail, Parking and ID, and Hair Care Services branches.

Operations and Maintenance Salaries will increase \$460,000 or 7.0 percent to \$7,037,000. The increase is to fund positions (\$292,000) that were authorized but not adequately funded in the fiscal year 2001 salary appropriation and award a COLA (\$302,000). These increases were partially offset by a reduction of three posi-

tions (\$134,000) in fiscal year 2002, two in Fleet Operations as a result of reconfiguring the workforce, and one from Printing and Mailing Services, due to efficiencies from new equipment. Overall staffing in fiscal year 2002 will decline by three to 164. Staffing includes 10 positions in Senate Hair Care Services in fiscal year 2000 and 11 in fiscal year 2001 and fiscal year 2002. The salaries for these positions are paid from a revolving fund.

Operations and Maintenance Expenses will increase \$95,000 or 4 percent to \$2,443,000. The increase is to fund the purchase of a new truck (\$52,000) that will replace a 14 year old vehicle, and the maintenance of new equipment in Printing, Graphics and Direct Mail that was purchased at the end of fiscal year 2000 and was under warranty in fiscal year 2001.

### TECHNOLOGY DEVELOPMENT SERVICES

[Dollars in thousands]

Technology Development Services	TOTALS		Variance Fiscal Year 2002 vs. Fiscal Year 2001	
	Fiscal Year 2001 Budget	Fiscal Year 2002 Request	Amount	Percent Incr/(Decr)
General Operations & Maintenance:				
Salaries .....	\$5,837	\$7,709	\$1,872	32.1
Expenses .....	8,444	9,621	1,177	13.9
Total General Operations & Maintenance .....	14,281	17,330	3,049	21.4
Mandated Allowances & Allotments .....	0	0	0	0.0
Technology Capital Investment .....	3,060	5,502	2,442	79.8
Nondiscretionary Items .....	2,589	2,975	386	14.9
TOTAL .....	19,930	25,807	5,877	29.5
Staffing .....	94	110	16	17.0

The Technology Development Services Department consists of the Engineering, Enterprise IT Systems, Applications Development, Internet/Intranet and Information Security Systems branches.

Operations and Maintenance Salaries will increase by \$1,872,000 or 32.1 percent to \$7,709,000. The increase is to fund positions that were authorized but not adequately funded in the fiscal year 2001 salary appropriation (\$417,000), a COLA (\$331,000) and 16 new positions (\$1,124,000). These additional positions are targeted to meet critical network operations and security needs as well as support existing or enhanced service levels in the applications area. Overall staffing in fiscal year 2002 increases to 110 from 94.

Operations and Maintenance Expenses will increase \$1,177,000 or 13.9 percent to \$9,621,000. The increase is for Network Operations (\$193,000), Enterprise Systems Support (\$506,000) and Information Services (\$387,000): (a) Network operations will increase to obtain contract resources to maintain and monitor day-to-day operations and upgrade equipment; (b) Enterprise Systems Support will increase to fund the higher costs of software licenses, maintenance, and a new platform for the upgraded mainframe computer; for additional products to support the FMIS Web enabling project on the mainframe; and new database software for the central servers (Web, e-mail and information services); and (c) Information Services will increase to fund higher service costs.

Technology Capital Investment will increase \$2,442,000 or 79.8 percent to \$5,502,000. The major projects are continued expansion of the upgrades to the State Office Wide Area Network (\$1,550,000) and the Capitol Hill network and infrastructure (\$2,025,000); upgrade Senate telephone services in D.C. (\$1,250,000); and several Enterprise Operations data storage, back up and disaster recovery initiatives (\$492,000).

Nondiscretionary items will increase \$386,000 or 14.9 percent to \$2,975,000. The increase is due to a \$470,000 increase in FMIS operational support. This item was partially offset by an \$84,000 decrease in Legislative Information System budget due to a scaling back of planned enhancements for fiscal year 2002.

## IT SUPPORT SERVICES

[Dollars in thousands]

IT Support Services	TOTALS		Variance Fiscal Year 2002 vs. Fiscal Year 2001	
	Fiscal Year 2001 Budget	Fiscal Year 2002 Request	Amount	Percent Incr/ (Decr)
<b>General Operations &amp; Maintenance:</b>				
Salaries .....	\$4,693	\$5,318	\$625	13.3
Expenses .....	6,456	6,840	384	5.9
<b>Total General Operations &amp; Maintenance .....</b>	<b>11,149</b>	<b>12,158</b>	<b>1,009</b>	<b>9.1</b>
Mandated Allowances & Allotments .....	20,584	25,301	4,717	22.9
Technology Capital Investment .....	3,700	3,027	(673)	(18.2)
Nondiscretionary Items .....	0	0	0	0.0
<b>TOTAL .....</b>	<b>35,433</b>	<b>40,486</b>	<b>5,053</b>	<b>14.3</b>
Staffing .....	99	101	2	2.0

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 will increase by \$625,000 or 13.3 percent to \$5,318,000. The increase is to fund positions that were authorized but not adequately funded in the fiscal year 2001 salary appropriation (\$295,000), add two positions in fiscal year 2002 (\$102,000) and fund a COLA (\$228,000). The two additional positions will support expanded services in the Office Equipment Division and an increase in the number of CMS systems to four from the current two. Staffing increases to 101 in fiscal year 2002.

Operations and Maintenance Expenses will increase \$384,000 or 5.9 percent to \$6,840,000. The increase is primarily due to a \$334,000 contractual increase in desktop computer help desk and support costs due to higher service standards.

Mandated Allowances and Allotments will increase by \$4,717,000 or 22.9 percent to \$25,301,000. The increase is to fund new Correspondence Management Systems (CMS) for Members (\$1,950,000); a digital technology upgrade for the RPC and DPC studios (\$1,800,000); and new telecommunications services (\$850,000) consisting of new phone sets for state offices (\$650,000) and three additional voice mailboxes for state offices (\$200,000).

Technology Capital Investment will decline \$673,000 or 18.2 percent to \$3,027,000. The fiscal year 2002 request funds support for the new e-mail system (\$1,777,000); the Internet E-Mail filtering system, to filter and categorize incoming e-mails to member offices and forward them to the CMS system (\$350,000); enhanced security software (\$300,000); and several web-based applications and services (\$350,000).

## OFFICE SUPPORT SERVICES

[Dollars in thousands]

Office Support Services	TOTALS		Variance Fiscal Year 2002 vs. Fiscal Year 2001	
	Fiscal Year 2001 Budget	Fiscal Year 2002 Request	Amount	Percent Incr/ (Decr)
<b>General Operations &amp; Maintenance:</b>				
Salaries .....	\$1,628	\$1,786	\$158	9.7
Expenses .....	129	47	(82)	(63.6)
<b>Total General Operations &amp; Maintenance .....</b>	<b>1,757</b>	<b>1,833</b>	<b>76</b>	<b>4.3</b>
Mandated Allowances & Allotments .....	21,661	24,651	2,990	13.8

## OFFICE SUPPORT SERVICES—Continued

[Dollars in thousands]

Office Support Services	TOTALS		Variance Fiscal Year 2002 vs. Fiscal Year 2001	
	Fiscal Year 2001 Budget	Fiscal Year 2002 Request	Amount	Percent Incr/ (Decr)
Technology Capital Investment .....	0	0	0	0.0
Nondiscretionary Items .....	0	0	0	0.0
<b>TOTAL .....</b>	<b>23,418</b>	<b>26,484</b>	<b>3,066</b>	<b>13.1</b>
Staffing .....	30	30	0	0.0

The Office Support Services Department consists of the Customer Support, Help and IT Request Processing, and State Office Liaison branches.

Operations and Maintenance Salaries will increase \$158,000 or 9.7 percent to \$1,786,000. The increase is to fund positions that were authorized but not adequately funded in the fiscal year 2001 salary appropriation (\$100,000) and a COLA (\$57,000). Staffing will remain at 30 in fiscal year 2002.

Operations and Maintenance Expenses will decrease by \$82,000 or 63.6 percent to \$47,000. This reflects the completion of the office profile system.

Mandated Allowances and Allotments will increase \$2,990,000 or 13.8 percent to \$24,651,000. An increase of \$1,246,000 is to fund increased rents for state offices due to a tighter real estate market. The remaining part of the variance consists of \$1,744,000 for security improvements in state offices. Included in the budget request is \$8,654,000 of three-year money to fund computer equipment for members, leadership, committees, and officers.

## CAPITOL DIVISION

[Dollars in thousands]

Capitol Division	TOTALS		Variance Fiscal Year 2002 vs. Fiscal Year 2001	
	Fiscal Year 2001 Budget	Fiscal Year 2002 Request	Amount	Percent Incr/ (Decr)
<b>General Operations &amp; Maintenance:</b>				
Salaries .....	\$11,922	\$12,947	\$1,025	8.6
Expenses .....	1,492	1,451	(41)	(2.7)
<b>Total General Operations &amp; Maintenance .....</b>	<b>13,414</b>	<b>14,398</b>	<b>984</b>	<b>7.3</b>
Mandated Allowances & Allotments .....	0	0	0	0.0
Technology Capital Investment .....	800	12,904	12,104	1,513.0
Nondiscretionary Items .....	0	0	0	0.0
<b>TOTAL .....</b>	<b>14,214</b>	<b>27,302</b>	<b>13,088</b>	<b>92.1</b>
Staffing .....	297	307	9	3.0

The Capitol Division consists of the Executive Office, Program Management and Systems Architecture, Facilities, Galleries, Recording Studio, Photo Studio and Post Office.

Operations and Maintenance Salaries will increase \$1,025,000 or 8.6 percent to \$12,947,000. The increase is to fund positions that were authorized but not adequately funded in the fiscal year 2001 salary appropriation (\$271,000), add new positions in fiscal year 2002 (\$213,000), and fund a COLA (\$541,000).

Operations and Maintenance Expenses will decrease by \$41,000 or 2.7 percent to \$1,451,000. A \$100,000 increase for the Recording Studio to fund video streaming of committee hearing broadcasts was offset by a \$142,000 decline in Program Management and Systems Architecture from the reduced use of outside consultants.

Technology Capital Investment will increase to \$12,904,000 from \$800,000 in fiscal year 2001. This is to fund the Digital Technology Migration project (\$9,254,000), Studio Relocation (\$2,100,000) and Emergency Response Plan (\$150,000) projects for the Recording Studio. The studio will be required to move in connection with the construction of the Capitol Visitor Center. The Emergency Response initiative, part of the Continuation of Operations Plan (COOP), will provide the needed equipment to broadcast Senate Floor coverage should the proceedings be relocated to another venue. We are requesting that the \$11,354,000 for the Recording Studio Digital Migration and relocation projects be designated as no-year funds. In addition, the Program Management and Systems Architecture department has requested \$800,000 for continued support for the APT system for this Committee; \$500,000, to develop and implement an emergency preparedness plan; and \$100,000, to develop, implement and revise the Senate's information security policy and procedures.

STAFF OFFICES

[Dollars in thousands]

Staff Offices	TOTALS		Variance Fiscal Year 2002 vs. Fiscal Year 2001	
	Fiscal Year 2001 Budget	Fiscal Year 2002 Request	Amount	Percent Incr/ (Decr)
<b>General Operations &amp; Maintenance:</b>				
Salaries .....	\$4,154	\$4,285	\$131	3.2
Expenses .....	898	1,142	244	27.2
<b>Total General Operations &amp; Maintenance .....</b>	<b>5,052</b>	<b>5,427</b>	<b>375</b>	<b>7.4</b>
Mandated Allowances & Allotments .....	0	0	0	0.0
Technology Capital Investment .....	150	0	(150)	(100.0)
Nondiscretionary Items .....	0	0	0	0.0
<b>TOTAL .....</b>	<b>5,202</b>	<b>5,427</b>	<b>225</b>	<b>4.3</b>
Staffing .....	68	68	0	0.0

The Staff Offices Division consists of Education and Training, Human Resources, Financial Management and Special Projects.

Operations and Maintenance Salaries will increase \$131,000 or 3.2 percent to \$4,285,000. The increase is to fund a COLA. Staffing will remain at 68.

Operations and Maintenance Expenses will increase \$244,000 or 27.2 percent to \$1,142,000. The increase is due to the pre-placement and return-to-work medical guidelines initiative in Human Resources (\$195,000) and maintenance and enhancements for the budget preparation system (\$50,000) in Financial Management. The medical guidelines will ensure that persons selected to fill physically demanding positions in the SAA are capable of doing so and SAA employees returning from medical leave are physically able to perform their jobs. We expect that our workmen's compensation claims will decrease over time as a result of the guidelines.

FISCAL YEAR 2002 CROSSWALK

[In thousands of dollars]

Expenditure Type	Central Operations	Technology Development	IT Support Services	Office Support	Capitol Division	Staff Offices	TOTAL
<b>General O&amp;M:</b>							
Salaries .....	7,037	7,709	5,318	1,786	12,947	4,285	39,082
Expenses .....	2,443	9,621	6,840	47	1,451	1,142	21,544
<b>Total General O&amp;M .....</b>	<b>9,480</b>	<b>17,330</b>	<b>12,158</b>	<b>1,833</b>	<b>14,398</b>	<b>5,427</b>	<b>60,626</b>
Mandated Allowances and Allotments .....	0	0	25,301	24,651	0	0	49,952
Technology Capital Investment .....	0	5,502	3,027	0	12,904	0	21,433

## FISCAL YEAR 2002 CROSSWALK—Continued

[In thousands of dollars]

Expenditure Type	Central Operations	Technology Development	IT Support Services	Office Support	Capitol Division	Staff Offices	TOTAL
Nondiscretionary Items .....	0	2,975	0	0	0	0	2,975
<b>TOTAL .....</b>	<b>9,480</b>	<b>25,807</b>	<b>40,486</b>	<b>26,484</b>	<b>27,302</b>	<b>5,427</b>	<b>134,986</b>

## FISCAL YEAR 2001 CROSSWALK

[In thousands of dollars]

Expenditure Type	Central Operations	Technology Development	IT Support Services	Office Support	Capitol Division	Staff Offices	TOTAL
<b>General O&amp;M:</b>							
Salaries .....	6,577	5,837	4,693	1,628	11,922	4,154	34,811
Expenses .....	2,348	8,444	6,456	129	1,492	898	19,767
<b>Total General O&amp;M .....</b>	<b>8,925</b>	<b>14,281</b>	<b>11,149</b>	<b>1,757</b>	<b>13,414</b>	<b>5,052</b>	<b>54,578</b>
<b>Mandated Allowances and Allotments:</b>							
.....	0	0	20,584	21,661	0	0	42,245
Technology Capital Investment .....	0	3,060	3,700	0	800	150	7,710
Nondiscretionary Items .....	0	2,589	0	0	0	0	2,589
<b>TOTAL .....</b>	<b>8,925</b>	<b>19,930</b>	<b>35,433</b>	<b>23,418</b>	<b>14,214</b>	<b>5,202</b>	<b>107,122</b>

Mr. ZIGLAR. As I have in the past, I will simply make some comments, some of which are from my notes, to expand on that testimony, if that's okay.

Senator BENNETT. That's fine. Let me take the opportunity to welcome these two to their first experience with the committee. And thank you for your willingness to serve.

I should also note that Carrie Apostolou has joined the subcommittee as our chief clerk. We're a little hard on clerks. Jay Kimmitt was here and just getting started when he had the same experience you did, Mr. Ziglar. Somebody came along with a better offer.

And we're going to miss Jay as we miss Christine Ciccone who was the clerk of this committee for a good long time.

But we wish him well and appreciate the service that he performed. We're delighted that Carrie has been willing to take this on. We've stolen her from the VA-HUD subcommittee where she has served long and well. But we're delighted that she's willing to do this for us, and you will see the excellence of her preparation today as we ask you very penetrating questions to help dig up—

Mr. ZIGLAR. And Liz and Rick will be happy to answer them.

Senator BENNETT. While we have made this break, I do recognize Senator Durbin who has come in. And, Senator, if you have an opening statement, now is the time to do it.

Senator DURBIN. Thank you very much. I just want to say to Jim Ziglar thank you for your service to the United States Senate. Your new assignment, as I mentioned on the floor, is a piece of cake. I think it's one of the most challenging assignments in the Federal Government. As I said, you're certainly the person for that job.

You've handled this one with true non-partisanship and professionalism, and I thank you for your service to the Senate.

Mr. ZIGLAR. Thank you, Senator.

Senator BENNETT. Mr. Ziglar, you may now proceed.

Mr. ZIGLAR. Senator, I would like to, without trying to parse your words, because Jay and I talked just a second before we started, neither of us are going to necessarily better opportunities. We are going to different opportunities and new challenges. Serving the Senate—there's probably no better opportunity around—and I think Jay's shaking his head in agreement that that's the case.

As I prepare to leave here I hope that I'm leaving the Sergeant at Arms operation in a somewhat better situation, a little bit better than the way I found it.

Over the last couple of years we've attempted to bring a more businesslike approach to the way we do business, and I hope you saw that, Senator, in the fact that we got the phone book to you this year before the hearing.

Senator BENNETT. Duly noted.

Mr. ZIGLAR. We've managed over the last couple of years to eliminate two layers of management that were just duplicative. We've also been able to reduce our FTEs by 10 percent. This was done, even though I can tell you that we have been providing a greater number of services, and we think and we hope that the level of the service we have provided has been better. After all, what Sergeant at Arms is all about is service.

I'm sorry, I really—I'm not going to use the chart so why don't you just go ahead and set it out.

I believe that the reasons that we are more productive are because of several things. One, we have implemented an accountability and merit pay system in our work force that has provided incentives to people to do their job better.

We, as part of that, for example, changed the leave accrual system in a way that would encourage people to not be absent as much. And, in fact, it has resulted, for example, in the Central Operations area which was the place that we had the biggest problem with absenteeism.

Absenteeism has dropped 40 percent as a result of some of the changes we have put in place. We have gotten a much more productive, motivated and incentivized, if you will, work force as a result of some of those personnel changes that we've made.

We've taken steps to provide our employees with more training and career development. The one thing that I know that you know, Senator, having been in the private sector, is that if employees see that they have an opportunity to better their skills which put them in a better position for promotions and raises and things like that, morale goes up.

What we have attempted to do is expand our training and expand our career development steps in the Sergeant at Arms operation.

I have an uncle that you know, Zig Ziglar, who is kind of an icon in the training industry. I've followed his philosophy, and I've tried to instill that philosophy into the Senate. That is, the only thing worse than training somebody and losing them is not training somebody and keeping them. And unfortunately we lose people,



and we have lost some good people, but we're training our people, and we're creating a benchmark that I think will serve the Senate very well in years to come.

Then also we have tried to employ technology the best way we can to help our employees do their job better.

Now, let me note here that notwithstanding all the things I just said about our reducing our FTEs by about 10 percent since I got here, we are asking for an increase in authorization in the year 2002. I know that seems a bit inconsistent with what I just said. The reasons are fairly simple as to why we're asking for it.

Some of the technologies that we're putting in place to help members, committees, others do their job more efficiently are less and less labor intensive, things such as the new e-mail system, the echo-mail system, the Recording Studio in terms of the way we will broadcast committee hearings, things like that are going to make it easier for the members and the committees to do their work. But those things also require us, at our end, to provide a bit more monitoring, a bit more customer assistance, if you will, and maintenance.

We also are undertaking an initiative to upgrade our approach, understanding and response to some of the challenges in the security area in technology. Cyber terrorism, as you know, is increasing rather dramatically, and we have to protect the Senate from that. We are working very hard at putting in place as many security modalities as we possibly can. That requires people with different skill sets than we've necessarily always had.

We're also attempting to become less dependent on vendors. We spend a lot of money in the Senate on contracts with various vendors. Some of it is important, some of it is efficient, some of it is not, Senator. And we'll examine that and try to figure out where we can save money, do a better job, and provide more consistent service by doing it in house.

A great example of this is the legislative information system which we have brought in house in terms of the maintenance and continuing operations. We save approximately \$2 million annually by doing it in house instead of doing it contracted out.

As we hopefully decrease the burden on committees and members and their staffs, that has somewhat increased the burden on the Sergeant at Arms in terms of maintaining and operating our systems. In the end, I believe and I hope this is true, that we all benefit and ultimately the taxpayer benefits from our putting in place these efficiencies.

I would like to note some of the other initiatives we've undertaken, some of which are still ongoing, some of which have been completed, and all of which we're happy with and proud of.

When I first got here, I used to ask, okay, what do we do in this situation and that situation, and somebody would say the policy is this or precedent is that or the procedure is the following. And I'd say, okay, where do you get that? They would respond: "Well, I've been here 30 years, and that's the way we've always done it." Or this is the precedent, we did this 3 years ago. I'd say, well, where is this written down?

A lot of times we'd find things written in one section or another division, but there was never a place to go to figure out what our

policies and procedures were, in fact, whether they were consistent with the rules of the Senate as they're printed in the Senate manual.

I undertook about 2 years ago to get everybody together over time and compile these policies, procedures, and precedents. And I'm happy to report that I have a notebook in my office now that I think is pretty close to complete in documenting these things that we have done in the past. So that when we get an issue about what can you do on the plaza, I don't have to kind of just make it up out of whole cloth or say, gee, we let the Democrats do it this week, so we let the Republicans do it next week.

We're trying to make it where we have policies that are fair and consistent and reflect the values and the rules of the Senate. So I've been very pleased with that process. It took some time and encountered a little resistance, but we've gotten there.

When I first got here, I also found out that notwithstanding what you would do in the executive branch and in the private sector, we really didn't have any disaster recovery plans, and we didn't have any continuation of operation plans around here. For example, what if the Senate chamber was destroyed by fire? Or, God forbid, there was some kind of biochem attack in the Capitol and the Senate could not function in that setting. Do we have a plan to have the Senate continue to be functional?

Well, the truth is we didn't, Senator. We do now. It is the design phase of that plan that is just about complete. Well, it is complete in draft form. Putting it into executable form is going to take another 6 months with all the details. And we actually have money in our budget that reflects some of the expenditures that are going to be necessary to set the stage for our being able to have disaster recovery and continuation of operations in the event we have an unfortunate event in the Capitol or even in the Senate office buildings.

That is something that I have considered really as one of my highest priorities. It hadn't had much attention before, but it is important.

Another thing that I found when I got here and, again, Senator, having been in the private sector, you know that on a monthly basis you like to get a revenue and expense report. You want to see, well, I budgeted this much, but what have my actual expenditures been against the budget, and how am I doing? And what is the projection for the rest of the year?

We didn't have any such thing when I got here. We do now. As a management tool, that has been extremely effective in terms of did we incorrectly budget in terms of what our real needs were, or are we just not managing our flow of cash in projects as we should be? It has been a tremendous tool, and I'm certain, knowing Liz and Rick and how they use it that they will continue it long after I'm gone.

Something else that I find a lot of pride in—I can't take much credit for it, I can't take any credit for it—but that's the reduction of mailing expenses for the Senate. We achieved these reduction by bringing in some equipment to do better sorting of the mail—and by the way we received this equipment, valued at about \$300,000, from the Navy, that didn't cost us anything because they were

surplussing it. Plus we have worked with the offices to help them better manage their mailing lists. We now save about \$2 million a year.

We've reduced our mailing expenses in the aggregate in the Senate. This is a very significant change, and my friend Harry Green, Senate Postmaster, and Rick Edwards are responsible for those initiatives.

We're in the process of developing a life cycle asset replacement program. As you look back over the budgets of the Senate, it has been up and down with respect to capital asset replacement and expenditures.

What we would like to do is have a more rational way of looking at the equipment that needs to be replaced so we have a more consistent budget in terms of our capital investments plus the fact that we will hopefully stay more current with the state-of-the-art in the technology area.

Another thing that we have done is adopted and now use modern project management methods. Now when we undertake a project, we have GANT charts and project goals. We have all the steps along the way, and we manage against those goals. And that, as you know, is a much better way of doing projects.

And then finally we've simplified our acquisition process to make it faster, cheaper, and more efficient. Frankly, what we found out was that for every acquisition we were making it cost us about \$100 in terms of the paperwork and time to generate a purchase order. Quite often the purchases were less than \$100 so we were spending \$100 to buy something for \$50 through our purchasing process.

We've changed that dramatically now, and we think that we're saving at least in hard dollars \$50,000 a year, and in soft dollars in terms of personnel time and things like that, who knows. Rather remarkable number, I suspect.

The big three technology initiatives that have been ongoing for a while now are doing well. First is upgrading the Recording Studio from analog to digital which, of course, is being required by FCC rules. It's also important that we be in a position of broadcasting digitally and also providing digital coverage—digital camera coverage of our committee rooms and that kind of thing.

What we're doing is making it possible for the American people to see the Congress in action in a more easily accessible way by doing some of the things that we're doing. That project is going very well. Liz will talk about some of the details of that in a few minutes.

A project that is virtually finished involved the major upgrades of the photocopy, printing, and graphics area. This is where your offices will see the results most prominently and that is our ability to print directly from your computers, our ability to reproduce the documents that you folks have produced on a much quicker basis and at a much higher quality. It had been a very large project, and we've gotten it done. Almost all of that equipment is installed or soon will be installed.

And then finally the granddaddy of them all, the messaging infrastructure project. Now, that one has been a bit of a challenge. This is sort of like having 10 lawyers in a room. You've got the 10

lawyers in the room and you have 15 different opinions. We have 100 Senators, all of whose offices have a slightly different view of how we ought to do the e-mail system and messaging infrastructure system. And we did have to struggle to come to some consensus.

We did come to a consensus on a design. That design is just about finished. We're at the proof of concept phase of it. I am very pleased because I think we have managed to satisfy the legitimate concerns of the offices that were really involved in this.

And I think that once the proof of concept phase is over, it's going to prove that this is a good design, and we'll start deploying it in the very near future. It will take a while to deploy the new system, but we will have a redundancy or run a parallel system with the old system. So there will be hopefully a seamless migration from the system we're on to the new system, which will be a very large—to use a current word, robust system in terms of the e-mail.

Mr. Chairman, I'm going to ask Liz in just a moment to talk a little bit about some of the details of some of the projects that I know you're interested in, but I wanted to once again thank all of the employees of the Sergeant at Arms for their loyal dedicated service. I also want to thank you, sir, and the Senate.

Senator BENNETT. We're glad to see that the tough Mr. Ziglar has an emotional side just like all the rest of us.

Mr. ZIGLAR. Thank you, sir.

Senator BENNETT. Liz.

#### STATEMENT OF LIZ MC ALHANY

Ms. MCALHANY. Thank you, Jim.

Mr. Chairman, Senator Durbin, thank you for the opportunity to appear before you today to speak about our fiscal year 2002 budget request.

As Jim mentioned, my history in the Senate includes, among other positions, several years in my role at directing the computer center for the Senate. I've been fortunate in that capacity and other positions here to see the many firsts that we've introduced in the Senate, from the first PCs to the first e-mail system in the Senate, to the introduction of Internet e-mail, plus our web site.

And I'm proud to report that the Senate web site won a Presidential design award for our graphic presentation in 2000. And as the Presidential award cited, the new Senate web site humanizes the institution of the Senate by making its everyday activities and rich history readily accessible to the public. We were 1 of 10 such organizations around the country to win a graphic design award. We worked closely with the Secretary of the Senate on this. But this is quite a prestigious award, and we're proud of the organization.

Quite honestly, I'm proud and honored to be part of such a tremendous organization with strong leaders and our history of high quality products.

As Jim mentioned, we are in the process of implementing several major technology initiatives in our 2002 budget. The first is our electronic mail system. For 13 years we have used cc:Mail, and that has served the Senate well. But it's time to move on to new prod-

ucts. We are now planning this major migration, as Jim discussed, to the Microsoft products of Exchange and Outlook.

I do want to stress we consider this to be one of the most major upgrades we will be introducing into the Senate. We will affect every Senator, every committee, every staff member in D.C. and in the State offices. It's a major initiative. We believe we have strong management focused in on this project, a dedicated project team.

We have some costs we can discuss at the end of this project and the time frame. But with the ever increasing volume that the Senate is managing with mail now, we know we have to have more efficient services to help you answer your constituent mail and your Internet mail.

Just in the last 2 years we've seen the Internet mail explode. We are getting six times more mail than we received 2 years ago on the Internet. We are seeing an average of 6 million messages a month that we are processing for the Senate in bound and out-bound. And we have increased our ability to manage this mail.

In January we could manage roughly 20,000 messages an hour. Today we can manage 50,000. With some upgrades we planned in June, we will be able to manage 75,000, which is approximately a million and a half a day. So we're trying to keep pace with the mail now.

I might say that part of the delays, I know there have been some concerns about our delays, in delivering mail with the older technology we have in place. With cc:Mail there is some technology conversion that needs to occur before we can deliver this mail to the offices. We are confident that our testing should show this this summer, that with the introduction of change and some of the products related to that, we should always be able to stay current with mail.

We also do daily monitoring of our Internet services to make sure we are providing the best technology solution we can. We have daily reports that we receive, and according to our reports, we have not had a delay in delivering mail to the Senate since February 9th of this year. Of course we did have some difficulties in January.

We recognize the importance of being able to manage your electronic mail. We recognize that. Therefore we are currently offering a filtering system called echo-mail to senators. It has been demonstrated in over 40 offices, and we have a large number of offices that are cueing up now, and we are installing it now.

We have found in just a couple of offices and in one week, as an example, one Senate office received 25,000 electronic mail messages, 65 percent of those were spam mail messages, most of them coming from the site vote.com. We are finding that this filtering tool will help the offices manage this kind of influx of electronic mail messages.

We will also continue monitoring the marketplace and industry to make sure we have the best tools here that can help you manage this mail. That is our commitment to you.

Another major initiative, as Jim mentioned, is upgrading the Senate Recording Studio to the digital technology. As reminded, this is a 5-year project, and it will cost the Senate \$25 million in total before this project is complete.

We are currently completing phase one of the project. We are upgrading the Senate TV facility. We should be ready with the TV signal by August. So when we return after the August recess, the Senate broadcast will be displayed, at least our feed will be in a high definition digital format. We also will be able to introduce the browser this fall.

With that capability, the staff will be able to have real time access to information on the floor, committee hearings, possibly network news. We need to work with the Rules Committee to see what services we will put out on the browser system for the Senate offices.

Phase two of this big project begins fiscal year 2002, and that is to upgrade of the TV studios that are part of the Senate Recording Studio.

It also is to begin planning for our central control facility phase one of that. The central control facility, I believe Jim mentioned this, allows us to better manage the committee hearings and provide a service where we can manage that more centrally, thus saving some resources of the Sergeant at Arms and have more committee hearings that we can cover at any one point.

Phase three of this massive initiative begins in fiscal year 2003, and that's to convert the radio studios to digital format and continue working on the central control facility.

Phase four and five is what I call implementation years. We will complete the central control facility, we'll equip the studio, control rooms, and then we'll complete all of this and do some internal upgrades in phase five.

The question one would ask is why are we doing this? As Jim mentioned, we are doing it because the broadcasters must provide the digital feed by 2006, and we, as the content provider, want to continue providing high quality feed to the broadcasters.

We also wanted to continue providing good services through the Recording Studio and enhance what we're currently providing. We would like to provide the floor proceedings in real time, the committee hearings, network news. A benefit of this, the outcome of all of this will be that the feed from the Senate will be a service to the photographers who are not allowed in the Senate chamber now to take photographs. Our feed will provide photo quality format for the photographers.

We have requested in our 2002 budget \$9 million for the next phase of this as a multi-year funding. And what are our major efforts in our fiscal year 2002 budget? We do have significant challenges in our projects that will require time and resources. This is really a year of implementation for us.

As Jim mentioned, our highest priority is getting the new e-mail system in. We believe we're right on track for that, but this has been a challenging project. We would also like to complete a filtering system for offices, should they be interested in taking advantage of that. We'll complete the major upgrade to our copying and printing services. We'll complete the Recording Studio.

And one thing that Jim did not mention but is something that we're always attentive to is making sure we provide good communications between Washington and the State offices. We went through an initiative last year to install 100 T1 circuits or broaden

the communications bandwidth between Washington and the State offices. We have found that has been very successful.

We have increased the productivity in the State offices. Working with our local phone providers, we are now in a process of costing out what it would take to provide an additional T1 circuit to a number of these offices or increase the bandwidth. We're hopeful with the second phase of this program next year we will be able to and affect positively communications for 80 percent of the people in the State offices.

These major upgrades will require additional resources, as Jim has noted, therefore I request a number of these resources to maintain the network operation side.

As Jim mentioned, our budget process over 5 years calls for a constant plan to review and migrate to current testing and proven technology as seamlessly as we possibly can so we do not interrupt services to the Senate offices.

While we see the productivity and efficiency gains for the Senate offices, it will require additional resources and a commitment to training our existing work force.

We have presented our fiscal year 2002 budget request in four major categories as we did in 2001. These categories are general operations, mandated allowances and allotments for the members and committees, technology capital investments, and non-discretionary items. We believe our budget does reflect the needs of the Senate offices.

The members of the Senate continue to make it very clear to us that they require a modern technology infrastructure to support their operation. We hope our budget reflects that.

We're very well aware of our responsibilities to provide a secure, strong network and infrastructure and are committed to doing so with what we believe is the best option. And that is hiring additional staff to maintain our network and our infrastructure to ensure the highest level of security.

We currently have intrusion detection systems and services that we use on a regular basis to make sure that our infrastructure is secure. And we currently offer current versions of antivirus software to make sure that the systems in your offices are secure.

As Jim mentioned, we are trying to rely more on our own resources than outsourcing contractors. We do have one area this year, another area where we had to depend on contractors for our network engineering area, costing the Senate almost \$900,000 for 9 months. We believe we can hire staff, train them on our security options, and have them work with us internally.

Senator BENNETT. Thank you very much.

Ms. MCALHANY. Thank you, Mr. Chairman.

Senator BENNETT. We appreciate it.

We've been joined by Senator Stevens, and we're always glad to welcome. Senator, do you have any comments?

Senator STEVENS. Thank you very much, Mr. Chairman. I'm here basically to thank this group. I think you've responded very well to the demands that we've placed on you. I don't think any committee makes more demands on your services. Thirteen subcommittees, 14 bills per year, we're doing a lot, particularly a lot of travel

and a lot of oversight. We need your help to keep going, and I'm grateful to you for having provided the help we've asked.

I have no comments or criticisms at all about what is going on. I think you're right to have an increased budget for development and assessment of new technology to see what else we might adapt to our process.

Mr. Chairman, I brought the first automatic typewriter to the Senate and the first laptop, and it's right after I got off the Mayflower with Strom.

We've come a long way, and I'm really proud that you're helping us today move ahead. I do believe we're going to all want wireless cells that are capable of not only paging but e-mail receipt and telephone service that won't cut out every time we're 20 feet—we appreciate all you're doing and all I can say is keep up. Thank you very much.

Senator BENNETT. Thank you.

Senator STEVENS. Thank you.

Mr. ZIGLAR. Thank you, Mr. Chairman. By the way, as long as you don't use all those instruments on the floor of the Senate, it's okay.

Senator STEVENS. I'm the author of a proposal with Senator Byrd that they can't come on.

Senator BENNETT. You've covered most of the items that I've wanted to question you about but let me ask you the overall budget question. We've asked for extra money for the Recording Studio. We've asked for extra money for some of these migrations from old technology to new. And all of that is fine.

#### OUT-YEAR BUDGETS

What can we expect in future years? That is, is this a spike that comes as you make the investment now, and then we will begin to see the kinds of productivity increases and savings that Jim Ziglar spoke about so that the future year budget will come down, or is this a new base line that we say, okay, we swallow the challenge of this year, this, percentagewise, is a very large increase, much bigger than the 4 percent, 5 percent that we're talking about for the overall budget. I see you have a chart for that. Let's look into that.

Mr. ZIGLAR. Well, actually, I didn't know you were going to ask the question, but as you may recall, it was last year or the year before last—I guess it was last year I talked to you about this evergreen budgeting process that I've tried to put into place in the Sergeant at Arms operation, and we have, in fact, done that, where we are every year looking another 5 years out. And we just keep updating it every year to figure out what it's going to cost.

Senator BENNETT. The rolling 5-year plan.

Mr. ZIGLAR. Yes, sir. The biggest part of that is what are our investments going to be in hard assets, technology, things like that. This reflects what we believe, and you know how evergreen budgets are, it's a shot in the dark quite often. This is what we believe will be the cost factor for technology investments going forward.

As you can see, we've had this spike in the last couple of years, and we are getting to the point now where an awful lot of these big investments will be done, particularly in the Recording Studio,



for example, and that we will now be able to level this out, adding in there the fact that we are trying to develop and are developing an asset replacement, life cycle asset replacement program so we can, on a very rational basis, come back to you year by year and ask for those upgrades. So we don't have these big spikes where we let everything get obsolete, then we have to rush to catch up.

By the time we catch up, we spend a ton of money, and the technology has gotten away from us again. So we're trying to plan better by using this evergreen budget process, and these are our best guesses of what the budget request will be, going out 5 years.

Senator BENNETT. So if that holds, the investment in the green chart is not quite close enough that my bifocals can—it says technology capital improvements in the green, but I don't see what it says in the red. Oh, investment, okay.

Mr. ZIGLAR. Those are the non-discretionary items that are in the budget that we're told to spend.

Senator BENNETT. So indeed if this holds, this means we go up with the request for 2002, we get some overall relief as the technology kicks in and makes us more productive, but the inevitable inexorable increase in operations, maintenance, and mandated allowances will eat up those increases in productivity. But the top line remains the same.

Mr. ZIGLAR. Yes, sir. One of the things that you have to remember is that we have a lot of employees, and we have COLAs and things like that. So it's going to always go up some.

What we think we can manage to do is get control of the growth of the labor force size in the Sergeant at Arms using technology and better efficiencies. So most of that increase, you will find, is actually an increase in labor costs on the same base.

Senator BENNETT. I accept the idea that it is a projection rather than a locked-in firm certainty. Anytime you talk 5 years, you're dealing with projections. This makes it easier to sell the 26 percent increase that you're asking for this year.

And, of course, it's also easier when the chairman of the full committee who makes our subcommittee allocations is sitting here saying he thinks it's a good idea. Also makes it an easier sell.

Mr. ZIGLAR. Mr. Chairman, I do think that this is as honest an appraisal of what we think is going to happen, barring some unforeseen circumstances we can't see today, going forward in terms of what we're going to ask for.

#### ADDITIONAL EMPLOYEES

Senator BENNETT. As I say, you've covered most of the items I've wanted to question you about, but let's talk about the 16 additional FTEs and spend just a moment justifying that increase in staffing. This is just in the technology development services.

Mr. ZIGLAR. Mr. Chairman, Liz knows the details a little bit better.

Ms. MCALHANY. Mr. Chairman, if I could, 5 of those 16 are needed to maintain our network security. They're in our engineering area, and we want to make sure we have our own resources monitoring our network and making sure we have the most secure network possible.

This is the one we're using contractors assistance with this year. The remaining 11 of those are to basically fully fund the—we have a number of people on board in that department, and we have not had the opportunity to fully fund those positions. So of those 16 to fund we're actually talking about adding five more to our work force.

Now, we have a number of technology projects that we discuss that require a number of people in this department to monitor the enterprise level. Once we start implementing Exchange, we'll need people to monitor that 24 hours a day, 7 days a week because we'll expect to provide that service to you. We'll always be monitoring our mainframe activities as we still have them there.

Our growing number of servers that we have in the computer room that we use to deploy more services needs some attention. We see taking the five additional, plus the 11 that we have loaned to this department, we're trying to get our numbers correct here, would be the total count of the 16 for technology development.

#### NEW E-MAIL SYSTEM

Mr. ZIGLAR. May I add something, Mr. Chairman? The e-mail, the messaging infrastructure system is going to require some additional folks for a very good reason. The ultimate design that we came up with provides that each member's data is actually going to be in his or her office. We also will have a directory that will be specific to each one of the members.

This is a fairly sophisticated system. There are simpler systems, but the simpler systems do not provide the security and privacy and other things that we think and the Senate thinks are important, and I agree with them.

The truth is a lot of the members have very sophisticated systems managers in their office who can take care of problems that come on the system. Unfortunately, we have a number of members who don't. And, as a result of that, we are finding ourselves increasingly providing assistance to those systems managers in the offices where they're not as sophisticated about this.

That problem is going to grow with the implementation of the new messaging infrastructure system because it is complex. And until at the member level we have more technical expertise, the Sergeant at Arms is going to be coming in behind backfilling on problems. And that problem will grow, and this is what we're trying to do now is to get that work force at a level that we can deal with that.

Senator BENNETT. Okay, fine.

Senator Durbin.

Senator DURBIN. Thank you, Mr. Chairman. In 1966 I came to the Senate as an intern working in the office of Senator Paul Douglas, in what was then known as the old Senate office building. I used to go down to the basement there and sit in a room and hammer away on a little typewriter on something called dress up plates, tiny little metal slugs that you had to wear earphones to cover, tapping away at this typewriter as you put the names and addresses on.

Then I would go to an adjoining room, and we had some Rube Goldberg operation with a long paper tape with perforations in it

where we would try to get these robo-type machines to work all night to print out letters. That was my first exposure to Senate technology. Things have changed a lot, and they've changed dramatically for the better. And I thank you for all that you've done.

#### TECHNOLOGY ISSUES

Having said that, let me raise at least an observation and ask you a question. I served for 14 years in the House before coming here, and I have a unique living arrangement where I live with two members of the House. Senator Schumer and I live with two Congressmen. So, among other things, we discuss what is going on in technology between the House and the Senate.

It has been my impression over the last 4 years that the House has been much more open-minded. Much more open to new technology than the Senate. They have tried a lot of things that we have never tried and have put on their approve list a lot of opportunities for members that the Senate has never had.

I'm sure some of that was wasted. I bet you they tried things that didn't work out very well. My impression is we've taken over time a very conservative approach to new technology in the Senate as opposed to the House approach. I'd like your thoughts on that.

I would also like to ask you to comment on the question of whether or not ultimately our systems, and I hope this is the right word—I am a liberal arts lawyer so forgive me—will be able to interface so there may come a day where the House and Senate have the same systems that may be able to talk to one another. I know that may be a radical notion.

Senator BENNETT. Radical.

Senator DURBIN. Radical notion, unconstitutional, subject to Supreme Court challenge. I would think that that is not an outrageous idea that we would basically get to the same systems. And we don't have them today. I think we're moving there with Microsoft and the like.

#### INVESTMENT IN TECHNOLOGY

The third thing I would like to say in this area—and completely exhaust all of my knowledge and observations when it comes to technology—is I don't understand the green part of that graph because it suggests a substantial ramping up in technology capital investment from fiscal year 2001 to it appears to be 2002 or 2003. And then a decline in cost for capital investment. Then a flat line for 3 or 4 years.

In this world we live in, I can't imagine how we could say that with any amount of credibility where the technology is changing so rapidly, and the need to update it and to modernize it has reached the point where the venerable Senator Stevens starts using words up here about his handheld Palm cell, wireless e-mail, so forth and so on.

I think this is something that never would have been mentioned a few months ago, and now it's part of the lexicon of most Members of the Senate. I just can't see how you can suggest a flat line in capital investment. In fact, a pretty substantial decline in investment on technology. I think just looking at this honestly, that num-

ber is going to continue to go up if we're going to continue to modernize. I'd like to have your observations.

Mr. ZIGLAR. Senator, let me tell you what is not in that green part. That does not include the amounts of money that we will be spending on senators' offices upgrades. That's part of the computer services fund and other places. That green part of the budget has to do with Sergeant at Arms operations technology upgrades.

For example, the big item in there, there are two big kahunas in there. One is the upgrade of the Senate Recording Studio to digital. And that is a big number; that's a big part of that. Once we get to that, that will be a fairly flat investment scenario after that for a good long time.

The other one is the e-mail, the messaging infrastructure system which will be—hopefully it's a little bit more modular than what we have now so that we can make tweaks to it without having to replace the whole system going forward.

So we're going to spend a lot of money on Sergeant at Arms technologies that deliver services to you folks.

What happens with respect to your computers in your operations and things like that, those are different parts of the budget. Those are in the mandated allowances and things like that. So there is still clearly growth in the expenditures for those sorts of things. This is simply the Sergeant at Arms macro investments, if you will. A good question.

The other thing is as I mentioned earlier, we have a life cycle asset replacement program going in. So that we can manage our investments and keep them flat as opposed to having these cataclysmic events where we have to spend millions of dollars to catch up. We're trying to run it more like a business would run its business.

Senator DURBIN. How about the question of interfacing with the House of Representatives?

#### INTERFACING WITH HOUSE

Mr. ZIGLAR. We have actually had several discussions in the last couple of years with the House about becoming more compatible with them on a number of areas. There's enormous amount of resistance to that, Senator.

It's interesting. You cross that middle point in the rotunda, and there's just not all that much interest in having that much interface, although I think it will come over time. And we certainly have been talking to them about a unified paging system, because we have a very robust system here, and they've been talking to us about that.

Now, I don't know that that's going to happen. But we are in discussions with the House. At least there are communications now where there never was any.

The question about whether or not they're more aggressive in terms of technology, I think there probably was a time that they were. I would grant you that. They have a very different e-mail kind of system over there. It's sort of every man for himself, if you will.

However, they are paying very close attention to what we're doing over here because they've got to migrate to a new system,

and they're interested in what we're doing. And I have a feeling we may see them copying what we're doing. I think we have taken the lead away from the House in that respect, at least my competitive instincts have been such that I've wanted to.

Senator DURBIN. But when will this transition to Microsoft be final or is it likely to happen soon?

Mr. ZIGLAR. Proof of concept process should be over in July or August, I believe. And at that point we would deploy. The deployment could be anywhere from a year to a year and a half. But as I mention, we will have parallel systems running at all times so there will be a seamless transition to it.

By the way, Senator, Senator Bennett and I actually talked about this a long time ago. He and I both were up here in the 1960s too. I came here in 1964 to work for Senator Jim Eastland, and I remember your boss, Paul Douglas, quite well. And I spent many an hour in that dungeon down there in the basement too, so I know what you're talking about.

Senator DURBIN. Builds character.

Mr. ZIGLAR. Yes.

#### SYSTEMS MANAGERS

Senator BENNETT. One last question, you mentioned the systems managers in each Senator's office. We have a systems manager in our office without whom we could not function. Whenever I do something stupid, I just call him and he comes in and waves his magic wand and says a few interesting words, and the computer suddenly works again.

Mr. ZIGLAR. Explains it to him.

Senator BENNETT. Are we going to need systems managers in our State office, or can we continue to contract this function out, do you think, long term?

Ms. MCALHANY. If I may, Mr. Chairman, there are a number of them now. The larger Senate offices do have administrators there. The kind of technology we're trying to put in place would allow your D.C. administrator to manage the State offices from D.C. It's always helpful to have more technology experts in the State, and once we migrate to Outlook and Exchange, that would be important. But it is more important to keep that resource here and have us give them tools to monitor their State networks from Washington.

Senator BENNETT. Thank you very much. We've gone longer than is usual, but it has been very informative. And we always like to talk about the future. So, again, Mr. Ziglar, we wish you the very best. We congratulate you on your service and thank you for your determination to make life better not only for Members of the Senate but for the staff of the Sergeant at Arms for whom you have responsibility.

Mr. ZIGLAR. Thank you, Mr. Chairman, it has been a real pleasure.

Senator BENNETT. Thank you.



U.S. CAPITOL POLICE BOARD

STATEMENT OF JAMES W. ZIGLAR, CHAIRMAN

ACCOMPANIED BY:

JAMES J. VAREY, CHIEF OF POLICE, U.S. CAPITOL POLICE  
BILL LIVINGOOD, SERGEANT AT ARMS, HOUSE OF REPRESENTA-  
TIVES  
ALAN M. HANTMAN, ARCHITECT OF THE CAPITOL  
ROBERT HOWE, ASSISTANT CHIEF OF POLICE, U.S. CAPITOL PO-  
LICE  
JOHN McWILLIAM, CHIEF ADMINISTRATIVE OFFICE, U.S. CAPITOL  
POLICE

Senator BENNETT. Our next witnesses are the Capitol Police Board and the chairman of the board is Mr. James Ziglar. We'll have him joined by Chief James Varey and the other members of the board.

Mr. Livingood from the House, you've heard all of these comments about the House now. We won't give you time to defend yourself here, but we'll look forward to that.

And Alan Hantman is, of course, the Architect of the Capitol. Chief, would you introduce the fellow officers that you've brought with you.

Mr. VAREY. Yes, sir, thank you. I'd like to introduce Assistant Chief Robert Howe in charge of our uniform operations, and I would like to introduce our new colleague Mr. John McWilliam, who is the chief administrative officer for the United States Capitol Police.

Senator BENNETT. Thank you, gentlemen. Your budget request totals \$127.3 million, including a \$5 million budget amendment submitted on the 10th of May for comparability pay with the Park Police and Secret Service Uniform Division.

So the total request represents \$23.5 million or 22.7 percent increase over the current budget. And this would include 49 additional employees.

So we look forward to your testimony, Mr. Ziglar. Again, welcome.

Mr. ZIGLAR. Thank you, Mr. Chairman. Again, it's a pleasure to be here and I'm pleased to have the opportunity to present the Capitol Police budget request for 2002. And I'll do my absolute best to keep my emotions under control. I wouldn't want these cops to think I'm some kind of a wimp.

Chief Varey and Chief Howe, John McWilliam have just been introduced. I might add Chief Varey came on board since our last hearing here, and we have been very pleased with the Chief. He's taken some important initiatives at the police department, and we'll talk about a couple of those in a minute.

He had great experience coming in, having been in the Secret Service, then as the Deputy Sergeant at Arms in the House. He

also was very much involved in the strategic planning process that we did a couple of years ago that fashions what we do in the future. So we're very pleased with Jim, and he's done a great job.

Bobby Howe has been here more years than Carter has little liver pills. He remembers all the things we did in the 1960s up here, and Bobby knows an awful lot about the police and is an invaluable source of information on the history about the police.

John McWilliam is the product of a nationwide search that we did for a Chief Administrative Officer. I tell you we got a good one. He is doing a terrific job in cleaning up some of the problems we've had over there. We had three different panels—a full review of all our applicants in this search—and John ended up being number one on everybody's list, and there's a reason for that.

I also have with me my two brothers in crime here, Mr. Livingood the House Sergeant at Arms.

Senator BENNETT. You might choose another phrase.

Mr. ZIGLAR. I realized I said that. And Alan Hantman. I not only have two very good colleagues—we've been working together very well—I've made a couple of very good friends, and I'm going to miss these guys.

#### PREPARED STATEMENT

Mr. Chairman, we have written testimony that I'd like to submit for the record, if that's appropriate.

Senator BENNETT. Without objection.

[The statement follows:]

#### PREPARED STATEMENT OF JAMES W. ZIGLAR

Mr. Chairman and Members of the Committee, I am pleased to appear before you today to present the fiscal year 2002 Budget Request for the United States Capitol Police.

I would like to formally introduce Chief James J. Varey. As you know, Chief Varey was sworn in as Chief of Police in May of last year after being selected by the members of the U.S. Capitol Police Board. Chief Varey has begun his tenure at a challenging time for the Department, but his prior working knowledge of the U.S. Capitol Police, through his experience as the former Deputy House Sergeant at Arms, as well as his prior career with the U.S. Secret Service, have allowed him to immediately address a number of critical administrative and operational issues. We have every confidence that he will continue to provide the leadership and guidance the Department needs.

The budget submission for the U.S. Capitol Police for fiscal year 2002 is \$127,329,000, which is an increase of 22.7 percent. Of the total request, \$116,935,000 is for salaries and \$10,394,000 is for general expenses. Included in the salary component is a pay adjustment to achieve comparability with other federal law enforcement agencies in the Washington, DC area.

The United States Capitol Police is mission driven and goal oriented. The mission and goals of the Department are organized in a strategic plan which guides our operations and directs our efforts to secure the Capitol Complex and protect the members of Congress, staff, and visitors. Using the Strategic Plan as a guide, we developed our fiscal year 2002 budget to ensure the success of this charge. The requested funding will support and advance three major goals of the strategic plan: prevention of crime, response to incidents, and a support structure for our operations.

Mr. Chairman, we have identified four areas within the budget which are of special interest to the Department in meeting our mission and achieving our organizational goals. They are training, staffing, administrative infrastructure, and telecommunications and support services.

The capability and efficiency of an organization is dependent upon the level of training, knowledge, and skills of its personnel. Because of the complexity and diversity of its mission, the U.S. Capitol Police must provide high-quality training to its personnel with respect to a myriad of operational, administrative, and manage-



ment functions. When training is continually deferred, as it has been due to budget constraints, mission focus and unity of purpose declines, personnel performance wanes, and complacency becomes systemic. We simply cannot allow this to continue. Therefore, we have made training a priority budget item and have requested increased funding to expand both specialized and basic in-service training for sworn and civilian personnel.

The annual budget for the U.S. Capitol Police is primarily driven by the staffing level required to provide the Congress, the public, and the buildings an adequate level of security in such an open environment and also provide for support functions. Since the shootings in 1998 and the subsequent report by the multi-agency task force which reviewed security and USCP staffing levels, the USCP has sought to incrementally increase its FTE level each year until such time as the optimum recommended FTE level of 1,694 is achieved. Therefore, in the fiscal year 2002 budget request, we are seeking an incremental FTE increase of 49 in order to continue the security enhancement effort. The fiscal year 2002 FTE goal of 1,530 is based on the ability of the Department to recruit and train forty-eight officers within a one year period in addition to the one hundred officers who are required to replace departing personnel. One additional FTE is required for the Chief Administrative Officer position.

As you are aware, the USCP has begun an initiative to strengthen the administrative operations of the Department, particularly in the areas of human resource management, information technology, and financial management. In preparing our budget request to support this effort, we used the recommendations contained in the Booz-Allen & Hamilton Management Review as a guide. These recommendations were ultimately incorporated into the Strategic Plan. As a result of the funding provided in the fiscal year 2001 budget, we have made progress in administrative operations such as hiring professional staff, contracting with the Office of Personnel Management to conduct an organizational and workload analysis of the Human Resources Department, purchasing new server hardware, acquiring and installing an automated fingerprinting identification system, and converting to a new accounting system for general expenses and security appropriations which is provided through a cross-servicing agreement with the General Accounting Office. We are also moving to implement new policies and procedures and to adopt a best practices model for administrative operations.

The funding requested in fiscal year 2002 will allow us to build upon the progress we have made thus far and ensure the administrative functions continue to provide adequate service and support in the future. Primarily, funding will provide for the continued improvement of the accounting function to include annual financial audits, life cycle replacement of personal computers and servers, and professionalization of the administrative functions.

With regard to telecommunications and related support, the USCP currently receives funding and technical support from the Senate Sergeant at Arms. This includes telephone equipment and service, data networks and circuits, radio maintenance, computer help desk and service, and publishing and printing services. The funding requested will reimburse the Senate Sergeant at Arms for the support provided to the USCP that is not otherwise included in the Senate budget request.

Mr. Chairman, as you can see, we have made progress on addressing past deficiencies and setting a course for the future of the United States Capitol Police through the implementation of the Strategic Plan. The funding requested in fiscal year 2002 will ensure the Department can continue to meet its mission while holding to the principle of fiscal responsibility.

Mr. ZIGLAR. Thank you, sir.

In my earlier testimony about the Sergeant at Arms budget, I talked about and we talked about my impending departure and my initiatives over the last 2 years. I can tell you that I'm equally proud of what's been accomplished at the police department in the last 2½ years. And the changes, although they might not be as apparent to people around the Hill, at the police department they have been probably even more significant than those that we've tried to make at the Sergeant at Arms operation.

#### MANAGEMENT IMPROVEMENTS

Two years ago the Capitol Police faced major administrative and management challenges. We had very serious deficiencies in our fi-

nancial operations, in our human resources department, and in our information technology utilization.

Just to give you an example, 2 years ago we had a situation, Mr. Chairman, where we had bills that hadn't been paid in a year. We had vendors that had cut off the police department from receiving any goods and services. We had a real mess.

I'm happy to report that with the hard work of my colleagues on the board and many, many people in the Capitol Police force that we have made giant strides in resolving all of these problems.

#### STRATEGIC PLANNING

Two years ago we started a strategic planning process in the Capitol Police operation, and it was an internal process with some facilitation. And what it did was it yielded a very realistic and workable long-term strategic plan. We have now a much clearer view and vision of where we need to go with the Capitol Police to do the things that the Congress expects us to do in providing security for the legislative process as well as providing an open environment for visitors who come to the Capitol.

Our actions and budget planning process are driven by the goals of that strategic plan. And that strategic plan goes out over a number of years. It's not just a 1-year thing, it's a 5 year plan, and we have goals that we've set for ourselves to achieve.

In the few minutes that I've got here, before I turn this to Chief Varey, I'd like to talk about the three areas of the budget that are important to the success of the Capitol Police in the long term, and that, frankly, are dear to my heart.

#### TRAINING INITIATIVE

The first is training. As I mentioned earlier, I follow the philosophy that the only thing worse than training somebody and losing them is not training them and keeping them. I think that is a very important philosophy to have in the Capitol Police Department.

We need training at all levels, not just operations. Obviously, we understand that the cop on the beat needs to understand how to respond to all sorts of different situations and training is absolutely critical. But we also need more training in the administrative management area and leadership training because in an organization like the police department, leadership is absolutely critical. If we don't develop those leaders that can move up in the ranks as others move on, we're going to have a real problem going forward.

And, frankly, for too many years the Congress has not given, in my view, adequate funding for training. So we've just simply deferred training, and we keep falling further and further behind other law enforcement agencies.

A bit of an aside in the process of getting ready (if you see fit) to confirm me to be the commissioner of immigration and naturalization, I've been spending some time studying that organization.

The Border Patrol, which is infinitely larger than the U.S. Capitol Police, has a very effective training program. The Border Patrol has a retention problem since there are a lot of people raiding the Border Patrol to get their men and women because they are so well trained.

But there is a need to train. The Border Patrol certainly has a good program, and that's emphasized to me how far we have fallen behind in our training for our U.S. Capitol Police.

We all know that training is critical in law enforcement. It's essential to morale. One of the problems in any organization I mentioned earlier, if people don't see a way to increase their skills to put themselves in line for promotion or better pay, their morale goes down.

And I think we could have a much better morale situation in the Capitol Police if we had better training to help these folks to understand that they're professionals and we treat them as professionals, and we train them as professionals.

It is absolutely necessary to the kinds of services we deliver that our police officers be trained and be trained very well.

#### CHELTENHAM FACILITY

We finally have gotten access, by the way, as you probably know, to a facility in Cheltenham, Maryland, that we think will do perfectly for our training needs. And it has been a long process of getting there, but we have the facility here. We have access to the facility, and what we need from this committee is funding to actually carry out those training programs within that facility. It is a good deal for the Congress.

Second, item—

Senator BENNETT. May I interrupt you and ask you if that system is now operational? It was supposed to be by March—oh, I'm sorry, 2002.

#### STAFFING

Mr. ZIGLAR. 2002. The second area is staffing which, again, has been a bit of a controversy. I don't know if controversy is the right word, but it has been a bit of a discussion up here. In 1998 after the tragic shooting of our two officers, Gibson and Chestnut, there was a multi-agency task force that reviewed security in the Capitol as well as the U.S. Capitol Police, the staffing operations, and things like that.

That task force recommended that we increase our force size to over 2,000. We have taken a hard look at that recommendation and quite frankly decided that we could do the job just as well as the task force recommended, with an ultimate goal of 1,694 FTEs.

We believe that we can do the job at that level, but we're not even at that level now. What we are doing is trying to move incrementally to get to that level. Even if you authorize 1,694 FTEs for us today, we couldn't get there by the end of this or the fiscal year we're requesting the budget for. But we are trying in a very rational, organized way to incrementally move to that ultimate, most efficient number.

In 2002 we're seeking 49 additional FTEs which would bring us up to a total of 1,530. So we're still 164 short of that ultimate authorized FTE level.

One of the 49, by the way, is for our new chief administrative officer, and I think I can speak for John in saying he is very interested in seeing you authorize that particular one.

## STRENGTHENING MANAGEMENT

The third area that I talked a little bit about earlier is the strengthening of the management of the department. I want to emphasize that we are moving rapidly to update and improve our management and our technology systems in the police department. Your continued support in that respect will be very much appreciated.

Mr. Chairman, I want to point out that when I first came here, the committee instructed me to try to bring some truth in budgeting to the police operation. And in that sense, what I'm talking about, of course, is the fact that the Senate Sergeant at Arms budget had in it a lot of money that was being used for the police department. It was not in the police budget.

We have successfully moved that money over to the police budget. We tweaked it some, but it's there again this year in the police budget, and it provides for reimbursement to the Senate Sergeant at Arms for services we provide.

As you know, we do the telephones, and we do a lot of other technology sorts of things, maintain the radios for the police, and that sort of thing. And it's stuff that we can do quite frankly very efficiently as opposed to going outside or having the police develop their own expertise in that area.

But it is an expense item that is now in the police budget, and at least we know what the true cost of providing the police department is through this mechanism. So we took note of the instructions of the committee, and I think we've pretty much accomplished what you asked us to do.

Mr. Chairman, I want to not steal the chief's thunder, but I wanted to once again say how honored I have been to be Sergeant at Arms, how honored I have been to be associated with the Capitol Police. All of the fine officers, employees, both sworn officers and the civilian employees of the Capitol Police Department are loyal, dedicated. They believe in the Senate, they believe in the House, they believe in the Congress. They're here to do their job as best that they can, and they do a great job.

I think there's nothing but up in terms of where this police department is going in its professionalism and delivery of its services. I've been honored to be associated with them and honored to be associated with this committee. And I thank you very much for your support.

Senator BENNETT. Thank you very much.

Chief, do you have some additional comments?

## STATEMENT OF CHIEF JAMES J. VAREY

Mr. VAREY. Yes, sir, I do. Mr. Chairman and members of the committee, I'm pleased to appear before you today to present the fiscal year 2002 budget request for the United States Capitol Police. I'm proud to introduce our new chief administrative officers, Mr. John McWilliam, to the position of chief administrative officer. This officer is created by the Legislative Branch Appropriations Act of fiscal year 2001. Mr. McWilliam was selected for this important position as the result of an extensive nationwide search.

Through his prior business and financial operations experience at various Federal agencies, Mr. McWilliam brings a great deal of experience to the U.S. Capitol Police. He will now oversee human resource management, financial management, and information technology. I am confident under his leadership we will continue to make needed improvements to the department's infrastructure.

Our strategic plan and security enhancement plan have become the cornerstone for departmental planning. In his testimony, Mr. Ziglar referred to the use of our strategic plan to guide the development of this budget request. We continue to implement the changes and improvements as outlined in this plan.

We also continue to make improvements to the level of security within the Capitol complex in accordance with the provisions of the security enhancement plan. Combined, these initiatives affect both our operational readiness and our administrative infrastructure.

#### ACCOMPLISHMENTS

I would like to highlight a few of the accomplishments of the past year. Operationally we have deployed new x-ray screening equipment and metal detectors at every pedestrian entrance to the buildings. We have upgraded the video cameras throughout the complex.

We have begun deploying bullet-resistant podiums to enhance officer security and officer safety. These podiums will contain electronic equipment to increase the level of security. We have expanded and upgraded the duress alarm system and improved the officers' response times to the alarms.

We are also in the process of enhancing our capability to handle weapons of mass destruction. Administratively, we have made improvements in many areas. In particular, we have—we have recently transitioned to a new financial management system through a cross servicing agreement with the General Accounting Office. We have hired professional staff in the areas of human resources, financial management, and information technology.

Specific goals are being developed for these areas, and we are making needed improvements using the Booz-Allen-Hamilton study as a guide. A more comprehensive list of accomplishments is included in our budget justification.

As you can see, we are making steady progress to improve the overall condition of the department. It is also clear that many challenges lie ahead, and we will require your continued support.

#### THREATS WITHIN THE CAPITOL COMPLEX

Mr. Chairman, there are constant underlying threats to the Congress, our staff, and visitors in the Capitol complex. As noted on these charts during fiscal year 2000, there were—we failed to put up the charts.

Senator BENNETT. Thank you for putting them a little closer.

Mr. VAREY. As noted on these charts during fiscal year 2000, there were nine assaults on Capitol grounds and 118 in the extended jurisdiction zone. There were seven robberies on the grounds with 242 in the EJZ. There were three burglaries on the grounds, 175 in the EJZ.

We made 1,107 arrests, including 147 felony arrests, and recovered 70 weapons within the Capitol complex.

Also during fiscal year 2000, the U.S. Capitol Police provided 1,287 protective escorts for visiting dignitaries, conducted 50 security and protective operations for visiting heads of state, provide police services for 1,000 special events, including 492 demonstrations, conducted 30,772 canine explosive searches, conducted 241 dignitary protective operations for Congress, and handled 1,357 threat assessment cases against members of Congress.

Mr. Chairman, these statistics are indicative of the threat management responsibilities we carry out on a daily basis. It is clear that they're a constant, underlying threat to the Capitol complex and all of those who work and visit here.

Since this issue has such an impact on our budget request and justification, I would like to offer to you and members of the committee a classified briefing by the FBI and the Capitol Police on domestic and international terrorism trends, and the threat level posed against the Capitol complex in the United States.

Senator BENNETT. We will schedule that.

Mr. VAREY. Yes, sir. This briefing can be provided at your convenience either collectively or on an individual basis.

Senator BENNETT. I think Senator Durbin and I can get our schedules together so you only have to do it once.

Mr. VAREY. Yes, sir.

Senator BENNETT. The bells have just rung for an 11:15 vote, which means Senator Durbin and I will probably have to leave here in about 10 minutes. Can you file the balance of your statement for the record and let me pursue a question or two?

Mr. VAREY. Yes, sir.

[The statement follows:]

PREPARED STATEMENT OF CHIEF JAMES J. VAREY

Mr. Chairman and Members of the Committee, I am pleased to appear before you today to present the fiscal year 2002 Budget Request for the United States Capitol Police.

I would like to introduce our new Chief Administrative Officer, Mr. John McWilliam. The position of Chief Administrative Officer was created by the Legislative Branch Appropriations Act of Fiscal Year 2001. Mr. McWilliam was selected for this important position as a result of an extensive nationwide search. Through his prior business and financial operations experience at various federal agencies, Mr. McWilliam brings a great deal of experience to the U.S. Capitol Police. He will now oversee Human Resources Management, Financial Management, and Information Technology. I am confident that under his leadership we will continue to make needed improvements to the Department's infrastructure.

Our Strategic Plan and the Security Enhancement Plan have become the cornerstones for Departmental planning. In his testimony, Mr. Ziglar referred to the use of our Strategic Plan to guide the development of this budget request. We continue to implement the changes and improvements as outlined in the Plan. We are also continuing to make improvements to the level of security within the Capitol Complex, in accordance with the provisions of the Security Enhancement Plan. Combined, these initiatives affect both our operational readiness and administrative infrastructure.

I would like to highlight a few of the accomplishments of the past year. Operationally, we have deployed new x-ray screening equipment and metal detectors at every pedestrian entrance to the buildings. We have upgraded the video cameras throughout the Complex. We have begun deploying bullet resistant podiums to enhance officer safety. These podiums will contain electronic equipment to increase the level of security. We have expanded and upgraded the duress alarm system and improved officer response times to alarms. We are also in the process of enhancing our capability to handle weapons of mass destruction incidents.

We have made great improvements in the administrative areas. We have recently transitioned to a new financial management system through a cross-servicing agreement with the General Accounting Office. We have hired professional staff in the areas of human resources, financial management, and information technology. Specific goals are being developed for these areas and we are making needed improvements using the Booz-Allen Hamilton study as a guide. A more comprehensive list of accomplishments is included in our budget justification.

As you can see, we are making steady progress to improve the overall condition of the Department. It is also clear that many challenges lie ahead and we will require your continued support.

Mr. Chairman, there is a constant, underlying threat to the Congress, our staff and visitors, and the Capitol Complex, as evidenced by the following statistics. During fiscal year 2000, the U. S. Capitol Police:

- Conducted 241 dignitary protective operations
- Recovered 70 weapons within the Capitol Complex
- Made 1,107 arrests, including 147 felony arrests
- Conducted 30,772 K-9 explosive searches
- Handled 1,357 threat assessment cases
- Provided 1,287 protective escorts for visiting dignitaries
- Conducted 50 security and protective operations for visiting heads of state and
- Provided services for 1,000 special events, including 492 demonstrations.

We must make it a priority to continuously improve the capabilities of the U.S. Capitol Police to deter, detect, respond to, contain, and mitigate a wide range of threats, to include random acts of violence. The Department's capability is based on three primary factors: adequate staffing, adequate training, and adequate funding.

With regard to our staffing level, last year our budget request included funding to increase our FTE level from 1,511 to 1,611. The requested positions were part of the incremental increase of FTEs which began as a result of the 1998 Security Review. That review found that the USCP was significantly understaffed given the physical environment and the complexity of our mission. Therefore, each year we would incrementally increase our FTE level until such time as the optimum level of 1,694 was achieved. This figure would allow us to fully implement a key recommendation of the Security Review to staff all building access points with two officers. This level of deployment affords greater security to those who work and visit within the Capitol Complex and also enhances officer safety.

I was deeply concerned during our last budget cycle when our FTE level was reduced to 1,481, while at the same time, we were given a directive to begin staffing each access point with two officers. We simply cannot staff at that level without adding additional officers or closing building entrances. Currently, we are able to staff each access point to the Capitol with at least two officers at all times. However, we cannot fully meet the two officers per door policy at all times at the House or Senate Office Buildings. Therefore, we have requested an increase of 49 FTEs for a total of 1,530 in fiscal year 2002. Our goal remains 1,694.

Adequate staffing is not in itself sufficient. A law enforcement agency, like the military, is only as good as its training. Our employees must receive intensive, realistic, demanding training that closely supports their mission. We must constantly train our officers and civilians so they are capable of performing their missions at peak efficiency. Over the years, our training has been degraded in order to meet operational requirements. If we do not move to reverse this situation, we will experience a resulting degradation of our operational readiness and effectiveness.

Therefore, I have made training a priority item in our budget request. We have begun a revitalization of the training effort, and request your support to expand our efforts.

Our training requirements are complex and varied. We provide security for the most visible symbol of democracy in the world, and we do so in a manner that allows the "Peoples House" to remain open to all visitors. We must provide tactical training that allows our officers to respond the entire spectrum of threats, ranging from a lone gunman at a building entrance to the use of a weapon of mass destruction. We must provide diversity and courtesy training that allows our officers to engage and assist the nearly two million visitors per year. We must provide training that allows our officers to balance security concerns with the people's exercise of their First Amendment rights during the nearly 500 demonstrations annually.

Our training request includes funding to allow each officer to receive an additional 40 hours of duty specific, in-service training. Unlike other agencies, we must replace officers in training with officers working in an overtime capacity in order to maintain police services. This requested funding will allow us to pay that overtime to support this critical training incentive.

In addition, we must maintain the proficiency and effectiveness of our operational and administrative personnel. This has become a significant concern due to the complexity and diversity of our mission. Funding is requested for our personnel to complete continuing education and certification courses which enable them to maintain mandatory certification requirements.

In addition to training, there are two areas that I would like to emphasize.

As you are aware, the Department currently receives support for computers, printing, and telecommunications from the Senate Sergeant at Arms. I feel that the management and accountability for these services would be better served by having the Department budget for and administer these expenses. If approved, we would reimburse the Senate Sergeant at Arms for these services. I would like to point out that should these amounts not be approved, they will need to be restored to the Senate Sergeant at Arms fiscal year 2002 budget.

Secondly, we have an urgent need to modernize the information technology capability of the Department. This budget correlates information technology activities with the USCP Strategic Plan, the Information Technology Strategic Plan, and the Information Technology Modernization Implementation Plan. The Implementation Plan has received high marks from the General Accounting Office, and we have now reached the point where we need additional funding to continue with the improvements in this critical area. The requested increase will allow us to continue to address information technology deficiencies and update our systems.

Mr. Chairman, we have recently amended our budget request in order to fund an issue which I feel is vitally important not only to the continued professional development of the police department, but also to the morale of our personnel. This issue involves a pay adjustment for our sworn officers to achieve pay comparability with recently approved pay scales for U.S. Park Police and the U.S. Secret Service Uniformed Division. By providing a fair and competitive pay schedule which rewards career development, the U.S. Capitol Police will be able to continue to attract and retain professional career oriented personnel.

In closing I would like to thank you and the Members of the Committee for the support you have given me over the past year. The issues which lay before us are challenging. Our ability to provide services and protect the United States Congress, its staff and visitors, and these historic buildings is largely determined by our levels of training, funding and staffing. With the continuing support of this Committee and the Congress, the United States Capitol Police will remain strong and up to the challenge.

Senator BENNETT. Thank you, I appreciate that. The Senate has a way of getting in the way of things that we need to do here.

#### TRAINING FACILITY

Let me talk to you about your training facility at Cheltenham. Included in your request is a \$105,000 item for the Anacostia training facility. Does this reflect the idea that Anacostia will only be needed for about half a year and that you will, in fact, be in Cheltenham by March of 2002?

Mr. VAREY. That's correct, sir. As soon as we're able to move into Cheltenham, we'll discontinue our liaison with the Navy at Anacostia. And that expense will no longer be incurred by the Capitol Police.

#### STRATEGIC PLAN

Senator BENNETT. You've talked about the Booz-Allen strategic plan and the operations. We would like a list of the specific recommendations and where you are on each one, if you could provide that.

Mr. VAREY. Yes, we certainly can.

Senator BENNETT. Okay. Is there any updates since the Booz-Allen-Hamilton report where you've changed the strategic plan?

Mr. VAREY. We're continuing to upgrade the strategic plan and are in the process of revising the upgrades at the moment, sir.



## COMPARABILITY PAY

Senator BENNETT. You've got a request in here for comparability pay. Do you have any specific data, other than an anecdotal evidence here and there about officers leaving because of comparability pay? I remember a discussion with the metropolitan police, and we tried to get comparability with the metropolitan police. And now you're talking about comparability with the Park Service and the Secret Service Uniform Division. Is there anybody else out there that we're going to hear about comparability for at some point in the future?

Mr. VAREY. I would imagine that would be the case from other agencies, since the raise that was given to the Park Police and the Secret Service seems to have set the standard.

Our missions are compatible and the benchmark we've been using has been the Secret Service and the Park Police because of the similarity in mission.

We are concerned about the fact that we are losing people to other agencies. Last year we lost over 100 for the fiscal year 2001. We lost over 100 police officers. I've asked Mr. McWilliam to go back in and do an assessment as to the reasons for those departures. Some I attribute to the fact there was rumors of a RIF last June on this police department that came because of some budget controversies.

Senator BENNETT. We had that conversation with our friends in the House.

Mr. VAREY. Yes, sir, thank you. I'm sure the old philosophy of last one in, first one out was in the minds of some of the young officers that we recruited that eventually ended up going to metropolitan police department, Prince George's County and Fairfax County and so forth.

We have lost a significant amount of people. I can't give you the number at the moment. We certainly can provide it at a later date.

Senator BENNETT. And any study you can give us as to why would be helpful.

Senator Durbin, do you have some questions?

## CPR TRAINING

Senator DURBIN. I do. Mr. Chairman, I will make them very brief. One would be a request for information, which you may not have at hand. I noticed in going through the notes here the suggestion that some or all of the Capitol Police are trained in CPR; is that correct?

Mr. VAREY. That is correct, sir. We are having problems again with training, as we've indicated, in terms of going through the recertification process, and we're trying to do that right now.

One of the problems that we've had, as we've noted in our remarks, and you'll see in my statement is that in order for us to train, we have to pull people off posts and then pay somebody overtime to fill that vacancy. With the overtime budget being constrained, it's difficult to do that.

Senator DURBIN. If you can give me some indication on that level of CPR training with the Capitol Police, I'd appreciate it.

Mr. VAREY. Yes, sir.

Senator DURBIN. Are there defibrillators available throughout the Capitol complex for use by the police?

Mr. VAREY. Yes, sir, that's a new program we've entered into with the attending physician's office. Our people are being trained currently with the attending physician's office. It is our hope that we will have about 12 within the Capitol complex. Some will be in our cruisers and some will be pre-positioned in the office buildings.

#### NEW OFFICERS

Senator DURBIN. I note you anticipate hiring 148 new officers in the next year. I assume some of that is for attrition and others for the new spots.

Mr. VAREY. Yes, sir. One hundred of those will be through the attrition process and 48 are new FTEs.

Senator DURBIN. Which is around 10 percent of the current FTE?

Mr. VAREY. Approximately.

Senator DURBIN. Is that the usual, normal rate, 10 percent a year that you've seen in the past? Or, is that high or low?

Mr. VAREY. That kind of fluctuates, sir. Our research indicates that next year, for instance, 2002 we'll have approximately 160 officers that will be eligible to retire. Out of those 160, I believe there's 7 or 8 that are mandatory retirements. They will have reached the age of 57. They'll have to go.

Senator DURBIN. Are your officers hired after taking a competitive exam?

Mr. VAREY. Yes, sir.

#### DEMOGRAPHICS

Senator DURBIN. What I'd like you to provide for me, if you will, and we won't have time to get into it at this point is some indication of the demographics of those who were tested and hired, particularly as it relates to minorities on the Capitol Police force.

I would also appreciate it if you would give me some indication about promotions available to minority officers on the force as well as historically what has happened. And we can speak another time about efforts that are made within the Capitol Police force to make certain that there is equal opportunity.

Mr. VAREY. Yes, sir.

Senator DURBIN. Thank you, Mr. Chairman.

Senator BENNETT. Thank you, and I would underscore what Senator Durbin has just talked about. It would be useful if you would not only give us the long history but frankly the short history in terms of your own stewardship, if anything has changed.

If you have found any kind of a problem in the previous administrations that you've tried to change because you are as aware as we are of the publicity that's surrounding this. And I realize there has been a new administration, and if you have taken steps, I think those ought to be documented as well.

#### ADDITIONAL COMMITTEE QUESTIONS

We will now go vote, and I think if we have additional questions, we'll submit them to you in writing so that it isn't necessary for you to hang around until after the vote is over.

We will come back to hear testimony from Bill Thompson, the executive director of the Office of Compliance.

Mr. HANTMAN. Mr. Chairman, if I could, just for the record, put a little comment in here that I just wanted to thank Jim Ziglar for his wonderful sense of quality, his sense of integrity and commitment to excellence for the Congress, for the Capitol Police Board, for the Capitol Guide Board that I've had the honor of serving on with Jim.

His good humor, humanity, and friendship will truly be missed and I truly hope, Jim we can maintain that friendship off Capitol Hill as we go forward. He's been a breath of fresh air in here.

Senator BENNETT. Thank you. I truly hope, Jim, we can maintain that friendship off Capitol Hill as we go forward. He's been a breath of fresh air in here.

Senator BENNETT. Thank you. It's worth delaying our departure to hear that. The subcommittee is in recess.

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

QUESTIONS SUBMITTED BY SENATOR ROBERT F. BENNETT

*Question.* USCP's first financial audit confirmed violations of the Anti-Deficiency Act and found material weaknesses in internal controls, systems and processes related to payroll activities. Many of the underlying financial management and human resource weaknesses cited in the financial audit were previously disclosed in the Booz Allen & Hamilton's January 1999 management report on USCP's administrative operations.

What Actions have or will be taken to correct these material weaknesses?

Answer. The USCP has taken numerous actions to address the deficiencies noted in both the Booz Allen's report and the financial audit. We have:

- Implemented a core accounting system to track financial transactions from the obligation to payment phases. We utilize this system to effect funds control, obligate funds for planned purchases, manage procurement actions, pay obligations and monitor budgets.
- Implemented a payroll forecasting and reconciliation process to monitor the status of the salary accounts to ensure that the salary appropriation is not exceeded.
- Initiated the development of a financial management policy and procedures manual and have drafted several core procedures.
- Re-organized the Financial Management Division to provide for adequate separation of duties and appointed certifying officers within the USCP.
- Initiated an Investment Review Board to address budget allocation and preparation issues.
- Developed a policy regarding the maintenance and disposition of time and attendance data.
- Instituted processes and performance measures which ensure bills are paid in a timely manner. Average payment processing statistics for the month of June indicated that vendor payments were made within 16 days of receipt and travel reimbursements were made within 5 days of receipt.
- Implemented procedures to ensure that all purchase card orders are tracked and paid in a timely basis.
- Performed reconciliations covering fiscal year 1999 and fiscal year 2000 to bring all accounts up to date with House financial records and instituted routine procedures to perform reconciliations on a monthly basis.

*Question.* What actions have been taken to respond to other recommendations in the audit report?

Answer. The USCP has developed a Financial Management Improvement Plan that identifies the strategic direction for financial management activities within the organization. This plan identifies planned actions to address all recommendations and deficiencies noted in the audit report as well as other opportunities for improvement and streamlining of financial operations. We are currently in the process of performing a review and update of the plan.

*Question.* What controls have you implemented to ensure that there are no current violations of the Anti-Deficiency Act?

Answer. The USCP takes the status of its appropriated funds very seriously and the following fund control procedures have been established to carefully monitor the status of those funds:

*Salaries.*—The area of greatest concern involves our salary appropriations. Since the beginning of fiscal year 2001, biweekly salary projections including base salary, benefits and overtime are completed, analyzed and distributed to all Bureau Commanders. Any unusual transactions or trends are reviewed and discussed for their impact on the organization. In addition, overtime allocations were delegated to bureau commanders, who remain responsible for not exceeding those allocations.

*General Expenses.*—In October 2000, the USCP transitioned to the GAO's FMS system and utilizes the system to effect funds controls, obligate funds for planned purchases, pay obligations and monitor budgets. To effectively utilize the system, the following processes were instituted:

- For fiscal year 2001, fund certification authority was formally delegated to the bureau commanders and is in effect.
- Transaction reports are generated and distributed to each Bureau on a weekly basis.
- Individual account limits are established in the financial management system to ensure general expense accounts cannot exceed authorized levels.
- The Financial Management Division has drafted a Financial Policy Manual which will guide financial management, procurement and budget decision making in the future.

*Question.* What plans do you have to independently evaluate corrective actions to ensure they are properly designed and working effectively?

Answer. The provisions of the 2001 Appropriations Act which established the Chief Administrative Officer provided for annual audits of the financial statements by an independent public accountant (IPA). Part of the reviews incorporated into the audit process include reviews of the status and implementations of corrective actions of prior identified weaknesses and compliance with laws and regulations. An IPA is currently conducting an audit of the fiscal year 2000 financial statements.

*Question.* Last December, legislation was enacted to establish a Chief Administrative Officer within the USCP. The legislation included a number of actions the CAO is expected to take in these areas. Please provide the Committee an update.

Answer. The CAO was hired on February 12, 2001, within the 60 days required by the legislation. Organizations within the Department were aligned to create an Office of Administration headed by the CAO.

The enacted legislation required the CAO to:

- Appoint certifying officers—completed
- Prepare audited annual financial statements independent public accountant hired and audit is on-going
- Prepare a plan of action for administrative responsibilities—In process and on schedule for submission by August 12, 2001.

*Question.* Last year, this Committee proposed merging the police forces of the Library of Congress and the Government Printing Office with the Capitol Police. We believe there can be efficiencies gained from such a merger. Please provide the Committee with your views on such a consolidation.

Answer. We believe the merger of LOC, GPO and Capitol Police uniformed security and physical security operations (i.e., alarms, cameras, intrusion detection devices, etc) would provide a more coordinated and consistently trained force on the Capitol Hill complex.

In order to effect such a transition, the USCP would require a year to devise an implementation plan for the merger. Significant issues which would require attention include:

- Assessment of the skill levels of the Library and GPO would need to be performed and any necessary training would need to be acquired.
- Additional funding for training would be required to bring any Library and GPO officers to fully trained status within the USCP.
- Personnel differences would need to be addressed:
  - Officers would be required to be converted to the USCP pay scale and retirement system or another workable solution would have to be devised.
  - Union issues would need to be addressed. Multiple independent labor committees (within the FOP) among the USCP, LOC and GPO.

*Question.* What are the reasons for Officer attrition within the USCP?

Answer. The following chart summarizes the reasons for officer attrition by calendar year since 1995:

Reason	Calendar year—							Total
	2001 <sup>1</sup>	2000	1999	1998	1997	1996	1995	
Education .....	0	2	3	0	1	0	0	6
Other Employment .....	11	51	24	23	18	17	33	177
Civilian .....	1	12	4	4	7	4	7	39
Law Enforcmt .....	10	39	20	19	11	13	26	138
Retirement .....	6	31	29	26	39	47	42	220
Disability .....	0	4	2	2	5	9	2	24
Optional .....	5	23	21	15	29	33	24	150
Mandatory .....	1	4	6	9	5	5	16	46
Terminated .....	0	0	0	1	0	0	2	3
Term Probation .....	1	0	0	0	0	0	0	1
Deceased .....	0	1	0	5	2	3	3	14
Personal/Other .....	5	13	13	5	4	15	10	65
<b>TOTAL .....</b>	<b>23</b>	<b>98</b>	<b>69</b>	<b>60</b>	<b>64</b>	<b>82</b>	<b>90</b>	<b>486</b>

<sup>1</sup> As of July 28, 2001.

*Question.* Explain choice of USPP/USSS-UD for bench marking on pay comparability. Why have we stopped bench-marking against MPD.

*Answer.* The mission of the USCP compares fairly in terms of mission requirements and other factors to the U.S. Park Police and the United States Secret Service-Uniform Division. In addition, Federal benefits from the USCP are fully transferrable to these other agencies. Therefore, since fiscal year 1995 we have bench-marked our pay comparability against those two organizations.

*Question.* What level of CPR training do officers receive?

*Answer.* There are currently 70 individuals in the Patrol Division who have been trained in CPR and defribulator use. Current plans will require that all sworn officers be trained in CPR, and this training will become part of the core requirements of the Department.

*Question.* Are defribulators available for use? How many and who is trained?

*Answer.* Three defribulators have been provided to the USCP by the Office of the Attending Physician and have been deployed on the street since July. The USCP plans to acquire an additional 9 defribulators for deployment in our buildings and emergency response fleet.

*Question.* Provide information concerning advancement (promotion statistics) and recruitment (tested and selected) of minorities. Provide information on what has been done over the years to provide more opportunities for minorities. Highlight what has been done under Chief Varey's tenure.

*Answer.* Police Officer Written Examination Results for the current and two prior years are as follows:

	1999		2000		2001		Total		Pass Percent
	Tested	Passed	Tested	Passed	Tested	Passed	Tested	Passed	
White Male .....	796	613	451	354	185	141	1,432	1,108	77.4
White Female .....	82	64	46	37	25	20	153	121	79.1
Black Male .....	683	301	360	165	140	43	1,183	509	43.0
Black Female .....	184	76	114	55	41	12	339	143	42.2
Hispanic Male .....	108	55	61	41	25	8	194	104	53.6
Hispanic Female .....	16	8	8	3	2	1	26	12	46.2
Other Male .....	87	63	45	26	21	7	153	96	62.7
Other Female .....	15	6	6	2	3	0	24	8	33.3
<b>Total .....</b>	<b>1,971</b>	<b>1,186</b>	<b>1,091</b>	<b>683</b>	<b>442</b>	<b>232</b>	<b>3,504</b>	<b>2,101</b>	<b>60.0</b>

Appointment statistics for the past three calendar years, arranged by demographic affiliation are as follows:

	1999	2000	2001 <sup>1</sup>	Total	Percent
White Male .....	109	78	41	228	(65.3)
White Female .....	16	6	10	32	(9.2)

	1999	2000	2001 <sup>1</sup>	Total	Percent
Black Male .....	23	15	13	51	(14.6)
Black Female .....	8	6	4	18	(5.2)
Hispanic Male .....	4	6	3	13	(3.7)
Hispanic Female .....	1	0	0	1	(0.3)
Other Male .....	2	4	0	6	(1.7)
Other Female .....	0	0	0	0	0

<sup>1</sup> As of July 28, 2001.

Promotion statistics for the past three calendar years, arranged by demographic affiliation are follows:

	1999	2000	2001 <sup>1</sup>	Total	Percent
White Male .....	5	10	3	18	(52.9)
White Female .....	2	0	2	4	(11.8)
Black Male .....	2	3	1	6	(17.6)
Black Female .....	0	1	1	2	(5.9)
Hispanic Male .....	0	2	0	2	(5.9)
Hispanic Female .....	0	0	0	0	(0.0)
Other Male .....	0	1	0	1	(2.9)
Other Female .....	1	0	0	1	(2.9)

<sup>1</sup> As of July 28, 2001.

The breakdown of promotions by grade:

	1999 Promo to:			2000 Promo to:		2001 Promo to: <sup>1</sup>	
	Sgt	Lt	Cap.	Sgt	Lt	Sgt	Lt
WM .....	3	2	.....	7	2	3	.....
WF .....	1	.....	1	.....	.....	2	.....
BM .....	2	.....	.....	3	.....	.....	1
BF .....	.....	.....	.....	1	.....	1	.....
HM .....	.....	.....	.....	2	.....	.....	.....
HF .....	.....	.....	.....	.....	.....	.....	.....
OM .....	.....	.....	.....	1	.....	.....	.....
OF .....	1	.....	.....	.....	.....	.....	.....

<sup>1</sup> As of July 28, 2001.

The examination process is the first in a series of steps used to select a suitable candidate for service with the USCP. After successful completion of the written examination, background checks, physical and psychological examinations, and polygraph tests are used to determine the candidate's suitability for employment. Because of limitations of the availability of data by demographic affiliation, specific information is not readily available to report success rates after the initial examination to the hiring phase. In addition, data is not readily available to indicate those who decline offers or who choose not to continue with the process after the written examination has been administered.

Because the USCP is committed to a fair and impartial process for both recruitment and promotions, the entrance exam instruments are prepared by an outside consultant/contractor and are independently validated by the contractor to be 100 percent job related and non-discriminatory. Promotional examinations and assessments are administered in their entirety by a contractor who conducts preparatory courses on how the examination is to be administered and for what the candidates should be prepared. In addition, the promotional process is managed by a Promotional Process Task Force who not only manages the process but accumulates lessons learned for incorporation into the next examination process.

In order to provide opportunities and entice candidates to apply for positions with the USCP, between 1999 and 2001 (to date), we attended 31 college job fairs and career days, five of which were historically black colleges or colleges which maintained an 83 percent minority enrollment. We are also reviewing, with the assistance of the test administrator, the testing process and the allotted completion time frames for the math portion of the exam to determine whether an extension of the completion time would offer candidates a better chance at raising test scores without jeopardizing the integrity of the testing process. Further, we have added more minority officers to our recruiting staff as part of the current reorganization and are

sending more minority officers to job fairs and schools as well as have initiated a community outreach program. We are also working to achieve balance by transferring more minority officers into speciality assignments. Additionally the Chief has instituted an open door policy which has provided a forum for minority officers to address issues of concern directly to him. A March 2000 report by the Department of Justice indicated that as of June 1998, of federal law enforcement agencies employing 500 or more full time officers, the USCP employs the 2nd highest percentage (29.8) of black or African American Federal officers with arrest and firearms authority, has the third largest representation of female officers (17.9 percent) and maintains an overall minority representation percentage of 32.7 percent.

In addition to these efforts, we have initiated the process of contracting for diversity/sensitivity training for all staff. Once all current staff have been trained, this type of training will become part of the normal yearly in service training requirement for the Department. Beginning in fiscal year 2002, the total in-service training requirement will be elevated from 40 to 80 hours per year.

*Question.* Why has the Board requested a pay comparability increase for the salary of sworn employees?

*Answer.* Our request involves a pay adjustment for our sworn officers to achieve pay comparability with recently approved pay scales of the U.S. Park Police and the U.S. Secret Service, Uniformed Division (USPP/USSS-UD). By providing fair and competitive pay which rewards career development, the USCP will be able to continue to attract and retain professional career oriented personnel.

We have found in terms of compensation is that in all ranks the USCP loses parity with USPP/USSS-UD agencies as our officers gain years of service. Essentially our most valuable officers, the most experienced and those who have contributed to the Department the longest, are shortchanged when compared to their peers. With 30 years service, the USCP Private falls \$6,332 (10.4 percent) behind his peer's basic pay with equal service. Additionally, should the USCP retire, his annual retirement benefits under the CSRS would result in \$3,572 less than his USPP/USSS-UD counterpart. The disparity grows as the rank increases. A USCP inspector is \$15,072 (15.7 percent) behind in salary compensation. These disparities are compounded when retirement calculations are added to the equation.

*Question.* How much was actual spending, by account, in fiscal year 2000 compared to the appropriation?

*Answer.*

Account	Fiscal Year 2000 Appropriation <sup>1</sup>	Fiscal Year 2000 Actual <sup>2</sup>	Variance	Percent
House Salaries .....	\$46,165,916	\$45,366,974	\$798,942	1.7
Senate Salaries .....	47,441,084	47,147,507	293,577	0.6
General Expenses .....	6,549,000	6,412,016	136,984	2.0

<sup>1</sup>Including transfers.  
<sup>2</sup>Figures as of 9/30/2000.





OFFICE OF COMPLIANCE

STATEMENT OF BILL THOMPSON, EXECUTIVE DIRECTOR

ACCOMPANIED BY:

SUSAN S. ROBFOGEL, CHAIRPERSON, BOARD OF DIRECTORS

GARY GREEN, GENERAL COUNSEL

PAMELA TALKIN, DEPUTY EXECUTIVE DIRECTOR FOR THE SENATE

JAMES STEPHENS, DEPUTY EXECUTIVE DIRECTOR FOR THE HOUSE OF REPRESENTATIVES

Senator BENNETT. The subcommittee will come to order. Our last witness this morning is Mr. Bill Thompson, Executive Director of the Office of Compliance. Mr. Thompson is joining us for the first time, having been appointed Executive Director in March.

Mr. Thompson, I understand that you have a long and distinguished career in the field of labor relations, both public and private sector. And we welcome you here this morning.

We appreciate your patience going through all of the other conversations that we had. The Office of Compliance budget request totals just over \$2 million, an increase of \$243,000 or 13 percent. This includes funding for 15 FTEs and a 3.7 percent cost of living increase.

And the increase will allow for increased funding to pay for contracting hearing officers, mediators, and court reporters and increased funding for additional health and safety contract inspections and experts, funding two positions that are currently vacant, as I understand it.

And we thank you for being here, and we look forward to your statement.

Mr. THOMPSON. Thank you very much, Mr. Chairman. It's a great honor to be here. I'd like to introduce to you a few other people. The Chair of our Board, Susan Robfogel is to my left. Our General Counsel, Gary Green, is to my right, and behind me are the two deputy directors—for the Senate, Pam Talkin and for the House, Jim Stephens.

I'd like to for just a moment turn the mike over to Ms. Robfogel. As the Chair of our Board, she has a couple of things she'd like to say, with the Chair's permission.

Senator BENNETT. Surely.

Ms. ROBFOGEL. Mr. Chairman, I'm delighted to be here today. I've been Chair for the Board for just about 1 year. This is my first appearance before your committee as well, and I'm pleased to be here. You've had a long morning this morning, a full morning, so I think the appropriate thing would be to go into the substance of our request, and if I may, I'd like just a moment or two after that.

Mr. THOMPSON. Just briefly, Mr. Chairman, the two deputies' terms of 5 years are ending in the next several months, and I'd like to take this opportunity on behalf of the Chair and General Coun-

sel Green to thank Pam Talkin and Jim Stephens for a remarkable record of service to the office. They were there at the beginning. They have helped implement the Act, and they have helped me by orienting me during my transition into the office. I thank them very, very much for their service.

PREPARED STATEMENT

I've submitted written comments regarding the budget request and would ask that they be entered into the record.

Senator BENNETT. Without objection.

[The statement follows:]

PREPARED STATEMENT OF BILL THOMPSON

INTRODUCTORY COMMENTS

Thank you, Mr. Chairman and Members of the Committee for the opportunity to appear before you today in support of the fiscal year 2002 budget request of the Office of Compliance. I was appointed Executive Director of the Office of Compliance effective April 2nd of this year, and am honored to appear before you for the first time.

With me today is the Chair of the Board of Directors of the Office of Compliance, Susan S. Robfogel. The Board and staff of the Office are extremely fortunate to have as Chair a person of Ms. Robfogel's caliber. Also here today are Pamela Talkin, Deputy Executive Director for the Senate, who has served as the Acting Executive Director prior to my arrival; James Stephens, Deputy Executive Director for the House; Gary Green, the General Counsel of the Office of Compliance, and Beth Hughes-Brown, the Office's Budget Officer. Ms. Talkin and Mr. Stephens are approaching the end of their five-year terms. I would like to add my deep thanks and appreciation to each of them for the invaluable orientation and training they have provided to me as the newcomer among the executive appointees of the Office.

OFFICE OF COMPLIANCE

As the Committee is aware, our Office is the administrative agency created in 1995 to carry out the Congressional Accountability Act's broad mandate to extend the coverage of many nationally mandated workplace regulatory schemes to Congress and its instrumentalities. The Office of Compliance is responsible for reviewing and processing complaints concerning alleged violations of no fewer than eleven federal workplace regulatory schemes: Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Rehabilitation Act of 1973, Title I of the Americans with Disabilities Act of 1990, the Family and Medical Leave Act of 1993, the Fair Labor Standards Act of 1938, the Employee Polygraph Protection Act of 1988, the Worker Adjustment and Retraining Notification Act, the Occupational Safety and Health Act of 1970, Chapter 71 of Title 5 of the U.S. Code relating to federal service labor-management relations, and Chapter 43 of Title 38 of the U.S. Code regarding veterans' appointment and reappointment. We also are responsible for any administrative claims of retaliation by agencies or employers against employees for the exercise of employee rights under these statutes as applied through the CAA.

OUR BUDGET HISTORY

The Office's fiscal year 2001 appropriated budget totals \$1.816 million, approximately 87 percent of the budget request for this year, and about 70 percent of our fiscal year 1997 appropriation. A brief review of the appropriated budget history of the Office of Compliance reveals a generally downward trend, as follows:

Fiscal year:

1996 .....	\$2,500,000
1997 .....	2,609,000
1998 .....	2,479,000
1999 .....	2,086,000
2000 .....	1,992,400
2001 .....	1,816,000

Some of these budget decreases were, at least in part, requested by the Office of Compliance as a direct reflection of fluctuating caseload, improved efficiency in oper-

ation, and the shedding of start-up costs, such as completion of a body of regulations mandated to guide the administrative process, which had required considerable resources. At this juncture, we believe the Office has successfully realized the bulk of the savings which could be obtained through streamlining our staffing, which has dropped from a fiscal year 1997-98 high of 19 to the current 15 authorized FTE's.

The Office's established culture of doing as much as possible with as few dollars and staff as necessary continues to guide us. The Office of Compliance is very fortunate to have begun on the right fiscal track under the leadership of former Executive Director Ricky Silberman. However, we have already wrung out of our spending much of the decrease in administrative costs that could be derived from improved efficiencies in an operation our size. Nevertheless, our current budget request is less than last year's request, reflecting a decrease of over \$36,000.

However, at this point the Office of Compliance is experiencing the onset of operational stress associated with the continuation of our downward fiscal trajectory. Consequently, it is with a measured sense of concern for the future that we come before you today.

#### OFFICE'S FISCAL YEAR 2002 BUDGET ESTIMATE

The fiscal year 2002 budget request for the Office seeks a modest net increase in funding in the amount of \$243,000. When we requested this increase, we were concerned that our current appropriation left absolutely no room for variance from the relatively low number of new cases and hearings we had in fiscal year 2000. This concern has been underscored in the first half of the current fiscal year by the fact that we have already been required by our statute to commit approximately 80 percent of the total budgeted for payments for mediators and hearing officers.

In addition, the OSHA inspection and enforcement efforts of our General Counsel and his staff are stretched thin. At this point, due in part to our current funding level for contracted safety and health experts, the Office is unable to respond to some complaints or requests for investigation of alleged safety and health hazards in the facilities for which we are responsible in an expeditious manner. Therefore, an increase is included in our fiscal year 2002 request to enable us to contract with additional experts so we can reduce the time it currently takes to make health and safety inspections.

In the first seven months of this fiscal year, we've had 330 requests for counseling, as compared to 46 during the same seven months in fiscal year 2000, and our case load is again increasing in many other areas of our regulatory responsibility. For example, increasing numbers of legislative branch employees are making use of the Office's unfair labor practice authority and remedies, as collective bargaining relationships mature.

Therefore, the largest items within our requested increase of \$243,000 include: increased funding to pay contracted hearing officers, mediators, and court reporters; increased funding for additional health and safety contract inspections and experts; and funding adequate to staff our 15 FTE positions, two of which are currently vacant.

Our goal for the current fiscal year continues to be to keep the Office within our fiscal year 2001 appropriation. Together with Chair Robfogel and the Board of Directors of the Office, the other statutory appointees and I respectfully request that the Committee respond favorably to the fiscal year 2002 budget.

We will be happy to respond to any inquiries from the Chair and the Members of the Committee. Thank you.

#### CASE LOAD AND BUDGET REQUEST

Mr. THOMPSON. Let me only touch briefly on the central theme of our submission. The Office of Compliance is operating this current budget year on approximately 70 percent of our fiscal year 1997 appropriation.

In reviewing past budget proposals submitted by the office, I learned that much of the downward trend during the past 3 or 4 fiscal years was not the result of cuts by the Congress but was actually requested by the administration of the office. In one of those hearings, Executive Director, Ricky Silberman, said, and I quote, "Our budget request is based on really taking a hard look at our program and trying to see how we can bring those costs down."

We have a very lean staff and our people really function as utility infielders. They fulfill more than one function. As the new Executive Director, together with Ms. Robfogel, I certainly say that this policy and this philosophy of budget will continue.

The principal driver of our cost is case load. And at this point in our current fiscal year, we're continuing to experience a significant increase in the number of contacts, the number of requests for inspections, and the number of hearings that are requested and counselings.

For example, as of October 1, 2000, we had 10 pending counseling requests. As of yesterday we had 336. A significant number of those requests concern group complaints. However, under the Act every request for counseling and mediation must be processed individually, and there is a major increase in that case load.

Senator BENNETT. Can I ask you if that is tied primarily to the Capitol Police or is it—

Mr. THOMPSON. The largest group is the Capitol Police, yes.

Senator BENNETT. Thank you.

Mr. THOMPSON. But we have a significant—even if you take away the Capitol Police, we still have a significant increase in those numbers.

Our health and safety responsibilities are also growing considerably. That, of course, is generally the responsibility of the General Counsel's office, but we are beginning to experience some organizational stress in that regard as well, in that we are not able to respond to requests for inspection in all cases within the time frame that we would like to. So that's one of the reasons why we're requesting additional funds for the inspections, for per diem or hourly people who could be on contract.

The request for the \$243,000 increase is really constructed from a zero based budget. It is based on the same review of our operation which has taken place each previous year and it will, we believe, provide nothing more nor less than the appropriation necessary to provide the dispute resolution and enforcement services which are necessary for the office to fulfill the mission given us by Congress.

As I said, the case load is the driver, and several years ago the cases went down. And at this point, the cases are going up significantly. Thank you, Mr. Chairman.

Senator BENNETT. Thank you. You've only been on board a few months.

Mr. THOMPSON. About 6 weeks.

Senator BENNETT. About 6 weeks, all right, not even 2 months. Do you have any plans for structural changes in the organization at this point? From your testimony, I would gather not but—

Mr. THOMPSON. I do have an interest in increasing our educational activities. We currently have a director of education and counseling and her time is split between education and other functions. We've heard from user populations that the visibility of the office is sometimes an issue, not certainly for want of trying because the office has a very active process. But I think that we might be able to increase our efforts in that regard, and I intend to follow up on that idea.

## RESPONSES TO SAFETY AND HEALTH COMPLAINTS

Senator BENNETT. Okay. How long does it take to respond to a complaint of an alleged safety or health hazard, and do you have a backlog of those complaints?

Mr. THOMPSON. I'll ask our General Counsel to respond to that.

Mr. GREEN. During the course of our past 6 months, Mr. Chairman, we've had to defer responding several requests for inspection for a matter of months. One request I have in mind took us almost 10 months to get to. And several others were delayed in the range of 3 to 4 months.

It's unfortunate, but we do have a very small staff, and the requests for inspection have to be analyzed when they come in to determine the degree of imminence of danger, the seriousness of it, the number of people involved, and we try to give priorities as intelligently as we can. Bottom line still is there are only so many hands to go around.

## BACKLOG

Senator BENNETT. Do you have a backlog at the moment? Are there any that are hanging as you take those that you have initially decided are higher priorities?

Mr. GREEN. There's no backlog in the sense of requests that have not been investigated. There are investigations going on now which may take considerable time to conclude. But there are no requests for inspections where the investigations are not begun.

Senator BENNETT. So if I understand what you're saying, if someone calls you and says we have a very serious problem, a sewer has broken and raw sewage is coming out here and we're all going to get sick, you would respond to that one immediately to check that out to see if indeed it was—I'm exaggerating, obviously, but something that you considered a significant and immediate hazard you would check immediately. Something that you think, well, it may be a problem, but it's not an immediate challenge you would put in queue behind the first one?

Mr. GREEN. That's exactly right.

Senator BENNETT. So that everything does get responded to in one way or another virtually immediately?

Mr. GREEN. No. There are things that appear serious on the surface or at least warranting an investigation which have to wait or have had to wait for a matter of months.

Senator BENNETT. An evaluation has been made at least immediately?

Mr. GREEN. Yes, so that we can make an effort, as best we can, to attend to what appears to be the most urgent immediately.

Senator BENNETT. Okay.

Mr. GREEN. The problem with requests for inspection is that ordinarily your superficial impressions are not—or initial impressions about the seriousness of the problems—are not always borne out.

We are in the midst of some investigations right now that I wish we had started much earlier because the health hazards appeared to be more significant to more people than was realized at the start.

Senator BENNETT. Are there any where the initial impression goes the other way, where you started something and then when you got into it you thought, gee, this one could wait while we're pursuing something else?

Mr. GREEN. Yes, yes, I think so.

Senator BENNETT. That's a micro management that I apologize for, and I'll back away from that.

#### SELECTION OF NEW DEPUTY DIRECTORS

You talk about your deputies fulfilling their 5-year terms. How will you select new deputies, and will they also be limited to a 5-year term?

Mr. THOMPSON. The Chair of the Board, Ms. Robfogel, is responsible for the appointment of the appointees, including myself, Mr. Green, and the two deputies with the advice and consent of the Board of the office. And I would defer to her for any further comments.

Ms. ROBFOGEL. The way our statute is written, anyone appointed to one of the statutory appointee positions, including the Executive Director, the General Counsel, and the two deputy executive directors is limited to one single 5-year term. As are each of the Board member positions. There is no potential for succeeding oneself.

Senator BENNETT. And how do you choose the deputies? Is this an open competition or—

Ms. ROBFOGEL. Yes, it is. We have advertised publicly, both within the governmental advertising facilities, and we have also advertised the positions in the Washington Post. And we did the same thing when we were recruiting for the Executive Director position, and we also utilized the services of an executive search firm.

Senator BENNETT. Are the terms staggered, or do they all expire at the same time so you get a new Director, a new Chairman, and two new deputies all at once?

Ms. ROBFOGEL. Unfortunately that seems to be the position we're in right now. Our new Executive Director came on board 6 weeks ago. As I told you, I came on as the Chair just about 1 year ago. The entire Board has been appointed within the last year and a half, and we will lose one of our deputy executive directors in August and the other in September.

So there are a lot of new people. Fortunately we have had some period of overlap. The statute is written in an interesting way.

Mr. THOMPSON. It's extremely important that we have had some period of overlap.

Senator BENNETT. I would think a little institutional memory is always a good idea.

Ms. ROBFOGEL. I would echo what our Executive Director has already said, though, in terms of the yeoman's job that both of our deputy directors have done, both in bringing along the Board, its Chairman, and now our new Executive Director. They have been wonderful.

Senator BENNETT. Well, we might take a look at changing the law and staggering—staggering some of the appointments so that there is a little bit of institutional memory. If you have any thoughts on that, share them with us.

Ms. ROBFOGEL. Thank you.

Senator BENNETT. We're not the committee that can do that, but we know some who are, so we would appreciate that.

NEW GROUP OF CASES

What do you anticipate out of the case load that you've described, the majority of which is the Capitol Police. There's been some publicity about the Capitol Police. Do you see that as a major new challenge, and is it going to move through the system like a pig in a python? Is it, in your view, going to create a new base line that will require a higher kind of funding from here on out?

Mr. THOMPSON. I think I would, if I could answer that in a slightly broader context, I think where the office is right now, there were initially quite a few start-up costs and the creation of regulations, et cetera, which cost money. That process, while not completed, is largely done.

And a lot of the extraneous start up and obtaining of greater efficiencies has sort of bottomed out at this point in an agency as small as ours.

What has happened is that vector, which is the downward costs, has bottomed out. At the same time, we have the collective bargaining process taking hold, which means that we have collective bargaining agreements, we have unfair labor practices being filed. We will be responding to appeals from arbitrations and at the same time, because of the union presence, we're getting a group organizational presence among the employees. We are beginning to see more of these large group actions being taken.

There's currently a case involving the Architect which has made it into the District Court which has several hundred plaintiffs. We now have the Black Capitol Police Officers Association activity. We expect that we're going to see more of that kind of thing. It's a natural outgrowth of a robust collective bargaining process.

So while it's impossible to make a firm forecast on case load, I think my experience in this area, which is considerable, suggests to me—and I think the others will agree—that we're going to see more and more significant issues.

Senator BENNETT. Thank you very much. I have no further questions.

Ms. ROBFOGEL. Mr. Chairman, if I may, just by way of summing up, I think one of the most important things for the committee to realize in our request for an increase is that, as this statute has matured, the number of requests to our office have increased.

If we are unable to service these complaints on an expeditious basis, people do have the option to go outside of our office, as they go through the intake procedure in our office, after they've gone through mediation with us, they have the option of either staying with us and having their cases heard by our hearing officers, where the process is totally confidential, and there's absolutely no publicity. Or they have the option of going to the courts.

I think one of the reasons our statute was written the way it was is so that we could keep as many of these cases and get them resolved confidentially and internally. If we don't have the money to pay hearing officers and people's cases are delayed, I fear that one of the objectives in Congress passing the legislation the way it did will be lost.

So I think that's a very important part of our budgetary increase request, as is the part that you yourself touched on a little bit before, our need for enough inspectors to be able to respond to the health and safety complaints. Because if people do not believe their complaints are being looked at expeditiously, they're going to look for other avenues to complain, and the statute will not work the way we all hope it would. Thank you.

SUBCOMMITTEE RECESS

Senator BENNETT. Thank you, that's very helpful. No further questions. Thank you for your appearance. The subcommittee is recessed.

[Whereupon, at 12 noon, Wednesday, May 16, the subcommittee was recessed, to reconvene subject to the call of the Chair.]



## **LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2002**

**TUESDAY, JUNE 26, 2001**

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

The subcommittee met at 11:04 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Richard J. Durbin (chairman) presiding.

Present: Senators Durbin, Bennett, and Stevens.

### **ARCHITECT OF THE CAPITOL**

#### **STATEMENT OF ALAN M. HANTMAN, FAIA**

##### **ACCOMPANIED BY:**

**MICHAEL TURNBULL, ASSISTANT ARCHITECT  
JACK BOERTLEIN, DEPUTY BUDGET DIRECTOR  
LARRY STOFFEL, SUPERINTENDENT OF THE SENATE  
AMITA POOLE, ADMINISTRATIVE ASSISTANT**

##### **OPENING STATEMENT OF SENATOR RICHARD J. DURBIN**

Senator DURBIN. The subcommittee will come to order.

I thank all those who have gathered today. We are kind of in limbo in terms of organization of the Senate, and I think that may be resolved soon. I hope it is.

But the Appropriations Committee is traditionally a bipartisan effort, and I am happy to be working with my colleagues here, Senator Bennett and Senator Stevens, on the issues involving the Architect of the Capitol's office.

Mr. Hantman, I understand, is accompanied by Assistant Architect Michael Turnbull; Ms. Amita Poole, Administrative Assistant; Larry Stoffel, Senate Superintendent; and Jack Boertlein, Deputy Budget Director.

##### **BUDGET PROPOSAL**

The Architect of the Capitol budget proposal totals approximately \$300 million, which includes \$199 million for ongoing operations and maintenance, and \$102 million for the capital budget. O&M would increase almost \$26 million, or 15 percent, to accommodate such things as 48 additional staff, pay raises, and price level increases, such as the rising cost of utilities under the budget request. The capital budget would increase \$68 million, or 200 percent, over fiscal year 2001 to fund 115 projects. Within the capital budget, cyclical maintenance makes up about half of the proposed

spending with the largest project being the Capitol dome preservation. The capital budget does not include any additional funds for the Capitol Visitor Center, which we will discuss, I am sure, this morning. It is expected to be a major project for the Architect of the Capitol next year with construction commencing next year if the current plan is followed.

Before I turn to my ranking member, I would like to say to my colleagues that my staff did a little research to find out if anyone had ever served as chairman of a House Appropriations Subcommittee and a Senate Appropriations Subcommittee. The only evidence they could find of that having occurred was a fellow by the name of Everett McKinley Dirksen from the State of Illinois who served as chair of the Ag Subcommittee in the House and the D.C. Subcommittee in the Senate. So, we are keeping it within the Illinois confines.

Senator Bennett, your opening statement.

STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you, Mr. Chairman. May I welcome you to the chairmanship and tell you that this is a fun subcommittee to have the opportunity to chair. I think you will enjoy it. These are good people to work with. We welcome you to this assignment and pledge to you whatever support we can provide to see the long tradition of bipartisanship and unanimity within the Senate is continued. Sometimes we do not have that degree of unanimity with our friends on the House side, but that seems to be the way the founding fathers created it.

I have a number of questions that we need to get into because the Architect of the Capitol is something of a lightening rod of challenges here on Capitol Hill. But I will defer my questions until after we have heard from Mr. Hantman and his people.

Senator DURBIN. Senator Stevens, do you have a statement?

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you very much. I welcome you also as the subcommittee chairman, Senator.

When I came to the Senate, we were still a new State. Two of us arrived at the same time, and Senator Dirksen walked us down the aisle. So, we revere your predecessor, and I am glad to see you hold this distinction of chairing two subcommittees for your State.

I do not have any questions. I have come to hear the statement. I cannot stay very long. I would like to suggest, if we can, Mr. Hantman give us a summary of his statement so we might proceed on that basis.

Senator DURBIN. Thank you.

Mr. Hantman, thank you very much for joining us. Your statement will be made a part of the record in its entirety. If you would like to summarize at this point, please proceed.

SUMMARY STATEMENT

Mr. HANTMAN. Thank you, Mr. Chairman. I will do that.

First of all, Mr. Chairman, we have accomplished much over these past several years and we continue to build our team to bet-

ter enable us to serve the Congress going forward. But we need to support and strengthen our present workforce, supply them with the tools and training they require to reduce our accident, illness, and lost time rates. We need to bring new people with new skills and abilities into our work place to be able to better respond to the Congressional Accountability Act in areas of fire safety, occupational and environmental safety, as dictated by law, in areas of planning and project management, information resources management, and energy savings.

We also need pay flexibility to retain and attract senior managers, to help plan, implement and oversee our many projects. The 1990 pay legislation that specifies titles and salaries for senior staff has no relevance to the needs of today.

#### CAPITOL VISITOR CENTER

Mr. Chairman, as you know, we have reached the halfway point in the preparation of construction documents for the Capitol Visitor Center within schedule. We will, with the availability of funding and the approval of the Capitol Preservation Commission, go out for competitive bidding during the last quarter of this calendar year. I assure you that I am personally committed to bringing the project in on schedule and budget for the identified scope. We have developed new project management techniques and created a dedicated team for this project, supported by a nationally recognized construction management company, to assure the maintenance of budget and schedule on a day-to-day basis.

#### U.S. BOTANIC GARDEN

Construction work on the U.S. Botanic Garden is nearing completion after overcoming significant construction issues that have delayed the project. It is a magnificent structure we can all be proud of and I would welcome the opportunity to show this committee the complexity of the project and the planting activities that have begun.

#### RESPONSIBILITIES

For accountability purposes, we remain committed to continuing our successful efforts to implement a full and compliant financial management system. Much fire safety work has been initiated and accomplished across the Capitol complex, and we can give you a building-by-building status report on what has been done and what needs to be done going forward.

#### WEST REFRIGERATION PLANT

An additional important project is the expansion of the West Refrigeration Plant. It is currently under design and we have forwarded a budget amendment for this request. We will be coming back to the committee for full construction funding in fiscal year 2003.

#### PREPARED STATEMENT

Mr. Chairman, once again, I am proud of our accomplishments in so many areas, much of which is documented in the statement.

While there is much left to address in the coming years, 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 responsive AOC.

I would be happy to respond to any questions.  
[The statement follows:]

PREPARED STATEMENT OF ALAN M. HANTMAN

OVERVIEW

Thank you for inviting me here today to discuss the priorities that drive the budget needs of the Architect of the Capitol organization. I have been Architect of the Capitol for four years. I am proud of what the AOC has accomplished in that period, and look forward to significant additional accomplishments in the years ahead.

As you know, there is a historic amount of work currently on our plate and much more needs to be accomplished over the coming years. Many needs have been deferred and our structures continue to age. This, combined with new expectations of how our structures must accommodate modern safety, security and technological needs, along with the increasing demand for space, all serve to drive the funding needs for physical improvements.

As important as these physical improvements are, the most important needs addressed by our budget are investments in our human infrastructure. It is important that we support and strengthen our present workforce and bring people with new skills and abilities into our workplaces, to staff key positions to meet the physical challenges that confront the Capitol complex. We also need to provide our existing workforce with the tools and training they require to continue to not only provide, but to continuously improve, our support of the U.S. Congress and the American people. We have been working to do this in a difficult recruitment atmosphere, where strong competition has existed for qualified people in what has been a near full-employment economy.

Last year I made fire safety the top priority for AOC, and we have made significant progress on this multi-year effort (see Appendix A). While we are continuing our strong progress on fire safety initiatives, this year we are stressing Life Safety issues for our staff. People come first. We are a service organization, and without a dedicated and safe staff little could be accomplished. We are therefore focusing on reducing our accident and illness lost work-time rates, training our staff and continuing to build the human infrastructure to support the Congress well into the future (see Appendix B). We are continuing to hire necessary staff in the area of Life Safety as well as Fire Safety, to better support these critical initiatives, and we are requesting funding to build and maintain these programs going forward.

SUMMARY OF FISCAL YEAR 2002 REQUEST

Our overall fiscal year 2002 request of \$298,957,000 includes \$196,356,000 for ongoing operations and maintenance and \$102,601,000 for the capital budget to meet fire and life safety, security and infrastructure improvements.

The operations and maintenance budget request reflects a 15.1 percent increase of \$25,749,000. The increase is comprised of: \$3,446,000 to fund 48 essential positions needed to carry out programs required by the Congressional Accountability Act and other needs; \$8,753,000 for COLAs and other mandatory pay items; \$5,141,000 for price level increases, the majority of which are to meet the rising cost of utilities; and a net increase of \$8,409,000 for items related to other workload increases.

The capital budget request includes 115 projects identified for funding in fiscal year 2002. Seven projects, which total \$66,970,000, account for approximately 65 percent of the capital budget request. The seven projects are: the Rehabilitation of the Capitol Dome (\$42,500,000); Off-Site Delivery/Screening Center for the U.S. Capitol Police (\$6,750,000); the new Library of Congress Audio Visual Conservation Center, Culpeper, VA (\$5,000,000); Renovations to the Rayburn Cafeteria (\$3,460,000); design and land for a Vehicle Maintenance Facility for the U.S. Capitol Police (\$3,260,000); design to Construct a Garage on the Eastern End of Square 724 (\$3,000,000); and Elevator Modernizations in the House Office Buildings (\$3,000,000). (see Appendix J).

## CAPITAL PROJECTS

As we look to the future, we believe it important to note that over the past year the AOC has accomplished much, as evidenced by progress on the following capital projects (see Appendix F):

The Dirksen Senate Office Building project remains on budget and on time, a tribute to how well-managed a project can be when AOC has adequate internal resources to properly supervise a project, and when Members and staff understand and are actively involved in such projects. The Dirksen project will be completed this December, providing what is essentially a contemporary building interior with an intact historic exterior—at about one-third the cost of constructing a new building, and with all work being done in an occupied structure.

Construction work on the Botanic Garden Conservatory is nearing completion after overcoming significant construction issues that have delayed the project. Planting activities have begun in the low glass houses where construction activity is winding down. We expect to begin guided tours in September while the planting continues, and when most of the planting has been accomplished, we are planning a formal conservatory-wide opening for the first week in December. The contiguous privately funded National Garden project is poised to go to bid and when completed it will complement the conservatory with its outdoor horticultural exhibits and its Interpretive Learning Center for children.

The construction documents for the Capitol Visitor Center are proceeding well and will, with the availability of funding and the approval of the Capitol Preservation Commission, go out for competitive bidding during the last quarter of this calendar year.

The Master Plan for the Capitol Building will be completed by the end of this calendar year, and will provide a roadmap for how to best bring this 200-year-old landmark structure up to modern standards, while retaining its historic integrity and stateliness. Since this Master Plan will be completed well into fiscal year 2002, we anticipate requesting approximately \$8 million in fiscal year 2003 to begin the actual design drawings for work identified therein. Construction funding will be requested in successive years.

Construction work on the Senate Perimeter Security Project is well underway. The first phase at the intersection of New Jersey and C Street is virtually complete with steel bollards, guard house, traffic arm, and granite pylons in place. The second phase at Delaware and D Street is under construction. The contract for the Capitol Square Perimeter Security Project has been awarded, the construction staging area has been established on Capitol Grounds, and phased work is about to begin on the east side of the Capitol. In other areas of security needs, we continue to work with the U.S. Capitol Police to install upgraded building security equipment.

Much fire safety work has been initiated and accomplished across the Capitol complex. We also worked with the Library of Congress and the Office of Compliance on an extensive examination of fire safety conditions in the Jefferson, Madison and Adams Buildings and have developed a, multi-year, building by building plan to address these issues (see Appendix A). Timelines have been, or are being, developed to address remaining fire safety challenge.

## PERSONNEL NEEDS, WORKLOAD, AND LIFE SAFETY ISSUES

The AOC injury/illness rate is much too high and must be lowered significantly. The well being and safety of our staff is of the highest concern. In the context of what impact the work described above has on AOC staff and the injury/illness rate, however, it is important to note that, in addition to hiring contractors to design and build the larger fire safety projects in the Library of Congress, the AOC for the next two years must also dedicate 12–15 internal people from AOC's Library buildings and grounds workforce full time to address the many smaller fire safety projects. This means that they are effectively lost for other, more routine but essential projects. This mirrors our situation across the Capitol complex. For many years, we have reassigned workers to additional tasks while reducing the total number of employees within AOC. This is true in all of our jurisdictions. We have now reached a point where we cannot continue to assign major additional work to our staff and still expect them to accomplish the many other basic day-to-day tasks that are important to support the mission of the U.S. Congress and the proper maintenance of its buildings and grounds.

Historically, when workloads increase significantly while the workforce contracts, the stress of having more to do with fewer people often results in an increase in accidents. I believe this is one of the major factors behind our high injury rate, although it is not the only factor. Over the past decade we have markedly downsized

the AOC workforce while increasing the workload. Our workforce is down 20 percent from fiscal year 1993 levels. This downsizing, accompanied by an increasing workload, has put our employees under great pressure.

While it has been possible to increase productivity to an extent, while still decreasing staff levels, much of the work accomplished by AOC employees is generally not of a nature where technology alone can replace human effort and skills. In fact, the implementation of the Congressional Accountability Act has increased, not decreased, the amount of skilled and properly trained people necessary to complete the wide range of tasks we are responsible for.

#### CONFINED SPACES—ONE OF 41 MANDATED LIFE SAFETY PROGRAMS

An example of our changing workplace is illustrated by the fact that four years ago, a worker who needed to enter a utility vault to do simple maintenance work would remove the manhole cover, climb down into the space, do his or her job, climb out, put the cover back into place, and go on the next task. Today, a worker who needs to enter a utility vault—a confined space, in contemporary safety parlance—would first need to obtain and fill out a permit form to notify the permitting authority of the plan to enter a confined space. The worker now needs to be accompanied by another employee to act as a safety monitor, open the confined space, place the appropriate rescue gear and barriers outside the confined space, sample the air quality within the space before entering it, enter the space in the appropriate manner and with appropriate safeguards, maintain communications with the worker outside, do the work, exit the space, close the space, remove the barriers and rescue equipment, complete the permit, and report back to the permitting authority that the employee has completed the task and exited the confined space.

What used to be a half-hour task for one employee has therefore become, at a minimum, an hour and a half task for at least two employees, plus the additional supervisory/administrative time. While this methodology is clearly safer, it also severely impacts productivity levels for a staff that has continued to shrink.

Additionally, all employees who enter confined spaces must receive initial training, and regular refresher training. Air sampling equipment, rescue gear, and communications gear must be provided and maintained. A permitting process must be created, and permits must be properly obtained, executed, and filed when embarking on work in permitted confined spaces. This point regarding record keeping highlights a related need—we must assure that our IT environment is available and reliable to our employees so we can carry out critical business functions—and that is why we have asked for more resources in that area. And, a confined space survey must be completed for the entire 14,000,000 square feet of space on the Capitol complex to identify and label the areas that may only be entered by persons with the proper training, equipment, and using the proper procedures.

The confined space program is only one of 41 life safety program areas that AOC, working with the Public Health Service, must formalize and retrain workers to handle properly. More detailed information about these matters is in Appendix A. But this single example illustrates an important point. Our workplace has become more, not less, labor intensive in response to OSHA, EPA and Department of Labor provisions while our workforce has been reduced.

#### DAY TO DAY OPERATIONS

Most of the work we do, most of our daily physical effort, goes to support the day-to-day operations of the Congress. For example, last year our Senate Superintendent's Service Center received and responded to 82,154 telephone calls, that translates to 224 per day, or 1,580 per week. The Service Center issued 83 service orders per day or 30,361 altogether in fiscal year 2000. These service orders ranged from routine changing of light bulbs, to construction of custom tables and bookshelves, to changing carpets for an entire suite, which necessitates removal and replacement of all of an office's furniture and contents. The Senate Superintendent's Day Labor Division assisted in 35 special events each day during that year for an annual total of 12,907. The Furniture Division responded to 19 requests per day for a total of 6,845 furniture requests for the year.

Our Senate Superintendent also takes care of office moves and custodial work, services subways and elevators, cleans 600 restrooms every day, provides restroom supplies, and cleans up after emergencies, among his myriad tasks. As much as possible, we try to minimize disruptions for the Senate not only with daily tasks but even with major projects, like the Renovation Project in the Dirksen Office building.

## MAJOR CAPITAL REQUESTS FOR FISCAL YEAR 2002

The Capitol Dome renovation's second phase, at \$42.5 million, is our largest Capitol project request this year. This will complete the work necessary to make certain that the Capitol Dome, at the beginning of the 22nd Century, will remain the most recognizable symbol of representative democracy in the world.

In the Hart Senate Office Building, we're asking for \$1.44 million to modernize 12 elevators and another \$1.1 million for security improvements at the Horseshoe Entrance.

Space is a vital need and a constant concern on Capitol Hill. It has been for 201 years. Our budget request contains \$3 million to prepare construction drawings for a parking Garage at Square 724, adjacent to the Capitol Police Headquarters. Our design of that project will allow for future construction, if necessary, atop the parking structure. \$2.1 million is requested for the next phase of implementation of our new Financial Management System that also is building for the future. We successfully implemented the initial standard general ledger module in September of 2000 and now are working on implementing procurement, funds control and accounts payable modules.

## STAFFING REQUESTS

The Congressional Accountability Act, the interpretations of the Office of Compliance on how fire codes should be applied to the Capitol campus, the aging infrastructure of our priceless and unique historic buildings, the changed expectations of the American public, all mean that the AOC must continue to change and improve its methods of operations, that we have to retrain our workers, hire some key new ones, address the tasks at hand in new and safer ways.

While we contract out many of our major projects and some of our technical needs, we still need to have the proper internal resources to adequately manage and coordinate this work. We have been working hard to hire the fire safety professionals we need to help our Fire Marshal and Executive Director of Facilities Management accomplish their tasks. We are similarly actively and aggressively recruiting the people we need to serve as jurisdictional life safety experts and coordinators, and the right construction management professionals for the many major tasks that must be successfully accomplished (see Appendix I).

The 48 additional positions we request this year are people who must be put in place to prepare our workforce for the future. They are so essential that we have already begun the hiring process, but need funding to continue paying these key personnel in successive years without having to make further cuts in shop staffing levels in all jurisdictions.

These include five positions to support fire safety programs; eight positions to support environmental and life safety programs; five for the campus energy savings program required by Section 310 of the 1999 Legislative Branch Appropriations Act.

We also need 19 persons to implement high priority programs. These positions include the two necessary to support preparation and issuance of auditable financial statements. AOC has been working with GAO on this, and one of things we have discovered is that AOC has never been staffed assure appropriate separation of functions necessary to maintain proper internal controls, nor enough staff to prepare and reconcile monthly and annual auditable financial statements (see Appendix G). Seven more positions are to improve the project delivery process. Like most government agencies, AOC has to manage far more external contracts and work than in the past, and like most government agencies, AOC does not have enough people in place to manage outside contractors properly. We are also dead last in the Legislative Branch in percentage of our staff dedicated to Intelligence Technology efforts.

We need two more air conditioning mechanics at the Library of Congress to safeguard its priceless collections by maintaining proper conditions for storage. Three additional workers are needed at the Capitol Power Plant. And at the Botanic Garden, which has been closed for a number of years, with the Conservatory scheduled to reopen staff are required to operate and maintain the facility.

Like the rest of federal government, AOC is responding to the crisis in human capital by requesting these 48 essential positions for fiscal year 2002.

## CONCLUSION

Once again, I am proud of our accomplishments in so many critical areas, much of which is documented in the attached appendices<sup>1</sup>. While there is much left to ad-

<sup>1</sup>Appendices

dress in the coming years, 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 responsive AOC.

I thank you for your support and welcome whatever questions or comments you might have.

#### APPENDIX A—INITIATIVES IN FIRE, OCCUPATIONAL, AND ENVIRONMENTAL SAFETY

##### EXECUTIVE SUMMARY

The Architect of the Capitol (AOC) has made safety the agency's number one priority. In the past year, the AOC has undertaken significant steps to strengthen the fire, occupational and environmental safety programs. However, much work remains to be done. An additional thirteen (13) fiscal year 2002 positions are requested and are in the process of being filled now to better enable the AOC to develop and implement fire, occupational, and environmental safety programs and make necessary facility upgrades to comply with fire and building codes.

In fiscal year 2002, thirty (30) projects totaling over \$14.5 million are requested under the Life Safety Category to address identified fire and/or occupational safety deficiencies across the Capitol Complex. An additional \$362,000 is being requested (see: Capitol Buildings Salaries and Expenses Operating Budget Life Safety Operations and Maintenance section) to cover needed environmental contractor services as well as increases in cost of fire safety and occupational safety and health program management.

##### *I. Fire Safety*

The Fire Marshal Division was created in fiscal year 2001 to focus on fire safety, life safety, and emergency preparedness program policy, coordination, inspection, and oversight. Fire protection engineering design responsibilities are being transferred to the re-established Fire Protection Engineering Division under the Director of Engineering. The AOC is working closely with the Office of Compliance to identify fire and building code concerns and raise the Capitol complex buildings to modern standards of safety.

Significant progress has been made and is detailed in Section I.

As part of our continuing commitment to fire safety program needs, the AOC has begun hiring to fill fiscal year 2002 funded vacancies to ensure adequate staff is available to perform needed work. Full funding of fire related fiscal year 2002 requests is essential to the AOC's ability to continue to improve the fire safety posture and programs across the Capitol complex.

##### *II. Occupational Health and Safety*

The Life Safety Division was restructured and renamed the Safety and Environmental Division in fiscal year 2001 to focus on occupational health and safety, recycling, and environmental program policy, coordination, inspection, and oversight. When fully staffed, two branches will exist—the Safety and Occupational Health Branch and the Environmental Branch. Environmental Safety is discussed in Section IV below.

Significant progress has been made and is detailed in Section II.

As part of our continuing commitment to occupational safety program needs, the AOC has begun hiring to fill fiscal year 2002 funded vacancies to ensure adequate staff is available to perform needed work. Full funding of fiscal year 2002 requests is essential to the AOC's ability to continue to improve the occupational safety posture and programs across the Capitol complex.

##### *III. Recycling*

Additional emphasis was provided to the AOC Recycling program in fiscal year 2001 by creation of a GS-13 Recycling Program Manager position to coordinate campus wide recycling effort. The House Office Buildings recycling program has made significant improvements including hiring a Recycling Program Manager, a Recy-

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- Appendix A: Initiatives in Life Safety
  - Appendix B: AOC Human Resources Act of 1995 Achievements
  - Appendix C: Security Update
  - Appendix D: Initiatives Regarding the Congressional Accountability Act
  - Appendix E: Initiatives in Labor-Management Relations
  - Appendix F: Status of Selected Capitol Improvements
  - Appendix G: Financial Management System Improvements
  - Appendix H: Computer Aided Facilities Management
  - Appendix I: Project Management Initiatives
  - Appendix J: fiscal year 2002 Budget Request Summary.



cling Assistant and a recycling team. New recycling containers are being distributed to Members offices and training is being provided. The Senate recycling program has made significant improvements as well including hiring a Recycling Program Manager and working with the Senate Rules Committee on proposed changes. More information can be found in Section III.

#### *IV. Environmental Safety*

The AOC is required to comply with Environmental Protection Agency Laws and Statutes as enforced by the District of Columbia. The development of the Environmental program and the analysis and survey requirements of the Environmental Protection Agency and District of Columbia laws and regulations has not begun due to difficulties filling the environmental engineer vacancy. Filling of the environmental engineer position remains a top priority as attention must be given to environmental matters. Additional contractor support money has been requested to begin the detailed program review and development associated with all aspects of the Environmental Program. Full funding is requested to ensure compliance with environmental regulations. A more detailed discussion can be found in Section IV.

#### *V. Summary*

A brief summary is provided in Section V.

#### INTRODUCTION

The Architect of the Capitol (AOC) has made safety his number one priority. In the past year, the AOC has undertaken significant steps to strengthen the fire, occupational and environmental safety programs. The AOC has reorganized the Executive Office for Facilities Management to allow increased attention and focus on fire safety, life safety, occupational health and safety, recycling, and environmental programs. Two separate Divisions have been created under the Executive Officer for Facilities Management.

The Fire Marshall Division focuses on fire safety, life safety, and emergency preparedness program policy, coordination, inspection, and oversight.

The Safety and Environmental Division focuses on occupational health and safety, recycling, and environmental program policy, coordination, inspection, and oversight.

Fire protection engineering design responsibilities have transferred to the re-established Fire Protection Engineering Division under the Director of Engineering.

This structure separates policy, oversight, and inspection from design and implementation—providing a necessary check and balance system and allowing concentration on project design and execution.

Agency wide, significant resources have been applied to the fire safety, occupational health and safety programs. The AOC has aggressively addressed fire safety concerns by dedicating resources to design of systems, correction of specific deficiencies, renovation and construction projects, and implementing National Fire Protection Association (NFPA) testing, inspection and maintenance programs. In many cases, jurisdictions have redirected resources from customer service to address fire safety issues, as a result, customer service has suffered temporarily. Fiscal year 2002 will see continued emphasis on fire safety as well as increased emphasis on occupational safety and environmental program implementation which will further strain limited existing resources.

Because safety is the AOC's top priority, the AOC is hiring now to fill fiscal year 2002 safety related vacancies within Fire Marshal and Safety and Environmental Divisions and across the jurisdictions. By achieving fiscal year 2002 staffing levels as soon as possible, the AOC will be better able to identify, address, and correct safety related concerns as well as implement new safety related programs across the Capitol complex.

Thirteen (13) fiscal year 2002 positions (9 jurisdictional, 3 within the Fire Marshal Division and one in the Safety and Environmental Division) are being filled to better enable the AOC to develop and implement fire, occupational, and environmental safety programs and make necessary facility upgrades to comply with fire and building codes.

In fiscal year 2002, thirty (30) projects totaling over \$14.5 million are requested under the Life Safety Category to address identified fire and/or occupational safety deficiencies across the Capitol complex. An additional \$362,000 is being requested (see: Capitol Buildings Salaries and Expenses Operating Budget Life Safety Operations and Maintenance section) to cover needed environmental contractor services as well as increases in cost of fire safety and occupational safety and health program management.

### *I. Fire Safety*

The goals of the Fire Safety Program are to: (1) provide a fire safe environment for workers and visitors to the U.S. Capitol complex; (2) comply with BOCA 1999 and NFPA-101, 2000 Life Safety Codes wherever possible, addressing specific historic issues by developing performance based equivalencies when appropriate; and, (3) develop a complex-wide emergency preparedness program in conjunction with the Capitol Police and the District of Columbia.

Fire safety combines the aspects of prevention—minimizing clutter, properly storing flammable materials, controlling flame and heat producing devices, etc.—with protection—fire detection, fire suppression, and egress.

The historic nature of many of the Capitol complex buildings creates unique challenges in complying with modern building and fire codes. The AOC has met these challenges aggressively and undertaken extensive projects to bring our historic buildings into compliance with the most current codes. The effort of meeting modern codes, not required by the codes themselves unless major renovation is performed, demonstrates Congress' leadership and commitment to fire safety. The more significant projects will take years to complete because they require creative design solutions and major building renovations. The vast majority of this work has been contracted. The AOC has established an Indefinite Duration Indefinite Quantity (IDIQ) contract with four fire protection engineering consultant and design firms. As requirements are identified, specific task orders for consultation and design are written and issued quickly, avoiding lengthy individual contracting efforts. Although significant progress has been made, the amount of contract administration, design review, building and fire code analysis, jurisdictional and customer coordination, construction oversight, and debugging is overwhelming to the AOC's limited staff. These aspects of work cannot be contracted. Additionally, fire alarm systems must be tested on a weekly, monthly, quarterly, semi-annual, and annual basis. All office moves, special events, modifications, and renovation projects must be reviewed for fire and building code compliance and a rigorous inspection and oversight process developed to ensure the progress we are making is not lost as future modifications and renovations are performed. The requested resources reflect these needs.

The AOC also is requesting a new emergency preparedness coordinator. This function is currently performed as a collateral duty of the fire marshal and requires a dedicated effort to establish an AOC-wide program to ensure we are able to respond to emergencies and to coordinate with the U.S. Capitol Police and the District of Columbia Fire & EMS Department.

Significant Capitol complex-wide accomplishments in the past year include:

- NFPA compliant test, inspection, and maintenance program for sprinkler and alarm systems implemented.
- Regular DC Fire & EMS Department pre-planning tours conducted.
- ADA fire alarm system upgrades designs completed.
- Egress studies completed for each building.
- General fire protection system description reports completed for each building.
- Lighted exit signs installed in public areas of all buildings (except isolated areas of Capitol with architectural and/or access issues).
- Fire pull stations and alarm speakers operational.
- Fire safety master plan under development.
- IDIQ contract for fire protection engineering support awarded.
- Complex-wide Central Fire Protection Monitoring System in design (50 percent).
- Task orders for egress improvement designs issued.
- Y2K fire alarm system upgrades complete.
- And, increased emphasis and attention to fire safety related maintenance including correction of numerous deficiencies.

Other significant jurisdiction specific progress can be found in attachment 1.

### *II. Occupational Health and Safety*

The goals of the Occupational Health and Safety program are to: (1) provide a safe and healthful environment for workers and visitors to the U.S. Capitol complex, (2) comply with OSHA standards as required by the Congressional Accountability Act, and (3) standardize safety program implementation wherever possible.

To meet these goals, forty-one (41) safety programs must be revised or developed, approved, and implemented. The development and implementation of these programs began in fiscal year 2001 and will continue through fiscal year 2004. The AOC has contracted with the Public Health Service to draft AOC-wide safety program policies. This effort includes research of regulations, drafting of policy, review of proposed policy within the AOC, determining applicability of program policies to each work site, and identification and resolution of issues. As program policies are drafted, implementation needs will be determined for each program. Decisions will

be made regarding program applicability (employees, work sites, and work practices) within each jurisdiction, training needs will be identified, work site specific operating procedures will be developed and record-keeping processes will be implemented. Implementation will also include identification of facilitators (e.g. supporting software) and procurement of equipment as needed. The AOC's goal is to standardize implementation across jurisdictions as much as possible, ensuring consistency while minimizing required effort. The resource most needed for the implementation effort is people.

To effectively implement these programs, the AOC must change culture and thought processes about how work is accomplished. Change in thinking is required at all levels within the organization. The "get the job done" approach must be replaced by the "get the job done—but safety first and always" approach. All work will have to be analyzed for hazards and hazards mitigated prior to start of work. More people will be required to perform some jobs (e.g. permit required confined spaces require one person just to stand watch for the person in the space). Implementation will require significant resources—not just in the analysis and execution of work but training and record keeping requirements will be extensive.

The Agency has a Memorandum of Understanding with the Public Health Service (PHS) to provide safety, occupational health and industrial hygiene support services as required. The agency uses PHS services to supplement existing resources and to serve as a third party consultant on safety, occupational health or industrial hygiene related issues.

The AOC also has an agreement with the Office of the Attending Physician (OAP) to provide medical support. The OAP currently coordinates physicals associated with the Medical Surveillance Plan and provides consultation services as requested. As safety programs are deployed, the number of employees enrolled in medical surveillance is anticipated to increase, as is the cost.

The fiscal year 2002 budget request reflects resources required to continue to develop and implement the safety programs (including medical surveillance program expansion) while tracking regulatory changes and maintaining the current level of safe practices and safety services across the AOC.

Resources identified in the fiscal year 2002 budget include increases in jurisdictional as well as the Safety and Environmental Division permanent and contractor staffing, survey and analysis costs, and general operating funds (see: Capitol Buildings Salaries and Expenses Operating Budget Life Safety Operations and Maintenance section).

Significant accomplishments in the past year include:

- Established Safety committees in all jurisdictions.
- Drafted Safety Policy statement and policies for Safety, Health, and Environmental Council, and Jurisdiction Occupational Safety and Health Committees.
- Drafted program policy for 7 safety programs: HAZCOM, PPE, confined space, blood borne pathogens, asbestos, respiratory protection, and fall protection.
- Completed complex-wide surveys for confined spaces and fall protection.
- Completed Capitol building asbestos survey, began Dirksen and Rayburn building asbestos surveys.
- Provided training numerous safety training courses to employees and managers.
- Conducted job hazard analyses, personal protective equipment assessments, equipment inspections, ergonomic surveys, safety audits, annual asbestos surveys, and some mishap investigations.

Daily support requirements keep the four safety people currently in the Safety and Environmental Division fully employed. Existing staffing levels within the Division and across the jurisdictions do not provide resources to implement the forthcoming safety programs and therefore, the AOC has begun action to hire now to achieve the fiscal year 2002 staffing levels as soon as possible.

### *III. Recycling*

The goals of the recycling program are to: (1) provide recycling opportunities across the Capitol complex; (2) provide high levels of customer service; and, (3) minimize solid waste disposal.

The Safety and Environmental Division coordinates the Recycling program, administers the contract for collection, and provides oversight and consultation services. Additional emphasis was provided to the AOC Recycling program in fiscal year 2001 by creation of a GS-13 Recycling Manager position to coordinate campus wide recycling effort. Jurisdictional personnel are responsible for the daily coordination and pick-up of recycle associated with their buildings.

The House Office Buildings is in the process of making significant modifications to its Office Waste Recycling Program. A Recycling Program Manager and Recycling Assistant have been with the program since October and January, respectively, and

a crew to remove recyclables from the offices is in the process of being hired. Currently, eight are on board and being trained; twelve additional employees, including two supervisors, are planned to complete the group. Their uniforms will clearly indicate that they are member of the recycling team.

The modified program for the offices focuses on being more “user friendly” so that participants may easily separate their recycling into the prescribed categories and keep wet waste, such as food and Styrofoam, out of the paper. Some of the planned changes include updated brochures, staff flexibility in choosing container placement, label and container color coding and training. Seminars describing the changes have been conducted and implementation of the program has begun.

During the recent moves, large quantities of high grade paper were recycled, and binders, folders and other office supplies were collected and provided for reuse. The House side of the Capitol will also follow this program and are currently reviewing the possibility of having separate crews for waste removal and office cleaning activities.

The Senate filled the Recycling Program Manager position in November 2000. In response to a request from the Rules Committee, our new staff member has been preparing a report assessing the current program and reviewing options for improvement. As included in the 2001 Senate Appropriations Bill, a major goal is to develop a stronger program that leads to less contamination, thereby reducing the amount of material being landfilled and generating additional income for the Senate. Conducting monthly training seminars to educate the staff on how to recycle properly along with preparing short informational recycling segments that may be broadcast by the Senate Recording Studio on the Senate cable system is also planned.

PAPER RECYCLING SUMMARY TABLE, FISCAL YEAR 2000 (10/1/99–9/30/00)

Bldg.	Fiscal year 2000 Tons					Total/building	Amount earned
	1 High grade	2 Mixed grade <sup>1</sup>	3 News-paper	4 Cor-rugated board	Contami-nated <sup>2</sup> (No value)		
RHOB .....	31.481	110.484	128.905	1.233	825.616	1,097.719	\$18,410
CHOB <sup>1</sup> .....	9.905	41.558	41.710	0.895	645.688	739.756	6,000
HSOB <sup>3</sup> .....		162.308	2.560	2.850	522.095	689.813	7,850
<b>Total</b> .....	<b>41.386</b>	<b>314.350</b>	<b>173.175</b>	<b>4.978</b>	<b>1,993.399</b>	<b>2,527.288</b>	<b>32,260</b>

<sup>1</sup> Includes all paper collected from the Capitol, House side.

<sup>2</sup> Recyclables mixed with levels of unacceptable material (e.g. food, Styrofoam Containers) above amounts allowed under our GSA contract. Though no funds are received for this category, our contractor does separate and recycle from 75 percent –90 percent of the material. The remainder is landfilled at the contractor’s expense.

<sup>3</sup> Includes high grade paper collected from the Capitol, Senate side.

The General Services Administration (GSA), which administers the recycling contract, credits the AOC with the amount earned from recycling. In the past, funds received from GSA were deposited in the U.S. Treasury. For fiscal year 2000, this procedure was continued for the House Office Buildings; receipts attributed to the Senate Office Buildings were deposited into a fund for the Senate Health and Fitness Facility.

For more information on GSA’s recycling program, refer to the website: [ncr.gsa.gov/recycle](http://ncr.gsa.gov/recycle)—click on “recycling data for an agency.” Code for RHOB is 000501; for Cannon 000502; for Hart 011301.

#### IV. Environmental Safety

The goals of the environmental program are: (1) to provide a safe and healthful environment for workers, visitors, and neighbors at the U.S. Capitol complex; (2) to be in compliance with EPA and District of Columbia standards as required by law; and, (3) to be a good steward of the environment.

Focus by the Safety and Environmental Division has been on safety related actions due to staffing limitations. The development of the Environmental Program and the analysis and survey requirements of the Environmental Protection Agency laws and regulations has not begun due to difficulties filling the environmental engineer vacancy—the demand for these individuals is high and the AOC’s inability to offer relocation compensation further limits the candidate pool. Filling the environmental engineer position remains a top priority as attention must be given to environmental matters. Non-compliance with Environmental laws and regulations can subject the Agency to citations and monetary fines. Enforcement by the EPA and the District of Columbia thus far has been limited. Announcement in June of

1999 of a response deadline for submittal of a CERCLA Preliminary Assessment indicates EPA's intention to begin a closer look at Capitol Hill Programs. A baseline environmental survey conducted in 1999 identified numerous program areas requiring review and development. Issues such as waste water discharge permitting, Spill Prevention, Control, and Countermeasures Plans, inventory of chemicals and storage areas, and secondary containment issues were identified. Additional contractor support money has been requested (see: Capitol Buildings Salaries and Expenses Operating Budget Life Safety Operations and Maintenance section) to begin the detailed program review and development associated with all aspects of the Environmental Program.

Full funding is requested to ensure compliance with environmental regulations. Traditionally, compliance with environmental regulations has been the most significant cost aspect of meeting life, health, and environmental safety needs. As programmatic requirements are defined and future compliance needs made more clear, the AOC will request the resources necessary to assure that the agency meets environmental regulations.

*V. Summary*

To meet the AOC Fire Safety, Occupational Health and Safety, Recycling, and Environmental goals, resources are required to develop and implement programs and policies at the Agency and Jurisdictional levels. As mentioned earlier, the AOC is in the process of hiring to achieve needed fiscal year 2002 staffing levels as soon as possible. Thirteen (13) positions (9 jurisdictional, 3 within the Fire Marshal Division and one in the Safety and Environmental Division) are being added to better enable the AOC to develop and implement fire, occupational, and environmental safety programs and make necessary facility upgrades to comply with fire and building codes. Thirty (30) projects totaling over \$14.5 million are requested under the Life Safety Category to address identified fire and/or occupational safety deficiencies across the Capitol Complex. An additional \$362,000 is being requested (see: Capitol Buildings Salaries and Expenses Operating Budget Life Safety Operations and Maintenance section) to cover needed environmental contractor services as well as increases in cost of fire safety and occupational safety and health program management.

ATTACHMENT I—JURISDICTION SPECIFIC FIRE SAFETY ACCOMPLISHMENTS

SENATE OFFICE BUILDINGS

*Senate Wide:*

NFPA compliant inspection and maintenance of kitchen hood suppression systems implemented.

Elevator fire service recall upgrades being worked as elevator projects are performed.

ADA Fire alarm system upgrades underway.

Installation	Percent complete	Comment
Russell: <sup>1</sup>		
Fire alarm system .....	80	Construction in progress for remainder, 2001 completion.
Sprinkler system .....	80	Construction in progress for remainder, 2001 completion.
Fire pump .....	100	
Exit signs .....	100	In public areas.
Exit door panic hardware .....	95	
Fire alarm electrical locks .....	95	
Committee Room door swings .....	75	Doors to be fabricated.
Dirksen:		
Fire alarm system .....	85	Occupied areas to be complete in 2001. Construction ongoing through Jan 2003.
Sprinkler system .....	85	Occupied areas to be complete in 2001. Construction ongoing through Jan 2003.
Fire pump .....	100	
Exit signs .....	100	In public areas.
Exit door panic hardware .....	100	
Fire alarm electrical locks .....	95	
Committee Room door swings .....	90	Hardware on order.

Installation	Percent complete	Comment
Hart:		
Fire alarm system .....	100	Interim control panel & duct smoke detectors have being installed. New design in fiscal year 2001, construction in fiscal year 2003. Sprinkler system 90 mechanical room design & construction to be complete.
Fire pump .....	100	
Exit signs .....	100	In public areas.
Exit door panic hardware .....	100	
Fire alarm electrical locks .....	80	
9th floor door swings .....	100	Corrected.

<sup>1</sup> Revolving door designs completed, construction contract awarded.

LIBRARY OF CONGRESS BUILDINGS

*LOC Wide:*

New kitchen hood suppression systems installed.

Installation	Percent complete	Comment
Thomas Jefferson Building:		
Fire alarm system .....	100	Tested. Certification scheduled May 2001.
Sprinkler system .....	95	Everywhere except Main Reading Room and other areas (to have performance based analysis of smoke control and other measures).
Fire pump .....	100	
Exit signs .....	100	Throughout building.
Elevator recall .....	100	Programming in fiscal year 2001.
John Adams Building:		
Fire alarm system .....	100	Tested. Certification scheduled for May 2001.
Sprinkler system .....	98	Telephone & electric closets remain.
Fire pump .....	100	
Exit signs .....	99	Entire building to be completed May 2001.
Elevator recall .....	100	Programming in fiscal year 2001.
James Madison Building:		
Fire alarm system .....	100	Testing and certification to be completed June 2001.
Sprinkler system .....	90	Task order issued for remainder design to be completed May 2001. Construction funds to be requested in fiscal year 2003.
Fire pump .....	100	
Exit signs .....	99	Entire building to be completed July 2001.
Elevator recall .....	100	Operational.
Electric switchgear .....	25	Remaining 3 switchgears to be replaced end fiscal year 2001 and beginning fiscal year 2002.
U.S. CAPITOL:		
Fire alarm system .....	60	Systems in place are tested & certified. Remaining installation on-going.
Sprinkler system .....	25	Construction documents scheduled October 2002.
Fire pump .....	100	
Exit signs .....	35	Main corridors & egress doors installed. Building-wide study completed.
Elevator recall .....	80	Installation on-going.
Egress Doors .....	60	9 of 15 completed. Remaining designs completed. Construction funds to be requested. Coordination with CVC project required.

HOUSE OFFICE BUILDINGS

*House wide:*

Omega sprinkler head replacement completed in all HOB.

Firefighter telephones installed and operational in all HOB.

New kitchen hood suppression systems installed (Cannon, Longworth, Ford, and Rayburn pizza kitchen, remaining Rayburn kitchen installation planned as part of renovation.)

Door fire rating survey completed, corrections underway.

Elevator fire service recall upgrades being worked as elevator projects are performed.

Installation	Percent complete	Comment
Cannon: <sup>1</sup>		
Fire alarm system .....	95	Survey task order to be issued May 2001.
Sprinkler system .....	90	Design to be complete June 2001.
Exit signs .....	100	In public areas.
Longworth: <sup>1</sup>		
Fire alarm system .....	95	Basement & sub-basement installed as renovation are performed.
Sprinkler system .....	<sup>2</sup> 90	Design task order issued for remainder.
Fire pump .....	100	
Exit signs .....	100	In public areas.
Rayburn:		
Fire alarm system .....	100	Smoke detectors installed and certified.
Sprinkler system .....	20	Garage, sub-basement, and portions of building covered, remainder scheduled through 2002.
Exit signs .....	100	In public areas.
O'Neill (Intend to abandon occupancy in/by fiscal year 2002):		
Fire alarm system .....	.....	Existing system not compliant, scope review May 2001.
Sprinkler system .....	100	
Exit signs .....	100	
Ford:		
Fire alarm system .....	100	Installed and certified.
Sprinkler system .....	95	Design task order issued for remainder (elevator shafts, machine rooms, etc.); new fire pump test header installed.
Exit signs .....	100	In public areas.

<sup>1</sup>Revolving door designs completed.

<sup>2</sup>Over.

APPENDIX B—AOC HUMAN RESOURCES ACT OF 1995 ACHIEVEMENTS

I. INTRODUCTION

The United States Congress passed the AOC Human Resources Act of 1995 in the Fiscal Year 1995 Legislative Branch Appropriations Act, Public Law 103–283, approved July 22, 1994. The law required that the AOC develop a human resources management program consistent with modern practices common to federal and private sector programs.

II. HUMAN RESOURCES PROGRAM FOCUS

The Human Resources Management Division (HRMD) has made the following areas priorities: Customer service delivery; Program/policy development; Service delivery systems re-engineering; and Personnel action and operational processing simplification.

In order to accomplish these priorities, as well as the daily human resource operational requirements, HRMD has, as a team, formed relationships across branches and functions to address these new challenges. The following information outlines HRMD's progress in the last year and identifies new directions for the coming year.

III. PROGRAM GUIDANCE COMPLETED

AOC's Human Resources Management Division has dedicated this past year to meeting the needs of AOC customers while providing timely, customer-focused programs and services. Human Resources is a proactive partner and resource in advancing the AOC mission of being an innovative and efficient team committed to service excellence and to preserving, maintaining and enhancing the national treasures entrusted to our care.

During 2000, HRMD devoted time and resources to meeting its daily operational goals, as well as its strategic goals, for improved customer service delivery, development and retooling of programs and policies, and re-engineering of program support services and personnel action processing. Building upon the accomplishments of the previous year, HRMD finished several projects for the agency and its employees over the last year.

In the area of development of programs and policies, HRMD accomplished the following:

*Performance Communication and Evaluation System (PCES).*—Developed and implemented a new performance management system. HRMD rolled out the implementation of the PCES by conducting training sessions on the new system for all AOC non-bargaining unit employees. Through supervisor and employee briefings, the plans are being implemented in each jurisdiction. All jurisdictions will be under PCES by June, 2001.

In support of the new PCES, HRMD developed training objectives and provided for an on-site course entitled Performance Coaching and Counseling. The training was mandatory for all executives, managers, supervisors, foremen and assistants who are PCES rating or reviewing officials. The training was designed to assist participants in: planning a successful PCES coaching and counseling session; confidently selecting and exercising coaching and counseling skills; identifying their personal conflict management style, alternate styles, and style effect on others; using active listening and effective feedback skills to resolve conflict and constructively motivate employees; and, discussing overall AOC disciplinary procedures and knowing when and where to go for assistance.

*Discipline Process—Awarded a New Hearing Officer Contract.*—In an effort to eliminate concerns that individual hearing officers were being hired specifically by the management structure at the AOC, HRMD procured the services of an outside vendor that would provide a number of highly qualified individuals to serve as hearing officials in discipline appeals. The contractor will provide a pool of at least five individuals to serve as hearing officials with the goal of adding yet another measure of impartiality to ensure that all AOC employees are given fair and just due process.

*Awards Program.*—A comprehensive awards program was established with provisions for both honorary, monetary, and performance recognition. Incorporating the agency's commitment to service excellence, professionalism, creativity, and teamwork, AOC's program recognizes performance, productivity, and exceptional employee contributions and serves as an incentive system toward fulfilling our mission. All employees were provided information about the new program and received a copy of the new policy. Attendance by fellow AOC employees has increased substantially at the quarterly service award ceremonies. AOC employees are honored by the recognition and they have expressed that they look forward to future ceremonies.

*Transportation Benefit Program.*—In January 2001, HRMD assumed program responsibility and revamped the AOC Transportation Benefit program. AOC employees can receive both a direct benefit and a pretax benefit to help offset commuting expenses. The previous \$21 Metrochek and Bus Token benefit was increased to \$44, and employees may elect to exclude for federal and state taxes up to an additional \$21 of their gross income. Over 400 employees participate in the transportation benefit program.

*Employee Safety and Protection.*—In collaboration with the AOC Health and Safety Office, HRMD has been actively addressing employee safety and protection in the workplace by assisting with the development and implementation of Safety Committees within each jurisdiction. We are also working with the Health & Safety Office to develop program and policy guidance to address other health and safety issues to further support AOC health and safety training initiatives.

*Workers' Compensation Program.*—HRMD provided assistance in implementing the Architect's plan for making safety a top priority at AOC. With a 77 percent hourly (blue collar) workforce, including trades that traditionally have among the highest accident rates, HRMD initiated an aggressive agenda to strategically work with senior management and the Life and Safety Office to focus on cause and prevention of work-related injuries and illnesses. Determined to implement effective change, HRMD assisted management in developing a plan of action for successfully integrating safety in AOC's daily work activities. The plan includes:

- Analyzing injury trends and data to determine appropriate efforts needed to effectively address the Department of Labor's five year plan to reduce occurrences of injuries/illnesses and lost production days.
- Developing new policies and procedures for using Safety Committees in the jurisdictions to support the advancement of safety, health, and environmental programs. This includes recognizing and reducing hazards in the workplace and performing mishap investigations, as well as development of a back safety awareness program that includes training on proper lifting techniques.
- Review of the current AOC Personal Protective Equipment (PPE) policies and procedures to ensure they are being properly implemented within OSHA's health and safety standards. We recommended written guidelines to managers and supervisors on enforcing these procedures and an internal system for properly evaluating the program AOC-wide.



HRMD will continue to develop specific initiatives, in conjunction with the AOC Health and Safety Office and with the Attending Physician's Office, to systematically address each aspect of workers' compensation, to provide for a proactive return to work program, improved approaches to deal with repetitive injuries, and to aggressively pursue cases of potential fraudulent claims. Additional work was completed by developing new methods to perform job safety analysis of AOC work stations, targeting areas with the highest incident rates, and providing statistical injury data reports to mid-level managers and front-line supervisors to identify and evaluate injury trends in the AOC. Increased support was provided to front-line supervisors in the safety, health and workers' compensation process by providing comprehensive written guidelines to initiate aggressive action to investigate possible fraudulent claims.

Throughout 2000, HRMD completed a review of 400 workers' compensation claims, implemented 18 corrective actions, returned 106 employees to work in limited duty work assignments, and returned 23 employees to full duty from the short-term periodic rolls. The OWCP staff conducted briefings for managers, supervisors and field coordinators on the proper administration of the Federal Employees Compensation Act.

*Premium Conversion for FEHB.*—In the Fall of 2000, the Architect received approval from the Office of Personnel Management to implement the federal government's pre-tax option for Federal Health Benefits premiums. HR Bulletin 2000-3 was mailed to all employees announcing this new benefit option which reduces their taxable income and increases their net pay.

*Pilot Alternative Workplace Program.*—As part of the agency's efforts to assist employees in managing their work and personal life activities, HRMD implemented a pilot alternative workplace program. This flexibility can permit managers or employees, who are experiencing medical difficulties, to work at their place of residence during a defined work period. The pilot policy contains specific eligibility criteria and procedures for managers and employees alike to follow during the alternative workplace assignment.

*AOC HR Manual.*—During the past year, the Human Resources Management Division completed its review of HR policies, procedures, guides and memorandum and issued the first Human Resources Manual for all managers and supervisors. The manual contains all current and relevant policy and guidance helpful in managing the agency's human resources. As part of its efforts to continue its outreach efforts, HRMD attended jurisdictional supervisor meetings and distributed the manuals to each supervisor. In addition, all AOC employees received a memo from the Architect announcing the HR manual and letting them know that the policies and procedures are available for their use.

*Payroll Services.*—As part of HRMD's continuous improvement initiatives and commitment to excellence in customer service delivery, a payroll services group was established to increase customer satisfaction, provide direct responsive problem resolution, and identify system/process procedures impacting AOC's ability to pay all employees accurately and timely. The payroll services group has begun administrative preparation for the implementation of an automated System for Time and Attendance (STAR).

*Staffing and Recruitment.*—Due to the high volume of staffing and recruiting work in the AOC, HRMD implemented streamlined procedures for the Career Staffing Policy in July 2000. The changes provided greater efficiency in hiring procedures. HRMD also streamlined audit procedures for accretion of duties promotions based on the nature of the action.

*Customer Communications.*—As part of HRMD's continuous improvement initiatives and commitment to excellence in customer service delivery, HR developed a Personnel Action Status Report to inform customers of HR progress towards completing requested actions. To further improve communications on the status of personnel actions, the HR staff also initiated a series of regular meetings with Jurisdictional Managers to discuss the on-going status of actions in-process. During these meetings management identifies their staffing priorities. In turn, HR provides possible recruitment strategies that will result in the timely filling of vacancies and the processing of routine staffing actions.

*Retirement and Benefits Form Automation.*—HRMD completed an upgrade in the processing of retirement and benefits forms. As part of the counseling process, staff can better assist employees by completing forms on-line and presenting various benefit options using computer modules that help employees make better decisions about their financial future.

*Benefits Information via Web.*—HRMD established a computer site for employees to use in accessing various federal benefits related web sites. Information is readily accessible and provides employees with immediate access to their benefits informa-

tion to help them make more informed decisions. Future plans include providing electronic kiosks to jurisdictions whose workforce does not regularly use a computer as part of their daily work life.

*Employee Personal Page.*—HRMD offered employees the opportunity to view their personal payroll and benefits-related information via an employee's personal web page. Information for current pay periods, as well as previous pay periods, is available via computer. Federal tax documents, e.g. W-2, are also available for the past two tax years.

*FEGLI Open Season.*—HRMD implemented an open season enrollment for Federal Employees' Group Life Insurance. This opportunity was communicated to all employees in the Spring of 1999 with more than 300 employees either enrolling or increasing their life insurance coverage which became effective April, 2000.

*Child Equity Implementation.*—Implemented procedures for processing court orders to ensure that children of employees are covered under the Federal Employees Health Benefits program. This new requirement makes mandatory self and family coverage for FEHB-eligible employees who do not comply with a court or administrative order to provide health benefits for their children.

*Human Resources Newsletter.*—Publishing a Human Resources Newsletter, Employee Matters, as part of the AOC Shoptalk. The newsletter provides AOC employees with current Human Resources information, program initiatives, upcoming events, training information, etc.

*CFC Campaign.*—This year's successful campaign reflected a 4 percent increase in giving and a 44 percent increase in participation. Seventy-three AOC employees contributed \$18,765.32, coming very close to the Agency goal of \$18,785.10.

*Employee Guidance.*—Additional communication efforts resulted in the following:

- Issuance of the 2000–2001 Adverse Weather Policy to advise employees of procedures for reporting to work during an adverse weather emergency.
- A “Tools of the Trade on Work and Leave Status During Adverse Weather Emergencies” to provide guidance on an employee's work and leave status during adverse weather emergencies in the Washington, DC area.
- Issuance of the brochure “Internal Investigation Interviews” to inform employees of their role in an official Agency investigation.
- Issuance of the Administrative Hearing Guide for AOC employees to inform employees of the process and procedures for conducting disciplinary hearings.

*Training and Employee Development.*—In the training and employee development area, HRMD approved and processed approximately 5,479 individual training requests. Of the approximately 93 training opportunities offered to employees during the year, 62 courses supported the competencies (i.e. communication skills, interpersonal skills, basic leadership skills, self-direction, strategic planning, program management, advanced leadership skills, critical thinking skills, strategic vision, and external awareness) identified in the AOC Leadership Development Program. Following are some of the actual courses offered: Coaching Skills For Managers and Supervisors; Team Building and Problem Solving; Analyzing and Resolving Conflict; Custodial and Laborer Supervisory Training; Effective Communication; How to Plan and Conduct Effective Meetings. In addition to supervisory training, safety training focused on topics such as: asbestos; truck lift safety; confined space; personal protective equipment; blood borne pathogens; fall protection. Adult literacy, as well as various technical training and computer training opportunities, also were offered.

*Enhancing Supervisory Skills Workshop.*—With the assistance of a training consultant, we developed and administered this workshop for all AOC supervisors. The mandatory three-day training session addressed numerous topics with a focus on refreshing and enhancing supervisory skills. This workshop was the first of what will be a series of training opportunities aimed at improving the management and supervisory skills of AOC executives, managers, supervisors, foremen and assistant foremen. Major components of this workshop included segments to: enhance communications with employees; provide basic skills and the tools to effectively and promptly address conduct and discipline issues; address methods for providing positive reinforcement to staff; and, allowed an open discussion and review of pressing problems/issues. Additional supervisory core courses were also offered: Quality Assurance for Supervisors; Sexual Harassment; EEO; and Violence in the Workplace.

*Architect's Mobility Program (AMP).*—AOC's AMP program was designed to provide career growth opportunities for employees in lower-graded, career-limiting positions. Based on a competitive process, 11 AOC employees were selected to begin the program in fiscal year 2000. Of those participating, two carpentry helper trainees have been promoted from WG-2 to WG-5; one electrical helper trainee was promoted from WG-2 to WG-5; and, one painter helper trainee was promoted from WG-2 to WG-5.

*Organizational Management and Analysis.*—From an organizational perspective, HRMD managed the reorganization process for the following:

- The Office of the Executive Officer was reorganized to provide an agency-wide focus on safety, occupational health, and fire protection. A major aspect of the AOC's strategy is to staff positions in each major organization to coordinate jurisdictional implementation of the various safety and fire protection initiatives.
- U.S. Senate Restaurants were reorganized to streamline business operations by combining a number of minimally staffed organizational entities and to provide more clarity in reporting relationships between employees, supervisors, and management.

*Records Management.*—HRMD completed its records retention schedule regarding the information AOC organizations currently maintain about the employment and conduct of individual employees. Individual supervisors and managers may find it convenient to maintain unofficial personnel records containing information about their employees for purposes of initiating personnel actions, tracking leave usage, and recommending discipline. The information maintained might duplicate some of that in the employee's Official Personnel Folder, but may include copies of additional material such as employee's counseling, incident reports, and supervisory notes. In order to provide consistency in the content and manner in which employee information is kept, HRMD developed guidelines to govern what documentation may and may not be maintained, as well as general information on employees' rights to review.

#### IV. CURRENT HUMAN RESOURCES INITIATIVES

The following is a brief summary of current HRMD initiatives:

*Leave Administration.*—Guidance and instructions being used by the various jurisdictions are being collected in an effort to assess how leave is administered across the AOC. We plan to develop standard policies and procedures for handling the various aspects of leave administration including:

- Process for requesting and approving leave (annual, sick, without pay, etc.).
- Process for annotating and documenting tardiness.
- Process for annotating, documenting and initiating action to address AWOL situations.

*Conduct and Discipline Policy.*—HRMD is reviewing the current conduct and discipline policy in an effort to streamline the processing of disciplinary actions to ensure that AOC employees are afforded due process in a timely manner. HRMD will look into the appropriate delegation of authority levels as well as developing a more comprehensive table of penalties guide.

*A Comprehensive Wage and Pay Administration and Hours of Duty Policy.*—In addition to current work efforts on the AOC's Pay Flexibilities Policy, HRMD is developing a more uniform and comprehensive way of addressing wage and pay matters, to cover holiday pay, overtime, tours of duty, etc. This effort will standardize pay administration and work scheduling across the agency and provide clear operating guidelines for AOC supervisors to follow.

*Employee Handbook.*—As a follow to the HR Manual provided for all AOC managers and supervisors, AOC employees, both current and incoming, will soon receive a comprehensive handbook outlining employee responsibilities, benefit programs and employment related information, etc.

*Customer Communications.*—HRMD's Personnel Action Status Report is now available for all users of the AOC computer network. Access has been provided to jurisdictional personnel to read and print information concerning personnel actions in-process. To further improve communications on the status of personnel actions, the HR staff also conduct regular meetings with Jurisdictional Managers to discuss the on-going status of actions in-process. During these meetings management identifies their staffing priorities. In turn, HR provides possible recruitment strategies that will result in the timely filling of vacancies and the processing of routine staffing actions.

*Payroll Services.*—The newly formed Payroll Services Group is preparing for the implementation of the Automated System for Time and Attendance (STAR). A cross jurisdictional work group has formed and is benchmarking other federal organizations who have completed the transition. Implementation of the web based time and attendance system is anticipated in the next several months.

*Organizational Management Analysis.*—HRMD is currently managing the reorganization process for the following:

- Finalizing the reorganization of the functions reporting to the Executive Officer for Facilities Management. This organization's focus has been broadened and re-

directed to place greater emphasis on facilities management along with safety, occupational health, fire prevention, and quality assurance.

- House Office Buildings, Refrigeration & Air Conditioning Division, and Pipe-fitting—Plumbing Division have been combined to create a new Mechanical Systems Division. The basis for the merger is the elimination of duplicate workload and streamlining of processes, such as maintaining two inventory processes and duplication of tools and equipment. Further, the merger combines single trade functions to create maintenance mechanics performing multiple trades work.
- Human Resources Management Information System—Based on program and management needs, research is needed to actively pursue modernization of HR information management systems. The lack of an automated system results in very labor intensive efforts on behalf of Agency managers, administrative staff, the HR staff, and the Information Resources Management staff in completing day-to-day business transactions. An automated system would not only greatly reduce the necessary paperwork, but would also reduce the processing time for personnel actions and would facilitate generation of necessary Agency and Oversight Committees' reports. Such a system would be able to provide for: on-demand, accurate, management reports for program analysis; processing of personnel actions; personnel forms; position classification process; simple, protected, employee access to their personal pay, benefits, retirement, insurance, and other employment related information.

Our organizational goal is to be more responsive in meeting the needs of our AOC customers, and provide timely, cost-effective HR services. We envision Human Resources as a proactive partner and resource in advancing the AOC mission of being an innovative and efficient team dedicated to service excellence and to preserving, maintaining and enhancing the national treasures entrusted to our care.

#### APPENDIX C—INITIATIVES FOR SECURITY ENHANCEMENTS

##### EXECUTIVE SUMMARY

The Architect of the Capitol, through its jurisdictional superintendents' operations, has been providing ongoing support for the U.S. Capitol Police by installing power, conduit, electric locks and oversight of the USCP electrical contractors. This work will continue until the projected project completion April 1, 2002. To facilitate and improve this oversight, as well as to improve coordination on the many security issues related to infrastructure projects, the AOC appointed a Security Officer, under direction of the Assistant Architect of the Capitol, to provide coordination, liaison and technical guidance to the AOC relating to the USCP security enhancements and ongoing security projects planned or in progress for the Capitol complex.

In fiscal year 2001, contracts were issued for the installation of security bollards and vehicle barriers to provide security for the U.S. Senate Office Buildings and staff parking areas, as well as the Capitol Square project to install security bollards and vehicle barriers around the entire U.S. Capitol grounds, to prevent unauthorized vehicular access to the grounds.

##### *I. Senate Perimeter Security*

The Senate Perimeter Security project contract was awarded in November 2000, with work commencing in March 2001. This project provides for the installation of security barriers, bollards, security booths and electronic security systems to provide a secure area for parking on C Street from New Jersey Ave NW to 2nd Street NE, and on Delaware Avenue from Constitution Avenue to D Street. The work, performed in four phases, is projected for completion in January 2002.

##### *II. Portal Security Installation*

Based on the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, (Public Law 105–277) security screening equipment and support security enhancement systems for USCP personnel were planned for installation at all portals used by staff and the public. To support this effort, egress studies were performed to identify safety issues and the 48 portals identified as requiring security systems enhancements. As of March 6, 2001, 25 portals have been cleared for installation and work has commenced. AOC is supporting the installation of infrastructure (conduit, power, floor boxes) for this project.

##### *III. Infrastructure Installation Support*

The USCP have an extensive security enhancement installation project in progress. This consists in part of the installation of intrusion alarms on building perimeters, card access on restricted areas, and video assessment. The AOC is providing support for these installations throughout the Capitol complex. This support

consists of conduit, power, door hardware and lock installation, and support is provided as required to support the USCP and/or their security or electrical contractor.

#### *IV. Capitol Square Security*

The Capitol Square Security project contract was awarded March 2001 and work has commenced. This project provides for the installation of security barriers, bollards and electronic security systems to provide a secure area within the Capitol Grounds from 1st Street NW/SW, 1st Street NE/SE, North Drive, and South Drive.

### APPENDIX D—INITIATIVES REGARDING THE CONGRESSIONAL ACCOUNTABILITY ACT

#### INTRODUCTION

The Congressional Accountability Act of 1995 (CAA) affords all AOC employees a process by which to present allegations, including issues of unlawful discrimination and retaliation, to the Office of Compliance (OC). After the mediation period ends, employees may go directly to federal district court without exhausting any administrative remedies. In addition, in safety and health and other cases, the law gives the OC General Counsel investigatory powers, including the ongoing responsibility to conduct periodic, complex-wide inspections to report on work practices and working conditions in facilities under the jurisdiction of the AOC.

#### *I. Employment Rights Cases*

An employee who wants to charge the AOC with violations of the CAA must first request counseling and mediation from the Office of Compliance. Anyone who wishes to file such requests need not detail, or prove, any allegations during the formal counseling, mediation, or before initiating formal litigation. At mediation, the AOC must respond to any matters, including discrimination, retaliation issues, or other workplace matters, regardless of the legal merits of claims. The CAA and the OC procedural rules require that all mediation and formal hearing proceedings are strictly confidential.

After the mediation period, the employee or a designated representative may initiate the litigation process by filing a formal complaint in the Office of Compliance or a civil action in federal district court. (The CAA requires that mediations and any formal complaint cases before an OC hearing officer are to be kept confidential. By contrast, CAA civil actions in federal court, which are subject to court rules, are generally public proceedings.) Currently, active cases include four (4) federal appeals and 17 district court cases. In the two (2) appeals court cases and the 22 district court cases in which courts have ruled, the courts' decisions have been in favor of the AOC, including dismissals or withdrawals of employee allegations.

#### *II. Occupational Safety and Health Provisions of the CAA*

Section 215 of the CAA directs the OC General Counsel to inspect any area or activity within the jurisdiction of employing offices, including all of the facilities within the AOC's jurisdiction with respect to compliance with occupational safety and health (OSH) standards. In the four years since the enactment of the CAA, the Office of Compliance has not issued occupational safety and health (OSH) standards, as directed by the law.

The OC General Counsel conducts inspections of all such locations at least once every Congress, but also at any time when an employee or an employee representative requests an inspection. These requested inspections may be narrowly focused on one location or activity or involve facilities and activities across Capitol Hill, such as the ongoing fire safety inspections of buildings under AOC jurisdiction, which are mentioned in Appendix A.

The CAA empowers the General Counsel to issue a citation that alleges that a violation of Section 215 of the CAA has occurred. The issuance of an OC citation by itself does not establish that a violation of safety and health standards has in fact occurred. To do that, the General Counsel must issue a complaint against the AOC. An independent hearing officer would then hear the complaint allegations. At that time the OC General Counsel and the AOC would each present their positions as to what standards apply and whether the facilities or work practices at issue are (or are not) in compliance with the applicable standards. The hearing officer would issue a decision, which may be appealed to the OC Board of Directors, with review by the Federal Circuit Court of Appeals.

To date, the General Counsel has not issued any complaints concerning any safety and health issue. In addition, when the General Counsel has issued citations, the AOC has responded promptly to correct the condition or, if an immediate correction is not feasible, to outline a plan of action to achieve a correction within a reasonable period.

In December 2000, the OC General Counsel reported on the periodic inspections of the Capitol Hill complex and other facilities, concentrating on fire safety issues. The report notes significant improvements and reports additional findings that may need to be addressed. In addition, during calendar year 2000, ten (10) requests for inspection were filed by employees or unions. In all of these cases, the AOC worked closely with the OC General Counsel to address any and all safety and health issues that called for a response.

In those cases where additional funds are required to address safety and health issues, the AOC develops plans of correction for the future and requests the necessary funds to correct the problems. For example, where a citation issued concerning the structural aspects of the Capitol Power Plant utility tunnels, the AOC notified the OC of the immediate reduction in the time that employees spend in the area, the retention of a structural engineering firm to develop repair procedures, and of budget requests for the resources needed for a permanent fix. Similarly, in the area of fire safety, the AOC has developed a multi-faceted plan of action to address the issues that the Office of Compliance highlighted in their reports during the last 12 months. See Appendix A for more detail on these measures to enhance fire safety.

#### APPENDIX E—INITIATIVES IN LABOR-MANAGEMENT RELATIONS

##### INTRODUCTION

Provisions under the Congressional Accountability Act, Public Law 104-1 (CAA), afford all eligible Architect of the Capitol (AOC) employees the right to choose an exclusive representative to engage in collective bargaining with the AOC. Since the CAA's passage, eight different groups of AOC employees have exercised this right. Six unions represent laborers, custodians, nonskilled workers and Davis Bacon employees in various trades.

##### *I. Formation of Bargaining Units*

In August 1997, the first bargaining unit at the AOC was established. Approximately 600 laborers, custodians and other occupations were organized by AFSCME Council 26, Local 626, which was certified by the Office of Compliance (OC) as the first exclusive bargaining agent for AOC employees.

In November 1998, AFSCME Council 26, Local 626 was certified by the Office of Compliance as the exclusive representative for a unit of production and maintenance employees at the United States Botanic Garden.

On January 13, 1999, Plumbers Local Union No. 5, United Association of Journeymen and Apprentices et al. was certified as the exclusive bargaining agent, by the Office of Compliance, for a unit of plumbers employed by the AOC's Construction Management Division.

On August 17, 1999, the International Brotherhood of Electrical Workers, Local 26 was certified by the Office of Compliance as the exclusive bargaining agent for a unit of electricians employed by the AOC's Construction Management Division.

On October 14, 1999, AFSCME Council 26, Local 626 was certified by the Office of Compliance as the exclusive representative of laborers and coal loaders at the Capitol Power Plant. This is an addition to the existing unit consisting of other laborers and custodial workers in the House and Senate Office Buildings and the Capitol.

On October 16, 1999, Sheet Metal Workers' International Association, Local Union No. 100 was certified by the Office of Compliance as the exclusive representative of sheet metal workers employed by the Construction Management Division of the AOC.

On November 15, 1999, the Washington, D.C. Regional Council of Carpenters, United Brotherhood of Carpenters and Joiners of America was certified by the Office of Compliance as the exclusive representative of carpenters employed by the Construction Management Division of the AOC.

On May 12, 2000, the Bricklayers & Allied Craftworkers Local No. 1, MD, VA & DC (Stonemasons Local No. 1) was certified by the Office of Compliance as the exclusive representative of all stonemasons who are paid in accordance with the Davis-Bacon Act, and who are employed by the Office of the Architect of the Capitol.

##### *II. Union Negotiations (Impact Bargaining)*

During the past four years, the AOC and its labor unions have negotiated twenty-one (21) Memoranda of Understanding, covering the following subjects: Time Clocks for Capitol Building Employees; Official Time and the Number of Designated Union Officials for the House, Senate and Capitol Bargaining Unit; Official Time and the Number of Designated Union Officials for the U. S. Botanic Gardens; Dues Deduc-

tion; Architect's Mobility Program; Overtime Assignments at the U.S. Botanic Gardens; Ground Rules for Master Contract Negotiations (AFSCME, IBEW Local 26 and Plumbers Local Union No. 5); Reassignments for House, Senate and Capitol Personnel; Buy-Out, Early Retirement; Transfer of Custodial Employees; Uniforms for U.S. Botanic Garden Employees; Uniforms for House Office Building Employees; Uniforms for Senate Office Building Employees; House Shift Changes; Safety Shoes; Transit Subsidy; Hiring Temporary Recycling Workers; and Reorganization—U.S. Botanic Gardens 2001.

### *III. Labor Relations Meetings and Negotiations*

The AOC has initiated or participated in labor-management meetings on the average of three to four times per month, during the past year, to discuss various issues including performance evaluations, back pay, health and safety, pension benefits for employees paid at the Davis-Bacon prevailing rate and who work with the AOC's Construction Management Division, discipline, affirmative employment and grievance procedures. On June 1, 2000, the Architect of the Capitol held its third reception for all of the labor unions representing AOC employees, in a continuing effort to forge more positive working relationships with the unions.

### *IV. Master Contract Negotiations*

Negotiations have commenced with all but two<sup>1</sup> of the Unions for an initial comprehensive Collective Bargaining Agreement.

- Collective bargaining between AFSCME Local 626 and the AOC began on July 21, 1999, to negotiate the first comprehensive master contract agreement between the AOC and a labor organization. Negotiations were postponed during the pending decision of a Negotiability Appeal. Three to four issues remain for completion of the contract.
- The AOC and Plumbers Local No. 5 began negotiations, for ground rules and a collective bargaining agreement, in November 2000. To date, the AOC and Plumbers Local No. 5 have met to negotiate five times, and have reached agreement on several key issues.
- The AOC and IBEW Local 26 began negotiations, for ground rules and a collective bargaining agreement, in September 2000. The parties have held nine bargaining sessions and continue to negotiate for an initial contract.
- The AOC and the Council of Carpenters held their first negotiation meeting on June 21, 2000. The AOC and the Union have met three times since the initial June meeting.
- Local Union No. 100, Sheet Metal Workers, submitted its initial proposal for a collective bargaining agreement to the AOC. The AOC, in turn, forwarded a response to the Union's proposal. A meeting was held with Union representatives on March 9, 2000, to discuss preliminary issues. No bargaining sessions have been scheduled.
- To date, no proposal has been received from the Bricklayers & Allied Craftworkers for an initial contract.

### *V. Allegations of Unfair Labor Practices*

During the past four years, 56 unfair labor practice charges were filed by various organizations representing AOC employees. To date, four unfair labor practice charges were filed against the various unions, on behalf of the AOC. Of the total unfair labor practice charges 29 were withdrawn, of which 12 were withdrawn based on settlements. One charge is still pending. Further, 30 of the unfair labor practice charges were ultimately dismissed due to either lack of basis, or insufficiency of evidence.

### *VI. Other Issues of Importance*

Over the past year, the Office of Compliance has considered and decided a Negotiability Appeal filed by AFSCME Local 626, concerning a Union proposal that the AOC was required to compensate employees for back pay, as authorized by an arbitrator in a grievance arbitration proceeding. The AOC contended that the proposal was nonnegotiable since the Back Pay Act does not include the AOC in its coverage, and no other similar provision in the Congressional Accountability Act would require the AOC to provide back pay.

The Office of Compliance dismissed the Appeal, finding that the payment of such compensatory awards would be included as part of the Settlement and Judgement Fund administered by the Office of Compliance, pursuant to Section 415(b) of the CAA.

<sup>1</sup>Bricklayers and Allied Craftworkers Local No. 1, MD, VA & DC, and the Sheet Metal Workers' International Association, Local Union No. 100.

The AOC is establishing an independent Office of Labor Relations & Collective Bargaining to report directly to the Architect.

In February 2001, AFSCME Local 626 elected new officials and members to its Executive Board.

Discussions are underway between AFSCME Local 626 and the AOC regarding the agency's affirmative employment program.

Quarterly updates on labor relations issues are reported in the AOC's "Shop Talk" publication.

#### APPENDIX F—STATUS OF SELECTED CAPITOL IMPROVEMENT PROJECTS

##### *Dirksen Senate Office Building Infrastructure Project*

This project involves the modernization of the building infrastructure systems in the Dirksen Senate Office Building while the structure continues to be occupied in all areas except those directly affected by carefully staged and preplanned construction activity.

The project includes a new electrical distribution system that will improve power quality, capacity and reliability; installation of a new telecommunications system; replacement and upgrade of the existing emergency generator; new cable trays and data rooms to facilitate recabling of the building; replacement of the heating, ventilation and air conditioning systems from the ground through the seventh floor to provide increased operating efficiency, controllability and reliability; new energy efficient lighting and ceiling systems in the office spaces as well as the corridors to provide improved lighting with decreased energy consumption; modern modular partition walls for the offices providing increased efficiencies in space layouts and enhanced appearance; expansion of the existing sprinkler system to provide building-wide sprinklered protection, including replacement of the fire pump for increased safety, property protection and code compliance. Additionally, the fire alarm system will be completed throughout the facility, the center core public bathrooms will be modernized to incorporate current ADA requirements, and revisions are being made to the wiring of the Committee Rooms to meet criteria established by the U.S. Capitol Police Physical Security Division.

The center core public restrooms on the 3rd, 4th, 5th and 6th floors have been completed and are now ADA compliant; the center core restrooms on the 1st and 2nd floors are scheduled to be completed and open to the public on July 1, 2001.

Phase I of the project will modernize the main mechanical and electrical systems located on the 7th and sub-basement floor levels. This phase will be completed by the end of fiscal year 2003. Phase II construction was planned in 14 separate and sequential 10-week phases, of which we are currently in the 12th phase. This phase of the project is on track to completion, on time and on budget, by the end of the year (December 2001). All communication/data closets have been completed and are becoming fully functional as Phase II construction proceeds through the building.

##### *Senate Perimeter Security Project*

Work is already complete on the first of four phases of construction for the Senate Perimeter Security project. The purpose of this project is to improve both the security and appearance of areas around the Senate office buildings. Unsightly concrete structures—which were intended to be temporary security measures when put into place more than a decade ago—will be replaced by more appropriate and effective permanent features. Work began in February 2001 and the project is expected to be completed during the winter of 2001/2002. Phase II of this project began April 30 and should conclude by July 30. This phase will provide a new lift gate, protective bollards, vehicle barrier and planter at the intersection of Delaware Avenue and D Street. Phase III will be centered at Delaware and Constitution, 2nd and C Street, NE. Phase IV will center on Delaware and C Street, 1st and C Street, on both the east and west sides. The staging area for the entire project is the fenced area along D Street.

At the same time, similar and complementary work is commencing on the Capitol Square Perimeter Project on the grounds immediately surrounding the U.S. Capitol. This work will be in full activity about the time Phase II of the Senate Perimeter Security Project concludes. The staging area for this project, delineated by fencing that closely resembles the fencing used along D Street, is located on the West Lawn of the Capitol near the northwest corner of the Senate Extension. The Capitol Square project will take about two years to conclude, except for the portion of the project affected by construction of the Capitol Visitor Center, expected to be completed in 2005.



*U.S. Botanic Garden Conservatory Renovation*

The contract for the renovation of the U.S. Botanic Garden Conservatory was awarded to The Clark Construction Group, Inc., of Bethesda, Maryland, in September 1998. The company was issued a Notice to Proceed in the same month and extensive work presently underway is clearly visible to passers-by. The renovation and reconstruction of the 1933 Conservatory will totally replace and modernize its building systems while retaining its architectural character. The initial award is for the renovation of the structure (including the interior landscapes) and installation of water treatment, security and environmental control systems.

The staff of the U.S. Botanic Garden will install the plant exhibits in each house of the Conservatory. The Conservatory will be completed this year and planting for a public re-opening will commence as soon as construction work is sufficiently complete to allow planting. Upon opening, Members and the public will experience a young garden and have the opportunity to see it reach maturity in coming years, becoming more lush and beautiful with each passing season.

Work on the adjacent National Garden, unique because of its private funding, is anticipated to begin in earnest this winter.

*Library of Congress Book Storage Modules*

Work is nearing completion on the first of a series of book storage modules to be built for the Library of Congress on 100 acres of land at Ft. Meade, Maryland, under jurisdiction of the Architect. The contract for construction of LOC Book Storage Module 1 and an adjacent office component, as well as for initial site preparation and development work, was awarded on April 12, 1999. The first storage module (of an anticipated total of 13) is 8,000 square feet, and the office component is 5,000 square feet exclusive of mechanical equipment space. Construction began August 3, 1999 and is expected to be completed this summer. Future modules, not tied to additional office components, may be larger in size.

*Capitol Power Plant Modernization*

The request to modify the fiscal year 2002 Budget for the Capitol Power Plant was required as the first phase of the West Refrigeration Plant Expansion, that is necessary to support the future cooling needs of the Capitol complex and replace outdated and worn-out equipment. This project must start in spring, 2002, to keep the West Refrigeration Plant Expansion on schedule. If the project does not begin in a timely fashion, an adequate supply of chilled water cannot be provided.

The West Refrigeration Plant Expansion's (WRP) schedule, and future budget request, are summarized as follows: The design is currently at 65 percent completion, with final construction documents and cost estimates on schedule to be complete in September 2001. Careful consideration has been given to the architectural design of the WRP Expansion to ensure consistency with the Legacy Plan. The architectural design, site improvements, and security enhancements are progressing with sensitivity to the residential areas to the north and east, monumental buildings to north and west, and the industrial/commercial buildings to the south. The 65 percent design cost estimate for the WRP Expansion (including building expansion, 12,000 tons of chiller capacity installation, pumping auxiliaries, cooling towers, controls, architectural treatment, site improvements and security enhancement) is \$69,200,000, which will be reflected in the 2003 budget request. Future budget requests planned for additional chiller capacity in 6,000 ton increments are \$8,000,000 in fiscal year 2006, \$9,200,000 in fiscal year 2008 and \$8,200,000 in fiscal year 2010. It is critical that this project stay on schedule to meet the load demand of the Capitol complex.

## APPENDIX G—FINANCIAL MANAGEMENT SYSTEM IMPROVEMENTS

## I. EXECUTIVE SUMMARY

The Architect of the Capitol (AOC) has initiated a project to implement a new financial management system and to integrate the system with other AOC program and administrative systems. The project is referred to as the Financial Management System (FMS) Project. The successful implementation of FMS is a critical goal for the AOC. The new system will provide the AOC with a financial system that is auditable, accurate, timely, compliant with federal standards, and easily integrated with other systems. In order to lower the risk of implementing a new financial system, the FMS implementation will be performed in a phased approach. FMS will be implemented in five phases as follows:

Phase No.	Description	Production Date	Funding Requirements
1	Implement the General Ledger .....	10/1/2000	<sup>1</sup> \$1,200,000
2	Implement the Budget Execution, Purchasing, Accounts Payable and Disbursement modules. ....	03/1/2002	<sup>1</sup> 1,475,000 <sup>2</sup> 1,356,000
3	Implement the Contracting Procurement system .....	10/1/2002	<sup>2</sup> 720,000
4	Implement the Fixed Assets module .....	10/1/2003	<sup>2</sup> 671,000
5	Implement an Inventory System .....	10/1/2003	<sup>3</sup> 972,000

<sup>1</sup>Funded.

<sup>2</sup>Unfunded.

<sup>3</sup>Unfunded (estimate).

Phase 1 of the FMS project was successfully implemented on schedule and within budget on October 1, 2000. Phase 1 implemented the Standard General Ledger for the AOC. The AOC is currently working towards the implementation of Phase 2 which is scheduled for production operations of March 1, 2002. Phase 2 will implement the remaining modules of the base system and eliminate all modules of the old system (CAS) except for the inventory module.

A staff of five systems accountants was hired to implement FMS. This is the absolute minimum staff required to implement FMS over a multi-year period in a phased approach. The implementation of phase 1 has also resulted in the hiring of two additional accountants in the Accounting Office to maintain the general ledger. As additional phases of FMS are implemented, the AOC will need to address additional staffing requirements.

## II. INTRODUCTION

The AOC is pursuing the upgrading and integration of information systems and business practices in order to provide a business environment that provides timely access to reliable information. Currently, most of the AOC's various systems do not share information or common data definitions. The implementation of a new Financial Management System (FMS) and the integration of other systems with FMS will be a major step towards AOC's system integration goal. The FMS implementation will also lead to the AOC's first preparation and audit of financial statements. These goals are fully consistent with the Vision Statement of the Legislative Branch Financial Manager's Council, which the agency has adopted. Currently the AOC has implemented the Standard General Ledger of FMS and is in process of implementing additional modules.

The successful implementation of FMS is a critical goal for the AOC. The new system will provide the AOC with a financial system that is timely, accurate, compliant with Federal standards, and easily integrated with other systems. AOC requires a system that is compliant with federal standards in order to meet the goal of passing a financial audit conducted under federal auditing guidelines. A modern system that is easily integrated with other systems is required for AOC to be able to integrate financial data with the facilities management system (CAFM), the Project Information Center system (PIC) and Human Resource Systems. The AOC requires more up-to-date and accurate information in order to better manage its resources and to be fully accountable to Congress regarding expenditure of appropriated funds.

The new Financial Management System is being implemented in phases. The first phase implemented the Standard General Ledger on October 1, 2000. The second phase is currently underway and will include the implementation of the budget execution, purchasing, accounts payable, and disbursement modules of the new system and will phase out most of the old system. Subsequent phases will include the implementation of a contracting procurement module, the implementation of a fixed asset module, the implementation of a new Inventory system and the integration of the facility management system (CAFM). The human resources system will also be enhanced to provide the financial system with more detailed labor information for performing cost accounting.

In order to ensure all the proper steps are taken in the implementation of a new system, and to ensure continued support from top management, the AOC has organized a steering committee made up of executives from various AOC user groups and financial system executives from GAO, the LOC and other Legislative Branch agencies. The purpose of the committee is to provide advice and feedback regarding the implementation of a new financial management system and to provide a forum for addressing high level project issues. An internal FMS Steering Committee has also been organized to resolve lower level issues.

The Legislative Branch Financial Manager's Council (LBFMC) is currently pursuing an initiative to have all Legislative Branch agencies eventually implement the

same financial management software. The AOC's phased approach to implementing FMS through a cross-servicing arrangement with another Federal agency is consistent with this LBFMC initiative. In addition, the AOC participated in the LBFMC Concept of Operations Study and is prepared to participate in the documentation of the requirements.

Pending approval of fiscal year 2002 funding, a pro forma audit of the fiscal year 2002 financial statements will be performed. A pro forma audit evaluates the sufficiency of the financial statements without issuing a formal audit opinion and without performing an in-depth review of the detailed transactions that make up the balances. The pro forma audit will prepare the AOC for the full audit that is expected to be performed for fiscal year 2003 (ending Sept. 30, 2003). Since the new financial management system is being implemented in a phased approach, this is the soonest a full audit will be feasible. Funding for a full audit will be requested for fiscal year 2003.

Implementing a new financial system requires the hiring of additional staff that are qualified to perform the new functions being provided with the new system. A staff of five systems accountants were hired to perform the implementation. The implementation of the general ledger in Phase 1 required the Accounting office to hire two additional accountants to maintain the general ledger. As the AOC continues implementing FMS, additional staffing requirements will need to be addressed.

### III. ACCOMPLISHMENTS OVER THE PAST YEAR

#### *Hired staff and organized the Financial Management Systems Office*

The FMS Office currently consists of four Systems Accountants and one Supervisory Systems Accountant. This is the absolute minimum number of staff required to perform the FMS implementation over a multi-year phased approach. A vacancy announcement is currently pending for the hiring of an Accounting Technician to assist in data entry and reporting tasks.

#### *Implemented Phase 1 of the FMS project*

Phase 1 of the FMS project was successfully implemented on schedule and within budget on October 1, 2000. Phase 1 implemented the Standard General Ledger for the AOC. Interfaces were developed with the Computer Applications Specialists (CAS) accounting system and the NFC payroll system. All transactions that occur in these two systems update the FMS general ledger on a daily basis. The AOC can now issue financial statements in accordance with Standard General Ledger guidelines.

The implementation of Phase 1 required the Accounting Division to pursue the hiring of two additional accountants to maintain the general ledger and perform reconciliations. The vacancy announcements have been issued and staff members are expected to be hired by May, 2002.

#### *Maintained Production FMS*

The FMS Office successfully maintained the new financial system from October 1, 2000 to present, by processing the daily interfaces, performing reconciliations, issuing monthly Status of Funds reports, preparing ad-hoc reports, and providing support to end users.

#### *Began Phase 2 of the FMS Implementation*

Phase 2 of the FMS project began on October 1, 2000. This phase includes the implementation of budget, procurement, receiving, accounts payable and disbursement processes in FMS. It also includes an interface with the Project Information Center (PIC) system and an interface with the CAS inventory system. Phase 2 is currently on schedule to begin production operations on March 1, 2002, however it is only funded through September 30, 2001. The successful implementation of Phase 2 is dependent on receiving sufficient fiscal year 2002 funding.

### IV. UPCOMING FINANCIAL MANAGEMENT INITIATIVES

#### *Complete the Implementation of Phase 2 of the Financial Management System (FMS)*

Phase 2 is the implementation of the Budget, Purchasing, Accounts Payable and Disbursement subsystems of FMS. This phase is currently in process. The following tasks will be performed to complete the implementation of Phase 2 of FMS:

- Complete the documentation of user requirements for the procurement, accounting, budgeting and jurisdiction offices
- Determine the system configuration to meet user requirements
- Perform a pilot test of the configured system
- Develop an interface with the Project Information Center (PIC) System

- Develop an interface with the CAS inventory system
- Set-up software on PC's for up to 200 users
- Develop software to convert open obligation data at the detail level
- Develop end-user reports
- Develop end-user data entry procedures
- Train system users and provide production user support.

Phase 2 is funded through September 2001. The successful implementation of Phase 2 on March 1, 2002 is dependent on receiving sufficient fiscal year 2002 funding.

The implementation of Phase 2 is expected to increase workloads in the jurisdictions and their staffing requirements. In order to be able to take advantage of the new functions being implemented with FMS and to keep the data accurate, the right people are needed in the right places.

#### *Continue Maintenance of Production FMS*

The FMS Office will continue to maintain the new financial system for Phase 1 by processing the daily interfaces, performing reconciliations, issuing monthly Status of Funds reports, preparing ad-hoc reports, and providing support to end users. An annual close for fiscal year 2001 will be performed in October 2001. On March 1, 2002, the FMS Office will begin maintaining FMS for Phase 2 which includes supporting up to 200 new users across all AOC jurisdictions. This also will require the FMS office to keep a training plan in place to continue to train new users on the system.

#### *Begin Phase 3 of the FMS project—Implementation of a Contracting Procurement module*

Phase 3 will implement the AMS Procurement Desktop (PD) software package. Procurement Desktop is a stand-alone procurement system that interfaces with the FMS system. The AOC will use the PD package to perform contracting activities. The workload in the contracting office has increased significantly because of the contracting out of more construction projects. Implementing PD will allow the contracting office to perform contracting activities more timely and efficiently. PD provides robust functionality for keeping track of solicitations, contracts, and contract amendments. It provides functionality to allow the AOC to load all contract clauses and pick and choose the proper clauses for each contract. It also produces the standard federal government contract forms. Activities to implement Phase 3 will begin in January, 2002 with a production date scheduled for October 1, 2002. The implementation of Phase 3 is dependent on receiving sufficient fiscal year 2002 funding.

#### *Begin Additional Phases of the FMS Implementation*

Depending on the receipt of sufficient funding for fiscal year 2003, and the outcome of the LBFMC "common system" initiative, the FMS phased implementation will proceed as follows:

##### *Phase 4 Implementation of a Fixed Asset module*

Phase 4 will implement the Fixed Assets module. With the implementation of Phase 4 the AOC will have automated records of its fixed assets and will be able to record automated depreciation entries in the general ledger. Proper accounting of fixed assets is required to receive an unqualified audit opinion. Phase 4 is expected to begin production operations on October, 2003. The implementation of Phase 4 is dependent on receiving sufficient fiscal year 2003 funding.

Phase 4 is expected to increase staffing requirements in order for the AOC to properly maintain the fixed asset records.

##### *Phase 5 Implementation of a new Inventory System*

Phase 5 will implement a new Inventory system that interfaces with the core accounting system. The current inventory system needs to be replaced because it cannot effectively interface with FMS real-time, and it is lacking some basic inventory functionality. A modern, off-the-shelf, stand-alone inventory product that meets all of the AOC's basic inventory needs will be procured and integrated with FMS. With the implementation of Phase 5, the AOC will completely eliminate the CAS system. Phase 5 is tentatively scheduled for production operations on October 1, 2003. The implementation of Phase 5 is dependent on receiving sufficient fiscal year 2003 funding.

In order to properly implement the new inventory system, a Business Process Re-engineering analysis needs to be performed. The current inventory process needs to be studied and improved prior to implementing the new system.

Phase 5 is expected to increase staffing requirements in order for the AOC to properly maintain the inventory records.

*Subsequent Phase—Integration of FMS with the CAFM system*

In order to gather costing data for strategic decision making, CAFM will need to receive cost data from FMS related to work orders. It is expected that FMS will provide CAFM with inventory costs and labor costs by work order. In order for FMS to provide this information, the Time and Attendance system and the Inventory system (which will feed the data to FMS) need to be enhanced or replaced to allow the entry of work order numbers in the originating systems.

*Subsequent Phase—Implementation of a new Time & Attendance System*

The AOC currently uses the USDA NFC Payroll/Personnel system. The time and attendance data is recorded through the NFC's PC-Tare system. A new or enhanced Time & Attendance system is required for the AOC to record project data and work order data on a daily basis for labor. This will eliminate several "cuff" systems that track daily labor and allow the accumulation of work order cost data in FMS.

## V. FINANCIAL MANAGEMENT SYSTEM BUDGET ANALYSIS

(In thousands of dollars)

	Fiscal year—						Total
	1998	1999	2000	2001	2002	2003	
Pre FMS .....	600	.....	.....	.....	.....	.....	600
FMS Phase 1—General Ledger .....	50	650	500	.....	.....	.....	1,200
FMS Phase 2—Budget, Purchasing, A/P, Disb. ....	.....	.....	.....	1,475	1,356	.....	2,83
FMS Phase 3—Contracting .....	.....	.....	.....	.....	720	.....	720
FMS Phase 4—Fixed Assets .....	.....	.....	.....	.....	.....	671	671
FMS Phase 5—Inventory .....	.....	.....	.....	.....	.....	972	972
Total .....	650	650	500	1,475	2,076	1,643	6,994

*Scope of Project.*—The FMS system will be performed in five phases. Phase 1 (funded) will implement the General Ledger module. Phase 2 (fiscal year 2001 and fiscal year 2002 funding) will implement the Budget Execution, Purchasing, Accounts Payable, Disbursements, modules and Itemized Purchasing module. Phase 3 (fiscal year 2002 funding) will implement the Procurement Desktop system. Phase 4 (fiscal year 2003 funding) will implement the Fixed Assets module. Phase 5 (fiscal year 2003 funding) will implement a new Inventory system. Note: Phases 4 and 5 are dependent on the outcome of the Legislative Branch Financial Managers Council (LBFMC) initiative to perform a shared procurement of a Legislative Branch financial management system.

*Basis of Estimate.*—Estimates include initial software license fees, initial hardware fees, and contractor implementation support fees. The estimates for Phases 1–4 are based on estimates from the Department of Interior (DOI) (cross-servicing agency). The DOI estimates were compared to in-house developed estimates and determined to be reasonable and accurate for the software fees and support required to implement the FMS software and the Procurement Desktop software. The estimate for Phase 5 is based only on an in-house estimate since the software package to be implemented has not been identified at this point. The above estimates do not include costs for integrating FMS with the Facilities Management System (CAFM) or the cost of implementing a new Time & Attendance system. The cost for the FMS/CAFM integration and a new Time & Attendance system may be included in a future funding request, once the integration requirements have been determined and refined. Also not included in the estimates are the recurring operational costs such as software license maintenance fees, cross-servicing hardware fees, and contractor technical and functional production support. The recurring costs will be included in the Annual Operating Budget request.

## APPENDIX H—COMPUTER AIDED FACILITIES MANAGEMENT (CAFM)

## I. EXECUTIVE SUMMARY

The Computer Aided Facilities Management system (CAFM) is a five-year initiative to modernize and establish stronger and more pro-active facilities management capabilities using industry standards and software. Within the AOC community, CAFM is phasing in several modules of traditional industry defined computer aided facilities management operations. The CAFM initiative establishes standards for demand maintenance/work order processing and preventive maintenance while also providing an automated and systematic vehicle for facilities management. The AOC

CAFM system will assist in establishing both bench marking and Executive Information System (EIS) reports to facilitate management decisions to better support the needs of Congress. The four priorities established by the CAFM Steering Committee called for the implementation of the Demand Work Order Module; Facility Projects (which has been renamed Work Order Linkage Initiative, or WOLI); the Preventive Maintenance Module; and establishing a cost avoidance, benefits and savings methodology for the House of Representatives Subcommittee on Appropriations. Three of the four priorities have been completed. Current fiscal year 2002 initiatives plan for the deployment of several areas of Preventive Maintenance within the AOC which includes the following: planned/scheduled maintenance; building commissioning; fire extinguisher inspection; and facility condition assessment.

## II. CAFM INITIATIVES AND ACCOMPLISHMENTS

### *Fiscal Year 1998*

Procured and installed PC/printer hardware along with SPAN-FM software.

Established a Standards Committee to establish work management standards for the demand work order module of CAFM.

Completed deployment of the demand work order module to the following jurisdictions: Senate, Capitol, House, Supreme Court, and the Library of Congress.

### *Fiscal Year 1999*

Completed deployment of the demand work order module to EED, Capitol Grounds, High Voltage.

Implemented custom MS Access reports for demand work order and space management.

Started reviewing requirements for Preventive Maintenance and establish PM pilot for Senate, Capitol, and House A/C shops.

Initiated discussions to interface with FMS for material accountability.

Completed and received approval of a CAFM cost methodology which identified key performance indicators in support of the House IG request for methodology.

### *Fiscal Year 2000*

Completed deployment of the demand work order module to Botanic Gardens.

In process of rolling out the Work Order Linkage Initiative (WOLI) to all jurisdictions.

Converted MS Access reports into Brio One software—this package was selected as the report writer tool of choice by the IRM and the CAFM user communities.

Testing of new CAFM software and hardware on-going for system upgrade and migration.

### *Fiscal Year 2001*

Power Plant implemented on the demand work order module—All jurisdictions up and running on demand work order module

WOLI deployment completed.

CAFM Newsletter developed to aid in the dissemination of CAFM news to the user community.

CAFM Web site development—Static page with general information awaiting approval and hosting—dynamic link to be developed to provide a feed back mechanism to the CAFM community, Superintendents, and AOC decision makers.

Initiate Botanic Garden Building Commissioning.

Initiate Capitol Life Safety Planned Maintenance Initiative.

Initiate CAFM EIS and Web Portal.

## III. FISCAL YEAR 2002 WORK PLAN

Continued CAFM support

- Demand work order
- Bench marking
- Work Order Linkage Initiative
- Preventive Maintenance
- Life Safety Planned Maintenance
- Planned Maintenance
  - Senate
  - House
  - Capitol
  - Power Plant
  - Library of Congress
  - Supreme Court
- Materials Management

PM Materials Catalog  
 Interfaces  
 —FMS  
 Facility Condition Assessment AOC Wide

#### IV. SUMMARY OF FISCAL YEAR 2002 CAFM BUDGET ITEMS

##### *Communications Initiative*

*Facility Management (FM) Web Portal.*—The FM Portal will provide the “front door” for AOC FM services and operations to internal and external customers, employees and AOC management. In 2002 the plan is to survey and catalog existing resources and then begin to define the scope, content, technology infrastructure, management and support model. Cost \$25,000.

*EIS Reporting Tools.*—In 2002 AOC management will continue to define, develop and deploy a mix of query, analysis and reporting tools which examine several mission-critical systems for operational, financial, human and material resource utilization in the organization. Cost \$50,000.

##### *Facility Life Cycle Initiative*

*Facility Information Commissioning.*—Building on work started in the Botanic Gardens Conservatory Remodeling during 2001, information commissioning principles will be incorporated into standard specifications issued by the AOC and will provide orientation and training for management in AOC technical and professional services departments. This work will be coordinated with planned remodeling and new construction projects in order to maximize benefits to the AOC. Cost \$50,000.

*Asset Inventory and Preventive Maintenance.*—Collection of capital asset and maintained asset information into the CAFM system and development of a CMMS-based preventive maintenance program is one of the highest priorities of the AOC. In 2002 the AOC will move beyond the infrastructure and standards-development stages and will implement computer-based asset management and PM for a significant portion of its facilities. However, the extent of its progress is dependent on individual jurisdictions funding professional engineering services to collect asset information and define appropriate maintenance procedures and schedules.

Jurisdictions should allocate a total of approximately \$1,500,000 for professional engineering services for this effort.

CAFM consulting cost in support of asset inventory and PM is \$300,000.

*Facility Condition Assessment.*—Facility Condition Assessment (FCA) services provide both a comprehensive conditions audit and plant capital renewal analysis which support both strategic capital planning and tactical operations budgeting. AOC has adopted FCA principles and is beginning to implement FCA projects in order to enhance significantly its ability to provide best-in-class management of congressional facilities.

Jurisdictions should allocate a total of approximately \$820,000 for professional engineering services for this effort.

CAFM consulting cost in support of FCA is \$100,000 for fiscal year 2002.

*Life Safety and Code Compliance.*—Through asset management, preventive maintenance procedures and scheduling, the CAFM system is well suited to support record-keeping and regular inspection tasks associated with compliance requirements. In 2002 AOC will continue to expand use of the CAFM system in this role throughout its many facilities. Cost \$150,000.

*CAFM Time sheets.*—Building on the discovery and analysis activities programmed for 2001, the AOC may begin to implement unified time collection. Cost \$25,000.

The CAFM budget requirement for fiscal year 2002 is \$700,000. This funding is essential to the continued deployment of a computer based facility management system which will better capture the true work load of work performed in all of the AOC jurisdictions. With the demand work order system fully operational, we have visibility of approximately 10 percent of all work performed AOC wide. With the deployment of the preventive maintenance module, CAFM will be able to capture the outstanding 80 percent of work. Once the majority of work is captured via CAFM, the information can be formatted via reports and the Executive Information System to make solid management decisions about resources, materials and schedules.

#### APPENDIX I—PROJECT MANAGEMENT INITIATIVES

##### I. EXECUTIVE SUMMARY

The project planning and delivery processes and organization of the Architect of the Capitol (AOC) have been under review by independent consulting firms. The

purposes have been to streamline the processes and staff organization as appropriate based upon “best practices” drawn from the AOC and industry.

Although the general findings of three separate studies indicated that the organization of the AOC and project operations and output are effective, several recommendations for improvement have been accepted and are being implemented. AOC project managers are now assigned for the life of a project, from early scope definition through design, construction and early occupancy. AOC standards and guidelines have been vastly improved and initial versions of new AOC manuals have been published. These address design standards, performance requirements for design consultants, and best practices for AOC project managers. The use of external design consultants and creative construction contracting methods has expanded. A long-term project planning process has been launched along with an enhanced project tracking system.

These and other related initiatives to enhance, consolidate and streamline project delivery processes and tools will continue throughout 2001 and beyond. They are considered imperative in light of the increasing workload required of the AOC staff in preserving and enhancing the facilities and infrastructure of the Capitol complex. Best practices will be applied to a series of “pilot” projects—real projects of the AOC such as the Capitol Visitor Center and fire safety improvements, which will benefit greatly as a result. Additional professional staff will be required to serve as able project managers and to function in the new project planning office that will result in a greater AOC and client understanding of long range needs, the more orderly prioritization of work, and better definition of project scope, budget and schedule, agreed to by clients and the AOC prior to the commencement of the design process.

## II. INITIAL STUDY FINDINGS AND RECOMMENDATIONS, AND AOC RESPONSES

The organization of the AOC and project operations and output were found to be functioning effectively, especially with respect to quick response functions of jurisdictional superintendents. A substantial number of “best practice” processes and tools were found within all divisions of the AOC and especially the design and construction units. Capable employees were found at all levels in the AOC—employees who are passionate stewards of the historic buildings in the Capitol Complex and anxious to improve their abilities to do their jobs.

Recommendations for improvements related to project identification, planning, scope determination, design, procurement and construction. The studies concluded that there were many actions that should be taken by the AOC top and middle management to enhance, consolidate, and streamline the project delivery processes and tools then in use. The following were the principal findings and corrective actions recommended to the AOC, with AOC responses to date in italics:

*Establish a Formal Long Range Planning System.*—The AOC should establish a planning operation to manage the development and cyclical review of long range (10 years or more), mid-range (5 year) and immediate (1 to 2 year) project plans based upon continuous input from clients and AOC line staff and technical experts representing all architectural and engineering disciplines and other interests such as life safety and security. Project definition should be improved with more thorough programming. Documentation of scope and budget to reduce “scope creep” should be initiated at project conception.

The AOC has established the criteria and process for planning as well as a related project database with standardized project descriptions and categorizations to allow for the sorting and consolidation of project data in ways that will enable prioritization and enhance decision-making by AOC officials and clients. The long-range plans will be generated first by building system and component, then integrated by building, then jurisdiction, and finally AOC-wide. The AOC will manage the planning process and clients will establish and modify priorities as appropriate in the process of assessing the impact of unanticipated new work and emergency projects on the established long and short range plans. The five-year AOC Capital Budget and annual budget submissions will be products of this planning process. A new core planning staff will have to be established with skills appropriate to long-range planning and the preparation of project programs and scopes of work.

*Clarify Project Responsibility and Accountability.*—An AOC Project Manager should be assigned for the life of a project, from early scope definition through design, construction and occupancy. For purposes of project progress reporting, the Project Manager should report through a Program Director to the Assistant Architect of the Capitol (AAOC).

This has been effected and all project managers assigned during the past year were given responsibility for the life of the project. Program Directors have been identified. Through these directors and the AAOC, project progress has begun to be



monitored more effectively, leading to more timely actions to resolve problems. New AOC Project Manager and Construction Manager Manuals have been developed and coordinated with each other, to define the relationships of design professionals and construction management staff during construction administration phases. Standard tools have been developed to support the relationships and standard benchmarks for decisions established. In the autumn of 2000, a comprehensive training program was launched to explain the new project management responsibilities, methods and tools. The best forms and tools from within the agency were collected, consolidated and the best made mandatory for staff use. These were demonstrated during the training program.

*Improve Project Management Control Systems.*—The existing project tracking system should be upgraded, the interface improved, proper data types tracked to support management functions, and clear lines of authority established. The Project Manager should be assigned responsibility for maintaining the data on his or her project. Enhanced linkages to standards, guidelines, and drawings should be incorporated into the new interface.

A new project tracking system has been designed and implemented. The Project Information Center (PIC) is web-based and supports the project manager in schedule, scope and budget definition and tracking throughout the life of a project. The system is designed to provide early reporting of “out-of-range” projects and to provide earliest notice of impending procurement and construction actions to the affected AOC divisions. The new system provides real-time status of projects to managers and Superintendents. Custom report formats are being designed to draw specific information from the extensive project data to suit planning, budget, management, Superintendent and support functions, without necessitating conversions to spreadsheets or other formats for analysis. This system is in use and is subject to continuing improvements.

*Enhance Client Perspective.*—Client involvement and approval systems should be improved. Firm schedules with due dates and milestones should be required within new tracking systems. Leveraging the knowledge of the various Superintendents’ offices should be institutionalized during project initiation processes.

The Superintendents’ strong, front-line relationship with clients is widely understood and appreciated, and will be more prominently recognized and used to the advantage of all parties in the project planning, scoping, design and construction processes. The Superintendents and their knowledgeable staff have been given additional responsibility for meeting with any client who has requested assistance, preparing an initial statement of scope, and determining if the client’s needs can be satisfied by the issuance of a work order to the Superintendent’s work forces or if an AOC-wide team needs to be assigned to address the client needs as a full project requiring further scope definition, design and construction. In either the work order or the project delivery process, the Superintendent will remain fully involved with the work and with client communication.

*Optimize In-House Design and Construction Supervision.*—The AOC professional staff members should leverage their time by enforcing new published standards and delivery requirements, and by applying their institutional knowledge to those areas that are difficult to delineate in manuals. This will overcome the tendency of AOC Project Managers, acting as stewards of the historic buildings with substantial institutional knowledge, to perform too much of the project quality control for consulting architects and engineers during design phases, by both noting design deficiencies and resolving the problems noted rather than allowing consultants to properly resolve such design issues.

AOC project managers have been directed to enforce these new standards. Requirements for pre-reviews of consultant submissions by project managers will optimize the review efforts by AOC staff. The AOC has classified all projects as large, medium or small, and provided project managers with guidance as to the design and review phasing and deliverables appropriate for each size of project. All projects do not require the same number of design stages or the same deliverables for review or at project completion. By classifying projects by size and complexity during the programming phase, both consultant and AOC staff time can be better directed to work appropriate for the project at hand as opposed to simply fulfilling requirements for a typical large project. The AOC has literally hundreds of small projects, dozens of medium sized projects, and a limited number of large projects each year. Large projects typically extend through several funding cycles. The multiple stages of design and review of the work while bidding documents are being prepared are not required for the hundreds of small projects that involve room or suite renovations or restorations of hearing room rostrums, for example. Classifying project size has also begun to reduce the number of meetings held, travel required, reviews conducted, and general paperwork involved. Newly-developed standard review comment

forms and “Action-Log” type meeting minutes formats have been provided to project managers. Now in use, these streamline the process of consolidating discipline comments and highlighting needed responses.

*Enhance Consultant Utilization.*—The AOC should use consultants more comprehensively during the construction phase. Initial consultant agreements should encompass enhanced construction administration duties to ensure that consultants understand that they will be responsible for overseeing the execution of the work that they design—thus encouraging the production of better construction documents. AOC requirements related to project delivery should be better defined, published and disseminated in the form of guidelines, manuals, checklists, and electronic tools and systems.

The AOC has begun to expand its use of external design consultants. This means an increase in the use of “indefinite delivery, indefinite quantity” (IDIQ) professional services contracts and possibly other creative architect and engineer selection procedures that are also fair and competitive on the basis of professional qualifications. The consultants are being assigned to a greater share of responsibility during the construction administration phase, which is a substantial change in AOC practice.

*Enhance Construction Delivery Methods.*—The AOC should continue to expand its options for construction delivery to ensure the most balanced and efficient use of AOC staff and the timely completion of work with minimum disturbance to building occupants and visitors. The options will supplement the traditional and dependable quick-response teams and maintenance shops of the Superintendents. Additionally, construction documents should be reviewed and coordinated against refined agency checklists to help reduce document errors. Beyond these traditional options, the use of newer Solution Order Contracting (SOC) and Job Order Contracting (JOC) methods, should be enhanced.

The AOC has begun to use SOC contracts with success. For the first time the AOC has contracted with an external Construction Manager to direct the massive Capitol Visitor Center project and is in the process of adding another to direct the significant renovation of the U.S. Supreme Court Building. New guidelines and standards have been published. Together with new standard forms and tools that have been set forth, the AOC is expecting improvement in construction documents produced by consultants.

### III. PILOT PROJECTS

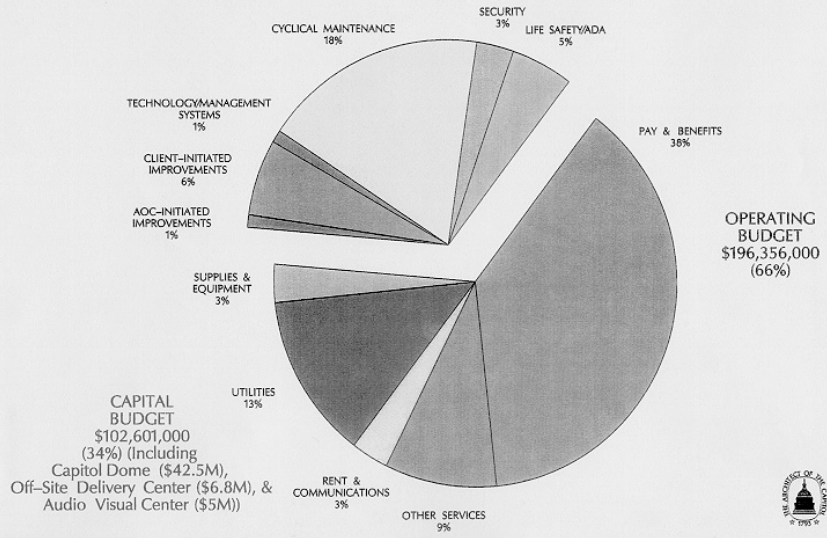
Best practices are being applied to several important projects of the AOC. The continued involvement of consultants in assisting the management teams for these projects is beneficial to the projects and useful in sustaining momentum toward positive change in the agency and especially among the ranks of project managers. The pilots include the Renovation of the Conservatory of the United States Botanic Garden, the Infrastructure Modifications at the Rayburn House Office Building, the Renovation of the Page Dormitory at 501 First Street, and the design and construction of the Capitol Visitor Center. Also included are more comprehensive master plans for the design and construction of fire safety measures throughout the Capitol complex, infrastructure modernizations throughout the United States Capitol, and similar modernizations in the U.S. Supreme Court Building.

### APPENDIX J—BUDGET REQUEST SUMMARY

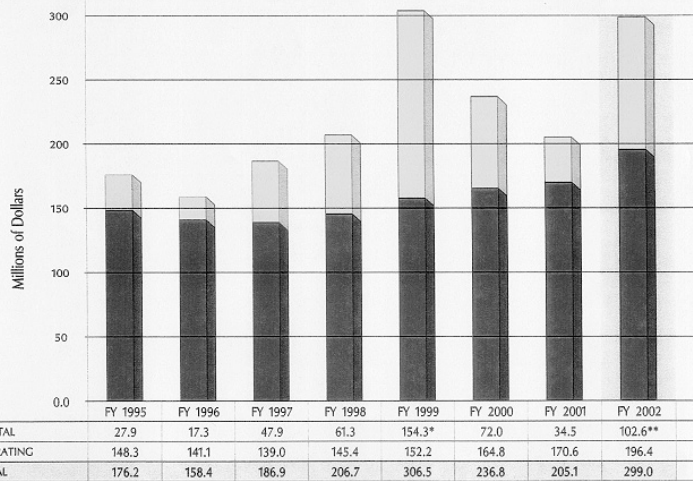
#### EXECUTIVE SUMMARY

The Architect of the Capitol’s fiscal year 2002 budget request is \$298,957,000. It consists of an operating request of \$196,356,000 and a capital request of \$102,601,000. The full-time equivalent (FTE) positions remain the same at 2,012. However, funding is requested to fill 48 unfunded positions. The attached graph “Fiscal Year 2002 Operating and Capital Budget by Categories” breaks out the operating and capital request by significant categories. The graph “Fiscal Year 2002 Operating and Capital Budget” reflects the history of the Architect of the Capitol’s budget since fiscal year 1994.

ARCHITECT OF THE CAPITOL  
FY 2002 OPERATING & CAPITAL BUDGET BY CATEGORIES



ARCHITECT OF THE CAPITOL  
FY 2002 OPERATING AND CAPITAL BUDGET



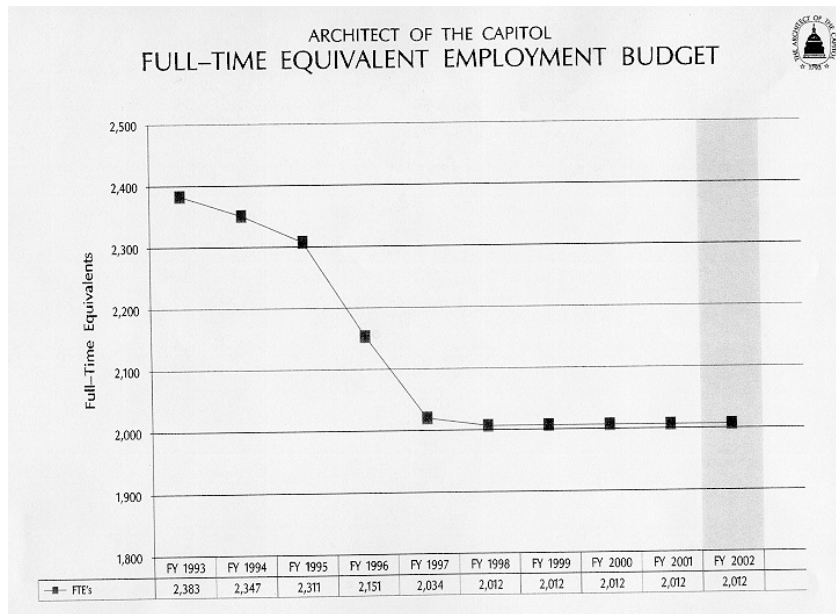
\* Includes Capitol Visitors Center - \$100M  
\*\* Includes Capitol Dome - \$42.5M, Off-Site Delivery Center - \$6.8M & Audio Visual Center - \$5M.

OPERATING BUDGET REQUEST

The operating budget request includes an \$25,749,000 or 15.1 percent increase. Thirty-four percent, or \$8,753,000 of the increase, is due to mandated pay and benefits costs. Fifty percent, or \$12,905,000 of the increase, is related to work load in-

creases and includes \$3,446,000 for 48 unfunded positions, \$523,000 for project delivery, \$968,000 for fire and life safety, \$860,000 for information resources management, \$154,000 for financial management, \$364,000 for energy management, \$285,000 for operations, and \$292,000 for reopening the Botanic Garden. Price level adjustments account for 20 percent, or \$5,141,000, of the increase and are primarily related to fuel costs. A four percent reduction occurred due to the project election year moves being removed from the base as nonrecurring.

Over the past year the AOC has undertaken a review of the agency's operations and is in the process of reengineering. As displayed in the attached graph "Full-time Equivalent Employment Budget" staffing has been reduced by more than 16 percent or almost 400 positions since 1992. During the same period workload has increased, especially in the areas of life safety, security initiatives and project oversight. It is important to recognize that we have reached the saturation point where the amount of work to be done in several areas has taxed our staff capacities to the fullest extent. This budget includes requested increases for staff in several critical areas. Funding is requested for 13 positions in the Life Safety Division, 7 positions for project delivery, 10 for information resources management and support, 2 accountants for financial management, 5 for energy management, 5 positions for general operations at the Capitol Power Plant and Library of Congress mainly to supplement the trades staff, and 6 positions for the Botanic Garden to support the reopening of the newly renovated Conservatory.



An increase of \$3,517,000 is requested for the Information Resources Management Division. As the agency becomes more dependent on automated systems in the areas of financial management, and facilities maintenance it is critical that the hardware and software resources needed to support these systems are available.

An increase of \$362,000 is requested for life safety operations and maintenance. These resources are required to provide compliant safety and environmental programs and to be proactive in all matters that involve fire and life safety, employee safeguards, environmental monitoring, and discharge of potentially dangerous materials.

An increase of \$400,000 is requested to support the operation of the new financial management system including an "audit" of pro forma financial statements. Funding of \$1,136,000 has been requested in the Botanic Garden related to the operation of the newly renovated Conservatory.

Funding of \$684,000 has been requested in the Senate Office Buildings to continue the lease at Postal Square. Additional funding of \$210,000 has been requested

in the House Office Buildings for fixture relamping and also in the Library of Congress for the same purpose at a cost of \$370,000.

Based on projections from the Department of Energy a net increase of \$4,258,000 has been requested to cover rising costs of natural gas, fuel oil and water sewer services for the Capitol Power Plant. Other price level increases totaling \$199,000 have been requested throughout the agency.

The following table indicates operating budget request by appropriation.

Appropriation	Fiscal year 2001	Fiscal year 2002	Change
Capitol Buildings .....	\$39,346,000	\$49,139,000	+ \$9,793,000
Capitol Grounds .....	5,127,000	5,878,000	+ 751,000
Senate Office Buildings .....	42,155,000	45,527,000	+ 3,372,000
House Office Buildings .....	32,177,000	34,259,000	+ 2,082,000
Capitol Power Plant .....	38,581,000	45,824,000	+ 7,243,000
Library Buildings & Grounds .....	9,925,000	11,297,000	+ 1,372,000
Botanic Garden .....	3,296,000	4,432,000	+ 1,136,000
<b>Total .....</b>	<b>170,607,000</b>	<b>196,356,000</b>	<b>+ 25,749,000</b>

CAPITAL BUDGET REQUEST

The capital budget request is \$102,601,000. This is an increase of \$68,139,000 or 197.7 percent over fiscal year 2001.

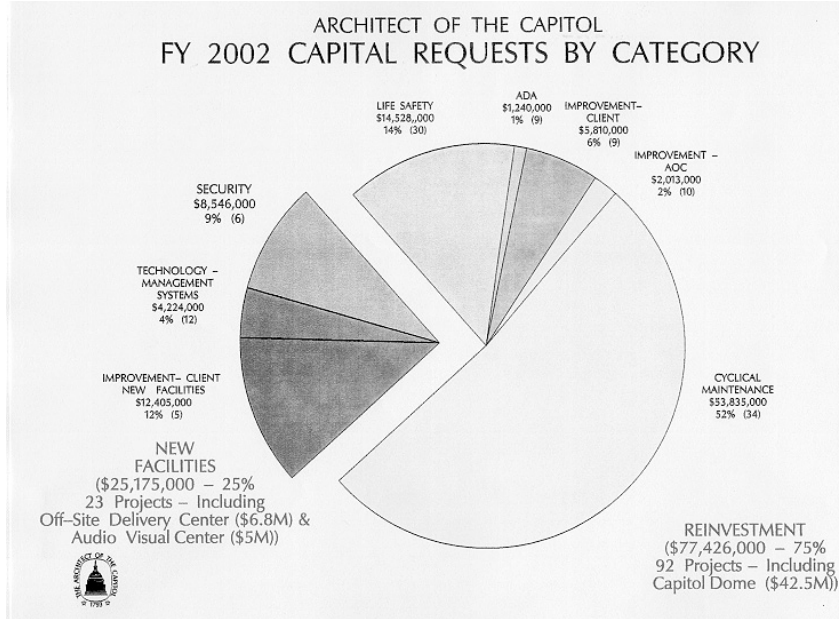
The fiscal year 2002 capital budget request flows from the five-year capital budget initiative undertaken by the agency. It is grounded in a comprehensive and systematic agency-wide planning effort with in-depth involvement by all of the agency's clients. On the House side, we included the Sergeant at Arms, the Chief Administrative Officer and the Clerk of the House. On the Senate side we included the Sergeant at Arms and the Secretary of the Senate. The U.S. Capitol Police provided a detailed outline of their needs, and the Librarian of Congress was also extensively involved. During the development process more than 440 projects were reviewed. Of that number, funding is requested for 115 projects in fiscal year 2002. Funding requests are projected over the next four years for an additional 392 projects.

Construction funding has only been requested in fiscal year 2002 for those projects that have been completely designed. Because of the agency's current workload, only the most critical projects have been requested in fiscal year 2002. The five-year capital budget is projecting requests in the fiscal years 2003 through 2006 as follows:

<i>Fiscal year</i>	<i>Amount</i>
2003 .....	\$197,915,000
2004 .....	181,641,000
2005 .....	281,937,000
2006 .....	141,576,000

All the projects associated with future requests will be reviewed and reprioritized before being included in a current fiscal year request. However, the magnitude of the future capital project needs is evident from this table.

Attached is a graph "Fiscal Year 2002 Capital Requests by Category" and a table "Fiscal Year 2002 Budget Request by Category" that breaks out the amount, number of projects and the percentage of each by category. Three projects account for more than 48 percent of the request. Those projects are the Capitol Dome (\$42,500,000), the Library of Congress new Audio Visual Conservation Center at Culpeper, Virginia (\$5,000,000), and a new Off-Site Delivery/Screening Center for the Capitol Police (\$6,750,000).



ARCHITECT OF THE CAPITOL FISCAL YEAR 2002 BUDGET REQUEST BY CATEGORY

Category	Fiscal year 2002 request	Percent of request	No. of projects	Percent of projects	Excluding House office buildings			
					Fiscal year 2002 request	Percent of request	No. of projects	Percent of projects
Life safety .....	\$14,528,000	14.2	30	26.1	\$6,725,000	7.8	23	24.2
ADA .....	1,240	1.2	9	7.8	870,000	1.0	8	8.4
Security .....	8,546,000	8.3	6	5.2	8,546,000	10.0	6	6.3
Cyclical maintenance/improvement ....	450,000	.4	1	.9	0	0	0	0
Cyclical maintenance .....	53,385,000	52.0	33	28.7	49,515,000	57.8	28	29.5
Technology/management systems .....	4,224,000	4.1	12	10.4	4,199,000	4.9	11	11.6
Improvement:								
AOC .....	2,013,000	2.0	10	8.7	2,013,000	2.3	10	10.5
Client .....	18,215,000	17.8	14	12.2	13,805,000	16.1	9	9.5
<b>Total .....</b>	<b>102,601,000</b>	<b>100.0</b>	<b>115</b>	<b>100.0</b>	<b>85,673,000</b>	<b>100.0</b>	<b>95</b>	<b>100.0</b>

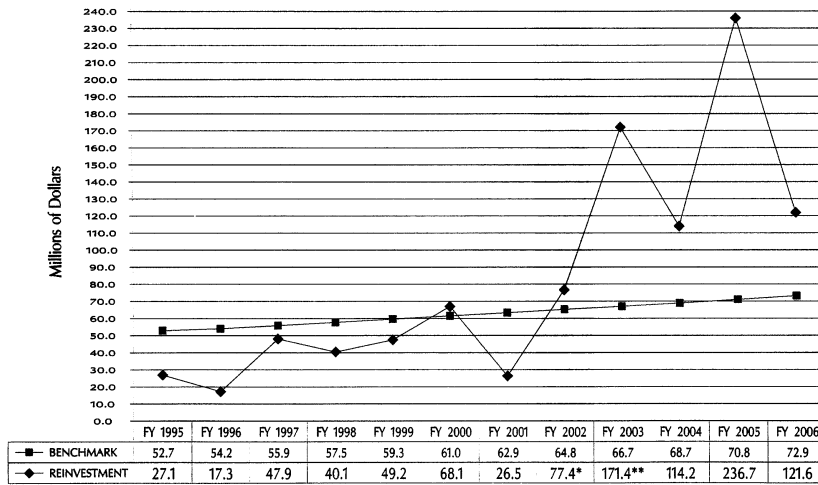
In past years, the AOC developed a reinvestment benchmark of 1.7 percent of the current replacement value of the facilities as a guide of the amount of cyclical maintenance funding that should be invested into the Capitol complex. This benchmark excludes capital project funding relating to the construction of additional facilities, security enhancements and technology management improvement that are included in the total capital request. For fiscal year 2002 the benchmark of 1.7 percent would indicate that \$63 million should be reinvested in cyclical maintenance and renovation projects. As indicated on the attached graph titled "Cyclical Maintenance and Building Renovations," \$77.4 million is being requested for facility reinvestment projects in fiscal year 2002. Because the benchmark represents an average, the current request is acceptable due to the fact it includes a request of \$42.5 million for the Capitol Dome project. However, as indicated on the graph there will be much larger requests in future years.

*Architect of the Capitol Benchmark Data—Fiscal Year 2002 Funding Levels*

Current Facility Replacement Value .....	\$3,811,000,000
--	-----------------

	<i>Annual renewal percentage</i>
AOC Benchmark (Based on Universities of Illinois, Michigan, and Stanford and the Army Corps of Engineers) .....	1.7
Army Corps of Engineers (Budget Objective) .....	1.75
University Federal Research Cost Recovery (OMB A-21) .....	2.0
Conservative Commercial Depreciation at 40 Years (IRS will accept a faster depreciation rate) .....	2.5
National Research Council of the Academy of Sciences:	
Low Range .....	1.5
High Range .....	3.0
Fiscal Year 2002 Capital Request (Request \$102,601,000 Less \$25,175,000 Related to Technology/Management Systems, Security, and New Facilities) .....	2.0

ARCHITECT OF THE CAPITOL  
CYCLICAL MAINTENANCE AND BUILDING RENOVATIONS  
(Excludes New Facilities, Security, & Technology/Management Systems)



\* Capitol Dome - \$42.5 M  
\*\* West Refrigeration Plant Expansion - \$40.2 M & Constitution Ave. Tunnel Repair - \$9.0 M.

The following tables summarizes the funding levels presented in the five-year capital budget by category and the capital budget request by appropriation.

FIVE YEAR CAPITAL PROJECTIONS

Category	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Five Year Total
Life Safety .....	\$14,528,000	\$20,720,000	\$33,130,000	\$34,850,000	\$400,000	\$103,628,000
ADA .....	1,240,000	5,805,000	1,966,000	3,456,000	1,560,000	14,027,000
Security .....	8,546,000	10,432,000	8,108,000	14,600,000	5,175,000	46,861,000
Cyclical Maintenance—Improvement .....	450,000	11,580,000	1,050,000	27,000,000	17,000,000	57,080,000
Cyclical Maintenance .....	53,385,000	58,256,000	56,635,000	145,274,000	71,591,000	385,141,000
Technology/Management Systems .....	4,224,000	4,726,000	2,315,000	1,657,000	1,350,000	14,272,000
Improvement—AOC .....	2,013,000	57,993,000	1,400,000	11,800,000	2,100,000	75,306,000
Improvement—Client .....	18,215,000	28,403,000	77,037,000	43,300,000	42,400,000	209,355,000
<b>Total .....</b>	<b>102,601,000</b>	<b>197,915,000</b>	<b>181,641,000</b>	<b>281,937,000</b>	<b>141,576,000</b>	<b>905,670,000</b>

CAPITAL BUDGET REQUEST BY APPROPRIATION

Appropriation No. of Fiscal Year 2001 Projects	Fiscal Year 2001 Budget Dollars	Fiscal Year 2002 Request Dollars	Change Dollars	Major Fiscal Year 2002 Project
Capitol Buildings—13 projects .....	\$5,278,000	\$62,696,000	\$57,418,000	Rehabilitate Capitol Dome—\$42,500,000. Off-site Delivery Center—\$6,750,000. USPC Vehicle Maintenance Facility—\$3,260,000. Financial Management System—\$2,076,000. Replace Exit Doors for Emer. Egress & Security—\$782,000.
Capitol Grounds—13 projects .....	223,000	1,876,000	1,653,000	Security Improvements. HS08 Horseshoe Entrance, NE—\$1,100,000. CAD Database Development—Site Utilities & Grounds—\$320,000.
Senate Office Buildings—7 projects .....	21,678,000	8,024,000	-13,654,000	Construct Garage, Square 724—\$3,000,000. Modernize Elevators (12), HS0B—\$1,440,000. Interim Control Room for Televised Hearings—\$500,000.
House Office Buildings—2 projects .....	501,000	16,928,000	16,427,000	Renovate Rayburn Cafeteria—\$3,460,000. Elevator Modernization Program—\$3,000,000. Roof Fall Protection—\$2,444,000. Fire Alarm System Upgrades for ADA—\$1,514,000.
Capitol Power Plant—5 projects .....	747,000	1,275,000	528,000	Replace Deaerator Heaters—\$335,000. Install Dual Low NO <sub>x</sub> Burners, Boilers 5-7—\$200,000.
Library Buildings & Grounds—8 projects .....	6,010,000	10,105,000	4,095,000	Audio Visual Center—\$5,000,000. Roof Fall Protection, LB&G—\$1,778,000. Egress Improvements—\$550,000.
Botanic Garden—1 projects .....	25,000	1,697,000	1,672,000	Conservatory Galleries Design Exhibits—\$615,000. Implementation/Contractor Support Conservatory Courtyards—\$400,000.
<b>TOTAL .....</b>	<b>34,462,000</b>	<b>102,601,000</b>	<b>68,139,000</b>	



Senator DURBIN. Thank you, Mr. Hantman.

In deference to Senator Bennett's leadership on this subcommittee and his particular interest in the Architect's office, I would like to invite him to open the questions.

#### CAPITOL VISITOR CENTER

Senator BENNETT. Thank you very much, Mr. Chairman. I appreciate your confidence and your courtesy.

Mr. Hantman, the biggest item that everybody is looking at at budget time, of course, is the Visitor Center. We need to know where we are on that. You say we are halfway through the documents. We will be in a position to have the final documents done sometime in the fall.

Mr. HANTMAN. That is correct.

#### PARKING

Senator BENNETT. Could you talk a little bit about some of the side effects of this?

Let us talk about parking. When the Visitor Center construction gets underway, there will undoubtedly be a significant impact on both parking challenges and traffic patterns. I have a little experience with that. Salt Lake City had to do significant infrastructure in preparation for the Olympics. And we have no give on the other end. The Olympics are going to come, and we have had to do all of the infrastructure preparation, recognizing that the date will be there.

I think the same is true with respect to the Visitor Center. There cannot be a delay because the Visitor Center has to be done in time for the presidential inauguration in January of 2005. We cannot have the inauguration take place with a hole in the ground, and we ought to have everything done, back in place, parking available, landscaping back, and so on. I know you understand that.

Could you tell us what your plans are with respect to parking and traffic patterns while the construction is going on that will make sure there is no delay and we will meet the deadline of the 2005 inauguration?

Mr. HANTMAN. As you know, Mr. Chairman, Senator Bennett, Senator Stevens, there are many cars impacted by this project. First of all, on the East Capitol Drive, there are 80 cars on the Senate side, 80 cars on the House side which will be permanently lost for parking. They will be part of the Visitor Center area. There will also be cars on the North Drive, heading towards the west, and parking patterns will have to be modified as the construction goes forward.

We have been working with the Senate Sergeant at Arms for a master plan for parking. All of the details certainly have yet to be worked out, but we are looking at every project that we have and its impact on parking during that time frame so that we can play the musical chairs we need to play to make sure that everybody has a location going forward. So, again, it is not worked out yet, but we have a master plan in mind. We have been working with the Senate Sergeant at Arms, talking to the Rules Committee about that, and that is one of our first priorities that we are working out in concert with our construction manager as well.

Senator BENNETT. As you look in that direction, are you going to need any more money? Are you going to have to construct any more buildings, parking structures, et cetera to take care of this? Is this something the subcommittee needs to look forward to in terms of additional requests?

PARKING GARAGE SQUARE 724

Mr. HANTMAN. As you know, Senator Bennett, we had been talking for a couple of years about a possible new parking garage on site 724, which is just north of the Hart Senate Office Building. We wanted to do that before we started doing the renovation project on the Russell Legislative Garage.

We have plans now and we have reviewed preliminary plans with the Senate Rules Committee for a parking structure on that site. There are currently some 360 or so cars parked on the surface. The plans that we are talking about are for a four-story parking garage, potentially to have a command and control center for the Capitol Police on the lowest level. This is an option that we are looking into and will be presenting to the Rules Committee as well.

We are requesting some \$3 million to do construction documents for that project going forward into this fiscal year. So, yes, we need to continue presenting that and look at that as potentially the first phase of a structure on that block front just to the north of the Dirksen and the Hart Senate Office Buildings.

PROJECT TIME FRAMES

Senator BENNETT. Again, mindful of the time frame we are facing, driving for the inauguration, you have a fiscal year 2002 request for \$42.5 million to start on the project of restoration of the Capitol dome. Life being what it is, you can always anticipate problems. I very much remember what we did with respect to the Botanic Gardens. It is now a year and a half behind schedule. I am told it is still within budget.

Mr. HANTMAN. That is correct.

Senator BENNETT. It is a year and a half behind schedule. If you have got Visitor Center challenges, Capitol dome challenges, new parking structure challenges, and a series of new projects all going on simultaneously, with a firm and unbreakable deadline at the back end, is there a possibility that we are biting off more than we can chew here and maybe the consideration ought to be given to delaying some things until after we are sure that it can all come together? The obvious candidate for that would be the Capitol dome. I would like you to talk about that.

Mr. HANTMAN. Senator Bennett, in past hearings you have said on multiple occasions, Mr. Hantman, that is a very ambitious schedule. And clearly that is what you are saying right now. I walk around the campus and I see so many things that need to be done. It would be wonderful just to snap your fingers and have them taken care of. But you are absolutely right. Priorities need to be established.

## CAPITOL DOME PROJECT

As far as the dome is concerned, as you know, we have successfully completed the first phase. It was a \$7.5 million emergency appropriation, and we fully documented and we have construction drawings that will show what work needs to be done for the \$42.5 million you have discussed.

We really do have a choice here, though. As you know, we delayed the Capitol dome project for 1 year from last year because of the fire safety type of issues that we had to deal with. We had a \$17 million supplemental for fire safety at that point in time. The Compliance Board had talked about an awful lot of issues that need to be addressed, and we are working on those very assiduously. We are making real progress, but clearly more needs to be done in that direction also. So, when we delayed the Capitol dome last year, we did it with the idea that we would be able to concentrate on other issues.

I think we have three choices here at this point in time. We have the ability to move ahead with that \$42.5 million project. I can show you a site plan that talks about the staging areas and how we would work the Capitol Visitor Center, the dome, the perimeter security program and make it work.

The issue there is, though, there is an awful lot on our plate at this point in time. In fact, I had a little study commissioned to take a look at what would happen if we put the dome project off, what more would we need to do. That study came up with \$1.6 million worth of work. For instance, the dome has not been painted in 12 years now, since 1988 I believe it is. So, we would have to paint the dome without removing the lead-based paint and getting down to base metal and doing all the repair work. We would have to do some removal of lead-based paint on the interior side where the tours go up to the dome. We would have to repair some pieces of metal, and all that would give us is more flexibility to kind of mothball the project going forward.

So, I think we really have a choice over here, and I do not think there is really a correct answer. There are really three options: proceed with it now; we can put it off for another year and see what is happening on the Visitor Center and other projects and see if we are in better shape next year; or we can put it off for the duration of the Visitor Center project or sometime in between and expend that \$1.6 million we think it would take to kind of mothball the project for a number of years.

As you know, the initial study indicated that, structurally speaking, the dome is in fine shape. Our forebearers really developed a wonderful design. The problem is in the skin and the leaking. Some of the \$1.6 million I identified would put sealant in those leaks, put a coat of paint on it so we would not have further deterioration over there. So, that is really a choice, and if this committee chose to suggest that we put off the project for another year and see where the Visitor Center is going and see what kind of condition we are in, we could probably do that and then, at that time, even make a decision as to whether we want to do the \$1.6 million and put it off for another 4 years or 5 years. Perhaps there is another

Architect down the road who will be coming in in another 6 years, and that might be their job.

The issue is there is no structural, fundamental problem. We did this as an emergency project because there is rust. There are problems with it. I think with the \$1.6 million, we could probably go through another 5 or 6 years without doing the full work on the Capitol dome. So, the issue is how much dislocation we really want to have.

A real consideration also, Senator, is we are about to embark on the Visitor Center, which is going to be digging a mighty big hole on the east front. It is going to cause dislocation over there. In the best of all possible worlds, the dome would be done at the same time so when the Visitor Center is finished and the dome is finished, visitors who come here would not see scaffolding set up around the dome. And I have boards over here, if you would like to see them, of what the dome looked like in 1958–1960 when the scaffolding was around the dome and they were removing and putting on new lead-based paint that we are going to have to be removing now.

So, yes, it is a long way around to say we do have flexibility. We do have a choice.

Senator BENNETT. Well, I am not sure the committee ought to be in the position of dictating a decision there. But we have two examples in front of us: one, the renovation of the Dirksen Building, which has gone very well and on schedule. I am one of the beneficiaries of that. I enjoy my corner suite tremendously. And then we have the Botanic Gardens, which ran into unexpected problems, a year and a half late. I am sure nobody deliberately slowed it down. There were some unexpected challenges. So, you have got one example of something that has gone very well; you have got another example that ran into challenges and problems that slowed it down.

I think that is kind of what we pay you that big salary for—to make some recommendations on the basis of reality. It would be wonderful for the visitors to come at the inauguration in 2005 and have everything shiny and spick and span and terrific. It could be disastrous if they come for the inaugural in 2005 and everything is behind schedule and we say, if only we had put this off.

So, I appreciate your examination of the alternatives and would hope you would come back to the subcommittee with a pretty firm recommendation one way or the other that we could look at and say this is realistically where we ought to be.

#### STAFFING

This brings us to the issue of staffing. I tend to agree with your opening statement that the statutory requirements laid down for specific jobs do not make any sense anymore, and that we probably ought to give you a great deal more flexibility and simply say you have  $x$  number of positions to fill, kind of the way we do in our Senate offices where we have a budget for staffing and we can determine how much goes to the administrative assistant and how much goes to the legislative director and so on. And you could have some flexibility of, say, up to a certain level, we are going to put

money here, there, and go after the people you need. I am inclined to support giving you that kind of flexibility.

I have to note, however, that you have reprogrammed over \$7 million out of personnel funds that you were afraid were going to lapse after you told the subcommittee you had to have all of this personnel the last time. Why the delay in hiring and why the fact that you have got excess personnel funds that you now are using for other purposes for reprogramming?

Mr. HANTMAN. A fair question, Senator. There are a series of issues related here. One of them is clearly that, with the continuing resolution we lost the first quarter of the year to really accelerate our hiring process. We also, frankly, had issues within our human resources department in trying to accelerate that process and move it along.

We have hired, I think, 188 people this year, trying to fill in the lost numbers of people we had through the buyout a couple of years ago and through normal attrition. We have another 50 certifications out, sitting in the offices right now, and 55 jobs that are almost ready to be filled as well. We have had a really accelerated process to bring these people on board.

But clearly as they are brought on for less than the full calendar year, their salary has been allocated for the entire year. So, those dollars are left for us to reprogram or use for other purposes. Much of it has been used for that purpose.

#### CAPITAL BUDGET

Senator BENNETT. One other comment, Mr. Chairman, if I may, and I will turn this back to you, again with gratitude for your courtesy and consideration.

Your capital budget. I have a hard time following it. The numbers from year to year do not seem to coordinate. We get a capital budget request for 1 year and then there is a capital budget for the other year, and we cannot really see what has happened or a flow from one to the other. They seem to come up de novo each time. Without expecting a specific answer now, I would appreciate it if you would kind of give us a chart over time of where the capital budget has been and where you expect that it will be.

Mr. HANTMAN. In terms of long-term projections, Senator?

Senator BENNETT. Yes, if we can get our arms around that.

Mr. HANTMAN. We will do that.

[The information follows:]

FIVE YEAR CAPITAL PLAN HISTORY

[In millions of dollars]

	FISCAL YEAR 1998	FISCAL YEAR 1999	FISCAL YEAR 2000	FISCAL YEAR 2001	FISCAL YEAR 2002	FISCAL YEAR 2003	FISCAL YEAR 2004	FISCAL YEAR 2005	FISCAL YEAR 2006	FUTURE FUNDING	TOTAL AD- DITIONAL FUNDING REQUIRED
FISCAL YEAR 1998 BUDGET REQUEST	53,971	68,160	94,606	72,726	27,993					36,060	353,516
FISCAL YEAR 1999 BUDGET REQUEST		87,460	111,936	93,513	62,904	24,433				32,785	413,031
FISCAL YEAR 2000 BUDGET REQUEST			118,907	149,509	66,257	114,509	41,376			66,205	556,763
FISCAL YEAR 2001 BUDGET REQUEST				68,739	181,082	81,058	221,570	113,537		120,620	786,606
FISCAL YEAR 2002 BUDGET REQUEST					102,601	197,915	181,641	281,937	141,576	87,954	993,624

Mr. HANTMAN. One other point I wanted to make relative to the hiring process, I think there is good news in the fact that we have essentially hired 188 people, but 75 of those positions have been internal promotions, which is good news I think of growing the organization, letting people have a career path. But also, when you think about that, those 75 positions also have to be filled. So, therefore, the salaries from there are left out as well and left to be reprogrammed.

#### WORKER SAFETY

Senator BENNETT. Thank you very much.

I appreciated your reference in your opening statement to worker safety. You have a clear management challenge there. The injury rate has a distinction you do not like and we do not like. I know you are working on it and appreciate your mentioning it.

The Architect of the Capitol's injury rate is the highest in the Federal Government, 17.9 injuries per 100 workers. The Federal Government rate—and this is not really apples and oranges because many of your people work in situations that are perhaps more dangerous than in other Federal agencies. But the Federal Government rate is around four.

So, I appreciate your highlighting that and I think the subcommittee will look at that very closely in the future to see how you are doing. If we give you the management flexibility in terms of salaries that you have asked for, we would hope that would translate into sound management practices that can begin to bring down some of the injuries and get a better level of management expertise throughout the agency as a whole.

Mr. HANTMAN. Absolutely.

Senator BENNETT. Thank you, Mr. Chairman.

Senator DURBIN. Thank you very much, Senator Bennett.

Senator Stevens, I know you have to leave. If you would like to ask at this point.

#### INCREASE IN POSITIONS

Senator STEVENS. I just have one question. I note you want to hire 48 new people. What is your turnover rate?

And your comment about the salary level interests me. Are you seeking a change in the salary level options you have available?

Mr. HANTMAN. For the senior management, Senator, yes.

But as far as the turnover rate, it is basically about 10 percent. We have an aging work force, many retirements are involved in that. So, in terms of the 48 positions that we are talking about, many of them, 13, are related to fire and life safety positions that we need to fill, others into the planning.

Senator STEVENS. Are they new positions?

Mr. HANTMAN. Those are new positions. In fact, we are looking for funding for those positions. Over time, Senator, whenever we created, for instance, the financial management system or our labor management group or our attorney group, we have had to take those jobs out of some of the support groups, some of the shops that we have had because we have never had an increase basically that would allow us to essentially hire FMS people or hire IRM people.

## CONGRESSIONAL ACCOUNTABILITY ACT

So, these jobs are specifically really designated by the Congressional Accountability Act. We have to have people on life safety, on fire safety, on issues of energy conservation. These are mandated positions that we are looking to fill right now. In fact, we are out on the street now for about 30 of those positions, and hopefully we will get the funding to support that going forward or we will have to make compromises in other places in our budget.

Senator STEVENS. I did not think that act required new people as much as a job assignment had to include certain specifications. You seem to be sort of broadening out a great deal in terms of senior management, supervisory positions. Is your work force not expanding considerably?

Mr. HANTMAN. Senator, there are implications from that act that are tremendous. We fundamentally have to change the way we do business. For the first time it allowed unions to come in. We have six unions we are working with right now and we have to hire the people to work with the unions.

The Accountability Act has issues relative to OSHA criteria. The rest of the Nation had to deal with OSHA starting back in 1970. We have to play catchup ball and deal with those issues right now.

Relative to ADA, safety working conditions, we have hired the Public Health Service to help us write new standards, and there are 41 standards that have to deal with protective equipment, confined spaces. How people fundamentally do their jobs needs to be changed.

And the fire and life safety crew that we are asking for over here are the people who are going to put policies in place, train people. We are talking to OSHA about having them help us train people. This is a 5-year project going out, on the optimistic side, to put all of these 41 different criteria in place. If you would like to, I could show you the whole list of what we have to do, the new organization that we are putting in place that never existed before.

Senator STEVENS. I think it is going to be a tough sell up here. In terms of number of people, it is really blossoming very quickly into a very much larger workforce than you have had before. I would like to have some details on that. I looked through your statement. I did not see really where you had detailed that.

What about the pay level? You said in your opening statement you were having problems because of the pay level?

## PAY LEVELS

Mr. HANTMAN. For instance, on the financial side, we have been looking for a CFO position over a year right now. The legislation that was put up in 1990 indicates that we have a limitation on what we could pay and advertise for. Other agencies are looking for CFO's in the \$125,000 to \$130,000 range. The maximum that we could look for before this last COLA was \$110,000 because that is what the legislation says. In fact, the legislation specifies that we have a budget officer who is locked into the \$110,000 cap. Now it is \$113,000. So, we have had the advertisement for a CFO/Budget Officer, and everybody recognizes that we really need both. We need a budget officer and we need a CFO, and we have not been



able to find somebody to come on in because we are not competitive with other agencies. That, in fact, is what is happening. In fact, we have people who are GS-15's right now who are earning more than their supervisors because their supervisors are locked into certain percentages established in that legislation. So, we have a fundamental problem in terms of keeping our hierarchy established over here and paying people appropriately, trying to keep people in financial management systems, in IRM. They are being attracted away by other agencies. We cannot compete unless we have some level of flexibility.

#### FULL TIME EQUIVALENTS

Senator STEVENS. The red dots on the lower line is the actual?

Mr. HANTMAN. Exactly. We have had some 2,400 FTE's and we have come down to 2,012 FTE's out of our authorized strength. The blue line indicates where we are in actual people. We are not up to our FTE strength. The 188 people I talked about hiring before and if we get these 48 people as well, we will still be 60 people below our authorized strength. We just have not had the funding to hire them going forward.

So, in reality we are not exceeding what our needs are or what we are authorized to have. In fact, the Comptroller General indicated in testimony recently that he was looking for another 120 or so people in his agency to bring him up to his FTE level because he needs that level of people to get the job done. That is really the case in our agency as well, sir.

Senator DURBIN. Thank you, Senator Stevens.

Mr. Hantman, let me follow up on this. Your chart indicates that your high water mark, at least within modern memory, fiscal year 1993, was actual employment of 2,357 and the low water mark appears to have been somewhere in the range of 1,733 a couple of years ago. What I am looking for is some kind of understanding of what you think is your optimal employment level here for this agency.

Mr. HANTMAN. We think that a 2,012 person FTE is a relatively reasonable level. One of the unknowns that we are looking at here, as I was telling Senator Stevens, we have 41 new policies to establish for safety issues around here. People fundamentally need to relearn how to do their jobs. We have just had a protective gear program come in, and one for HAZMAT type of issues. The first three policies are in place right now, and the Public Health Service is issuing the policies at the rate of one every couple of months.

But then we have to train people. We have to make them understand how they have to use their protective gear in tough situations. We have to make sure that their supervisors have the responsibility and recognize that responsibility to make sure they wear their protective gear and they do their jobs appropriately. This is a sea change in the way things have been done in the past.

Senator DURBIN. Can we be confident that at 2,012, we will not be sitting here a year from now with another request for 48 more or 50 more?

Mr. HANTMAN. Well, as far as these 41 criteria concerned, going forward we do not expect it to be significant numbers, but it should be fairly controlled numbers.

Senator DURBIN. I think you have identified a problem which we are running into in a lot of different places, and that is to attract a level of expertise. We find ourselves bumping up against ceilings and caps in terms of salaries. And perhaps we are not as competitive as we used to be in terms of what we have to offer. I do not think it is unique to the Architect's office. I think we are finding that in a lot of areas of the Federal Government. Senator Voinovich and I, in Government Affairs, have been looking into this human capital challenge that we are facing.

We are on a roll call and I am going to try to cover my areas quickly so we do not have to hold you any longer than necessary. But I do have a number of areas that do concern me.

#### WORKER SAFETY

I do not understand this OSHA number. This just does not make sense to me. I cannot believe it is four times more dangerous to work in the United States Capitol than anywhere else in the Federal Government. What is going on here? Why are more people getting injured on the job in the U.S. Capitol Building under your Architect's office than we find across the Federal Government?

Mr. HANTMAN. Frankly, Mr. Chairman, the numbers are too high, and we are going to work assiduously to lower those numbers.

Senator DURBIN. They are not just too high. They are astronomic. We are 400 percent over the average for the Federal Government. This has been reported in the press, so clearly you have been sensitized to it. What is missing here? What are you missing in your office in terms of management and employee education and workplace safety that creates this problem?

Mr. HANTMAN. We are putting an organization together right now, Senator, to be able to deal with the issues of putting all those procedures and standards in place that facilitate workplace injury. First of all, our staff is 80 percent shop-oriented. People do heavy lifting, heavy jobs. To compare us with an agency that has people sitting behind a desk possibly getting carpal tunnel syndrome really is not appropriate.

But as far as the injury rate is concerned, we are promoting very good reporting criteria.

Senator DURBIN. Whom are you bringing in to consult with if it is necessary for employees to wear certain protective equipment or back braces? Who is giving you advice on this?

Mr. HANTMAN. The Public Health Service is working with us on getting all of these policies and procedures in place. We are also talking to OSHA about helping us on the training for this. So, we have established an entirely new program. I can walk you through our organization, which has never existed, again, before on Capitol Hill.

Senator DURBIN. Is this number that we are facing in this hearing a new phenomenon that has not happened, or has this been the level of problems that we have had for a number of years?

Mr. HANTMAN. This has been floating around 14 or 15 percent for a number of years, Senator.

Senator DURBIN. Well, I have to tell you then, I am glad you are responding, but I wonder why we have waited. This is not only

harmful to employees, but it is expensive to the Federal Government to have people injured, and to have these dramatically different numbers for the Architect's office. I have worked in some dangerous work places, and I cannot believe this is the most dangerous work place in the Federal Government. It is hard to imagine.

Mr. HANTMAN. Once again, sir, we have people on the grounds, at the power plant, other places who are doing the type of jobs that other agencies do not have. No excuses. They should not be up that high, and we have an aggressive program for cutting it back 10 percent every year going forward from here. So, that is a measurable program that we are going to have. We have had all the superintendents go out and meet and talk with all of their people regarding protective gear and equipment. I have personally gone out with our new Safety Officer, Sue Adams, to meet with these people and to make sure that all of the criteria is met relative to OSHA criteria.

Senator DURBIN. Mr. Hantman, perhaps you can tell me, by cutting back at 10 percent a year, how long will it be before the Architect of the Capitol reaches the average for the Federal Government when it comes to workplace injury?

Mr. HANTMAN. We are talking about in 5 years coming down to about 10 percent.

Senator DURBIN. That would still be two-and-a-half times the average for the Federal Government.

Mr. HANTMAN. When you talk about the average for the Federal Government, Mr. Chairman, again 80 percent of our people do heavy lifting, do work of different kinds.

Senator DURBIN. I think you need to be more aggressive on this. I just do not accept this, that we are going to have the most dangerous workplace in the Federal Government here. That is hard to explain to anybody. I understand that the power plant is not the Capitol Building, and there are some heavy jobs there. But industry deals with this all the time, and they understand that worker injuries not only hurt the workers, but hurt their productivity. And that has to be the case for us as well.

Mr. HANTMAN. Among the 48 people we are talking about, 13 of them relate to fire and life safety issues that can monitor these issues and really make sure that people understand what is necessary and that we can, in fact, bring it down.

Senator DURBIN. I am going to work with Senator Bennett. We are going to see if there is some language we can put in here that is going to move this to a different level. I do not accept this notion that in 5 years we will be at 250 percent of the average for the Federal Government in terms of worker injuries.

Mr. HANTMAN. Again, all of those agencies, Senator, had 30 years to work up to where they are right now. We are going to work very aggressively to cut it as quickly as we possibly can.

Senator DURBIN. I think we want to work with you on that.

#### RECYCLING

One of the most dangerous things you can give to a Senator are copies of committee reports, which I took with me on the airplane and started reading. There has been a recurring issue over recy-

cling in the U.S. Capitol. Again, in this time and place, we should be setting an example on recycling, and it appears that there are annual admonitions to the Architect's office to do something about recycling because it means more money for the Federal Government. If we give clean waste to the service through the General Services Administration, it means that we can make money off of it. If we give them dirty waste, then we do not.

How much progress has been made?

Mr. HANTMAN. We have put on board a full-time recycling manager. We have set up a revolving fund from the proceeds from the recycling program to be used for the Senate Health and Fitness Facility.

Senator DURBIN. And what have been the results? In terms of revenues since we have been admonishing the Architect's office for several years now to do something about recycling, can you point to an improvement in the fees that we are recovering as a result of your effort?

Mr. HANTMAN. We do not have the numbers back that would point to that. We have the report that the legislation criteria dictate that we bring to the Senate Rules Committee. We are ready to meet with them in the next couple of weeks to talk about our recommendations and they can select the appropriate alternatives, and we will move forward on the program.

Senator DURBIN. But is it working? You have been told for at least 2 years, maybe longer, to do something, improve the situation. Have you improved the situation? Are we recycling more at the U.S. Capitol?

Mr. HANTMAN. We are recycling more. I do not know what the numbers are.

Senator DURBIN. Why?

Mr. HANTMAN. Because the reports go through GSA and they come out periodically.

Senator DURBIN. Can the Budget Director help us or someone else sitting with you?

Mr. BOERTLEIN. I do not have the current data on that, sir.

Mr. HANTMAN. We will get you the information.

Senator DURBIN. Please do that. I would appreciate that very much.

[The information follows:]

#### U.S. SENATE OFFICE RECYCLING PROGRAM

The Architect of the Capitol manages the U.S. Senate Office Recycling program in the Hart, Dirksen, and Russell Senate Office Buildings. (The Senate Sergeant at Arms manages the U.S. Senate side of the Capitol recycling program.) Centrally located recycling containers are provided to Member offices for beverage containers and High Grade paper. As the program is currently designed, desk side recycling containers are to be used for mixed paper and all trash is to be placed in centrally located wet waste containers. However, desk side recycling containers are frequently used for trash collection and white paper, mixed paper, newspaper, and magazines/mail are all placed into the High Grade paper containers. These discrepancies are due to a lack of a clearly defined program, inadequate containers, and inadequate staff education and training.

Recycled materials are transported to the Hart Loading dock where they are baled and staged for pick up by the recycling contractor. The recycling contractor inspects the recycled materials and performs sorting, separation, and transport to either a recycled materials processing center or a local landfill. Recycled materials frequently do not meet recycling contract contamination specifications because of the high per-

centage of non-recyclables such as plastic, food, and styrofoam. The Senate Employee Health and Fitness Fund receives revenues from recycled materials that are within contamination criteria specified in the recycling contract. The recycling contractor receives revenues from materials that exceed contamination criteria. A summary of the amounts of materials recycled and the revenues generated is shown in table 1. Table 2 compares the first half of fiscal year 2001 with the first half of fiscal year 2000.

TABLE 1.—U.S. SENATE AND CAPITOL (U.S. SENATE SIDE)<sup>1</sup> PAPER RECYCLING SUMMARY (10/1/97–3/31/01)

Fiscal year	Tons (Rounded)						Amount earned
	High grade	Mixed grade <sup>2</sup>	Newspaper	Corrugated board	Contaminated (No value)	Total tons	
1998 .....	0.62	185.60	35.34	16.29	433.29	671.14	\$5,178
1999 .....	1.59	222.40	0.76	0	379.18	603.93	4,238
2000 .....	0	162.31	2.56	2.85	522.09	689.81	7,850
<b>Total .....</b>	<b>4.09</b>	<b>711.09</b>	<b>39.37</b>	<b>19.14</b>	<b>1,573.43</b>	<b>2,347.12</b>	<b>21,481</b>

<sup>1</sup> Only high grade paper is collected from the Capitol, Senate side.

<sup>2</sup> Includes both mixed paper and all paper graded as commercial office mix.

TABLE 2.—DATA COMPARISON FOR FISCAL YEAR 2000 AND 2001 (6 MONTH PERIOD)

Fiscal year 1st & 2nd Quarters	Tons (Rounded)						Dollars
	High grade	Mixed grade <sup>1</sup>	Newspaper	Corrugated board	Contaminated	Total	
2000—Q1 & Q2 .....	0	87.35	2.56	0	257.61	347.52	4,174
2001—Q1 & Q2 .....	1.88	140.78	0.71	0	238.87	382.24	4,215

<sup>1</sup> Includes both mixed paper and all paper graded as commercial office mix.

As Table 1 illustrates, there have been moderate increases in the amount of high grade and mixed grade paper recycled as well as a decrease in contaminated material. At the current rate of collection for the first six months of fiscal year 2001 (see Table 2), it is estimated that 760 tons of recyclables will be generated for the full year compared to 690 tons collected for fiscal year 2000. The amount of recycled cardboard will rise due to the new cardboard baler that became operational July 1, 2001. It is expected that contamination amounts will decrease due to the ability to separate and bale cardboard independently from mixed paper.

The following program improvements have been made within the last year:

- The Senate Recycling Program Manager position was filled in November 2000.
- An AOC-wide Recycling Program Manager position was created and filled in April 2001. (Note: this position is also responsible for solid and hazardous waste management.)
- The Senate Employee Health and Fitness Fund was created in February 2001 to collect revenue from the Senate Recycling Program.
- A recycling display and information booth were included in the January 2001 Senate Superintendent's Open House.
- The Senate Superintendent's Office issued a letter indicating glass, plastic, and aluminum beverage containers could be commingled and provided stickers to relabel the recycling containers.
- Each Senate Office designated a recycling liaison to interface with the Senate Superintendent's office and to promote recycling within the Member office.
- Senate Superintendent office inspectors meet monthly with Office Managers on a variety of topics including recycling.
- A new cardboard baler was installed, operators were trained and the new baler became operational on July 1, 2001.
- Segregation of cardboard from the U.S. Senate Restaurant facilities began July 2001.

There are opportunities for the continued improvement of the recycling program. As directed by U.S. Senate S. 2603, the Architect of the Capitol has been studying improvement options and within the next three months will be:

- Modifying recycling collection carts to provide separation of newspaper, white paper, and mixed paper.

- Establishing clearly defined recycling separation and staging areas at Hart Loading Dock.
- Implementing cardboard separation at other high volume generation location.
- Advertising availability and providing newspaper recycling containers to Member offices.
- Offering recycling containers at special events to capture recyclable commodities.
- Obtaining outside consultant review and recommendations of the recycling program—existing and proposed.
- Improving AOC recycling and baling personnel training and understanding of recycling program.

Within the next month, the Architect of the Capitol will be proposing long term program improvement options to the Senate Rules Committee. Improvement options will include an increase in the selection, number, and location of containers as well as improved recycling awareness and educational opportunities.

#### CAPITOL POWER PLANT

Senator DURBIN. Let me ask you about the power plant. It is fascinating. The numbers that have been in this budget for the power plant in terms of estimated utility costs really range pretty widely here. It looks like a 20 percent difference between 2000 and 2001. Do you have an explanation as to why we would have such a disparity in the cost of utilities at the power plant?

Mr. HANTMAN. We are using a lot more gas than we had used before. We have an EPA criteria to come in below .43 parts per million of particulate matter. In order to do that, we have converted two of our boilers to be able to burn not only coal, but also gas to bring that down in line. And the cost of gas is certainly higher than that of coal.

Senator DURBIN. I understand that. We are facing that all over the country, certainly in the Midwest, the increased cost of natural gas. But that is a relatively recent phenomenon. It has just been this year. If you were looking for a supplemental, I could understand it. But there is such a wide swing here from 1 year a purchase of coal of \$685,000 for 2001; the previous year, \$2 million. Three times the cost. The purchase of oil was \$920,000 in 2001, \$1.2 million in the previous year. I need an explanation.

I also want to know if there is anything that we have imposed on the power plant in terms of their acquisition of utilities or energy sources that runs the cost up over the regular market price. So, you need to tell me that too. If you would look into that with a little more detail, I would appreciate it.

[The information follows:]

CAPITOL POWER PLANT UTILITY BUDGETS AND COSTS

Account	Fiscal Year 1999 Budget	Fiscal Year 2000 Budget	Fiscal Year 2001 Budget	Fiscal Year 2002 Request	Fiscal Year 1999 Obliga- tions	Fiscal Year 2000 Obliga- tions	Fiscal Year 2001 Obliga- tions	Fiscal Year 2002 Request
2303—Annual Gas .....	\$1,415,000	\$4,982,000	\$6,590,000	\$7,127,000	\$4,786,420	\$5,386,535	\$6,000,000	\$7,127,000
2304—Electrical Energy .....	21,896,000	22,470,000	22,470,000	23,350,000	20,287,872	20,560,243	21,825,000	23,350,000
2305—Purchase of Steam .....	248,000	248,000	280,000	300,000	209,728	288,240	340,506	300,000
2306—Purchase of Chilled Water .....	252,000	284,000	288,000	380,000	274,292	316,521	331,330	380,000
2307—Water & Sewer .....	1,800,000	6,200,000	4,400,000	6,621,000	1,777,580	6,122,568	14,109,000	6,621,000
2623—Coal .....	2,250,000	200,000	685,000	2,431,000	373,162	311,679	2,132,100	2,431,000
2624—Oil .....	1,905,000	800,000	920,000	1,433,000	493,593	1,173,830	2,090,000	1,433,000
<b>Total .....</b>	<b>29,766,000</b>	<b>35,184,000</b>	<b>35,633,000</b>	<b>41,642,000</b>	<b>28,202,647</b>	<b>34,159,616</b>	<b>36,016,836</b>	<b>41,642,000</b>

<sup>1</sup>This amount includes \$1,776,941 for the payment of the 1990 water and sewer bill.

<sup>2</sup>6,000 tons in South Coal Yard used \$275,000 in fiscal year 2001.

By law, the payment of water and sewer services are set by the District of Columbia through the U.S. Treasury and adjusted in the subsequent years for actual costs. In the past several years, the AOC has not received the estimate to include in its budget request.

The Capitol Power Plant is a tri-fuel plant, which burns #2 fuel oil, natural gas and coal. Each fuel unit can be converted to a common unit of energy. The mix of fuels used varies based on the cost of the fuel and the availability of equipment at the plant. Coal is our primary fuel and historically is the cheapest fuel. However, the coal boilers must be co-fired with gas in order to meet current emission standards. We have the flexibility to burn oil or gas in one of three large boilers and in one of the 4 smaller boilers.

The carryover of inventory on coal has some impact on the need to purchase coal. In fiscal year 2001, the inventory of coal stored at the coal yard and south of I-395, was burned (about 6,000 tons).

As a result of a consent decree in 1999 and 2000, the AOC was prohibited from burning coal during the peak ozone (summer) months. As a result gas and oil were used. It should also be pointed out, in 1999 when the fiscal year 2000 budget was being developed, the AOC had planned to move away from coal as its primary fuel which is no longer the case.

Congress has not imposed any regulations on the power plant which increases our fuel cost. We procure our fuels through GSA.

#### SENATE RESTAURANT

Senator DURBIN. There was a request in the budget for the year 2000 for \$750,000 for the Senate dining room, no request in the year 2001. What is your request for the next fiscal year?

Mr. BOERTLEIN. This was replacement equipment, sir?

Senator DURBIN. No. It was under the difference between the request and recommendation in your budget. In the year 2001, you asked for \$750,000 in your request for the Senate restaurants. In the previous year, you had asked for nothing under that same heading. I just was curious. Do you ask each year for a supplemental appropriation for the Senate restaurant?

Mr. BOERTLEIN. That is additional funding going to the Senate restaurant that supplements the cash receipts.

Senator DURBIN. One year it shows \$750,000, the previous year no request.

Mr. BOERTLEIN. I think that, sir, has been in there for the last several years at the \$750,000 level.

Senator DURBIN. This might have been a typo in my committee report. As I said, it is dangerous to hand this to a Senator.

Mr. BOERTLEIN. For this year, we are lowering that to \$650,000, but for 2000 and 2001, it was at the \$750,000 level. Prior to 1999, it was actually at \$1,433,000. So, it was cut dramatically in 1999.

Senator DURBIN. Educate me, if you will, since I am new in this position. Do we run the Senate dining room or does someone else manage it?

Mr. BOERTLEIN. Yes, we do manage that.

#### CAPITOL VISITOR CENTER

Senator DURBIN. I want to, in the closing minute or two that we have here, say that the thing that I have learned very quickly here is that your office is much more than an Architect's office. It is probably more a management office. There are some things that trouble me greatly about the management of the Architect's office, but I want to be fair to you. If you have made progress, I want to give you credit where it is due, but if no progress is being made, I am going to be very blunt about it.



I look at the progress on the Dirksen Building renovation, and it looks like good work. I was in the middle of this on the third floor just a few months ago, and I thought it was handled well. I really think we are proud of the outcome and you should be, too. Whoever is involved in managing that has done a good job.

But it is certainly frightening to think that we would turn over the Capitol Visitor Center to the same people who did the Botanic Garden and wonder if they are going to miss it by a year and a half or more in terms of the outcome. You talk about the complexity of the Botanic Garden. Consider the complexity of a project that costs 10 times that amount, that digs under the east front of the Capitol and puts in a massive Visitor Center, as you have shown me, with a lot of very technical requirements involved in it that may even go beyond the Botanic Garden.

As a result, I am anxious to see the Visitor Center go forward, but I want to make certain that we do it with the best management techniques, that when it is all over, we meet our deadline in terms of when it will be completed, at the budget level that we have programmed. And that the American people are proud that we have done a good job for them. I look at the Botanic Garden and worry that we may not be able to do that unless we change our management approach to this project.

Mr. HANTMAN. We have four major initiatives, Mr. Chairman, that will assure that this project is going to be handled in quite a different way. One of those initiatives is a dedicated project team, which has never happened at the Architect of the Capitol before. We are hiring people who are being charged to the project specifically. Our project manager we hired away from the Pentagon who is doing a \$500 million renovation over there. These are people who are totally dedicated. A procurement person, a budget officer, who are totally dedicated to that project.

We also have hired a nationally recognized construction management firm. With the help of the General Services Administration, we went out nationally and we hired a construction management firm who is going to be responsible for budgets and schedules on a day-to-day basis working with us, kind of a belt and suspenders type of approach.

We are also partnering with the General Accounting Office. They are sitting in on all our meetings and if there is a pothole in the road that they see, they are telling us about that so we can get our policies and procedures straight so that we can appropriately manage this project.

And the fourth one, Mr. Chairman, really deals with the method of contracting. What we are talking about here is not low bid. What we are talking here is best value to the Government to make sure that past procedures, past accomplishments, and the ability of people to perform is paramount in our selecting a contractor to do the actual construction.

These are all major and we can talk about them in greater detail.

Senator DURBIN. I will pursue that. I thank you for the information you gave me the other day. I want to follow up on it to make sure I understand it even more.

I have to run to a vote.

## ADDITIONAL COMMITTEE QUESTIONS

At this point, I would like to make a note for the record that Senator Mikulski of Maryland has a continuing interest in your operations. I have been requested to submit several questions on her behalf. Therefore, without objection, Senator Mikulski's questions and your responses thereto will be included in today's hearing record.

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

## QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

## MANAGEMENT CHALLENGES

*Question.* The Architect's office has had some management and operational challenges over the years in such areas as human resources, financial management, project management, and adapting to the Congressional Accountability Act. You have recently made some personnel and organizational changes.

What are the highest priority management challenges for the year ahead and are you confident you have the right people and organization in place to address your key challenges?

*Answer.* The highest priority management challenges facing the Architect of the Capitol are to continue the advancement of our organizational and business planning efforts. Through this process, the Architect has been working with agency managers in setting organizational priorities, developing a process for quantifiable objectives and measures, and developing a process for monitoring progress. In addition to maintaining a focus on facilities operations and maintenance, the cleanliness of the buildings, and on improvements to these services, we have set short and long term goals for:

- Fire, Health, Occupational, and Environmental Safety
- Improving Employee Support
- Effective Administration of Current Construction Initiatives
- Advancing Quality Assurance.

The continued development of our cadre of managers and supervisors so that they can more effectively carry out their responsibilities in support of the Congress and this agency is a priority. This includes responsive management and development of their human resources; advancing the fire and life safety programs of the agency; ensuring that employees work safely so as to reduce the number of injuries in the workplace; improved communications with employees.

Adequate space to house our employees is also an issue. We are facing a shortage of office space for our staff. We have reviewed available space, have re-configured office layouts to make the best use of space, and have consolidated organizational units, but even with these adjustments, we do not have the necessary space to properly house the staff. We are currently looking at other options and will make space recommendations in the near future.

*Question.* Over the past several years, Congress has passed legislation such as the Government Performance and Results Act and the Chief Financial Officers Act, with the intent of improving the overall management and efficiency of the federal government. Some legislative agencies, while not required to, have elected to implement these laws because they view them as prudent management practices. Is the AOC following these management "best practices?" If not, what management practices are you following to ensure that your organization is efficiently and effectively spending taxpayer dollars?

*Answer.* The AOC is in the process of developing goal setting plans which will enable it to follow industry "best practices". These plans are being developed in various areas of the agency.

The AOC is in the process of hiring a Chief Financial Officer and has funds included in the fiscal year 2002 request to hire a CPA firm to perform an "audit" of pro forma financial statements. While this is not a formal audit, it will prepare the AOC for its first true audit that is expected for the fiscal year ending September 30, 2003. Because the agency's new financial management system is being implemented in a phased approach, this is the earliest an actual audit can be performed.

## WORKER SAFETY

*Question.* What types of accidents are recurring routinely and are you conducting root cause analysis to determine why? How much is included in your budget for worker safety and how does that compare to fiscal year 2001? How much is included for worker safety-related training? When will you have a strategic plan, including cost estimates, in place for addressing worker health and safety issues?

*Answer.* The AOC total injury and illness rate is unacceptably high. Back injuries represent over 20 percent of all AOC injuries; upper extremity injuries (fingers, hands, and arms) are the second predominant type of injury; followed by lower extremity injuries (legs, ankles, and knees); and head and eye injuries are next. Back, arm leg, and knee injuries typically include strains, sprains, twists, and twinges. Finger and hand injuries are typically cuts, bruises, and dislocations. Head injuries typically consist of bumps, cuts, and foreign material in the eye.

The AOC workforce is almost 80 percent blue collar; many jobs entail physical labor. Laborers, custodial workers, electricians, and food service preparation workers had the highest numbers of injuries in fiscal year 2000. This is consistent with other organization's injury experience We must create a "safety first" attitude within the AOC.

Investigations of worker injuries are conducted but the existing process does not include root cause analysis or sharing of lessons learned across the Agency. Emphasis to date has been on management of the injury once it has occurred; we need to focus on prevention. We recognize this weakness and are in the process of revising our injury and illness investigation process; advancing it to include reporting and investigation of near misses, root cause analysis, development of corrective measures, and sharing of lessons learned. Investigation process training will then be provided to safety committee members, safety specialists, and supervisors.

The AOC capital amounts include the following projects related to worker safety in fiscal year 2001 and fiscal year 2002:

*Projects relating to Worker Safety*

Fiscal year 2001:

Roof Fall Protection, Capitol Building .....	\$555,000
Roof Fall Protection, Hart Senate Office Building .....	1,678,000
Roof Fall Protection, Design, House Office Building .....	123,000
Emergency Shoring & Repairs to Tunnels, Power Plant .....	200,000
Replace Partition Supports, JMMB .....	200,000

Total .....	2,756,000
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Fiscal year 2002 request:

Implementation of Safety Programs .....	450,000
Upgrade Lawnmower Shop Ventilation .....	230,000
Renovations to USCP Dignitary Protection .....	210,000
House Roof Fall Protection .....	2,444,000
Tunnel Emergency Shoring & Repairs .....	100,000
Ventilation in Coal Bunkers .....	56,000
Replace Partition Supports, JMMB .....	300,000
Replace Compact Stacks Safety, JMMB .....	300,000
Library Roof Fall Protection .....	1,778,000
Botanic Garden Administration Building .....	200,000
Botanic Garden Roof Fall Protection .....	131,000

Total .....	6,199,000
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The AOC operating amounts in fiscal year 2001 and fiscal year 2002 that relates to worker safety are detailed below.

- Monitoring, Publications, Medical Surveillance & Services, from \$234,000 to \$350,000;
- Safety apparel and supplies, from \$156,000 to \$172,000;
- Training related to safety, from \$312,000 to \$350,000;
- Employee safety items such as gas detectors, respirator, harnesses, cones & barriers, welding masks, etc. are purchased and charged to general supplies accounts;
- Safety items for temporary project employees are charged to the associated project.

We have recently developed a high level 5-year Occupational Health and Safety (OHS) plan to meet our injury reduction goal (10 percent reduction per year for each of the next 5 years) and established the following priorities:

- Hiring required staff (Central & Jurisdictional recruitments are in process),
- Development of job hazards analysis process and policy (underway) and performance of job hazards analysis for all work (to be completed fiscal year 2002) so that hazards can be identified and eliminated or controlled,
- Improvement of the injury/illness investigation process (underway) to include root cause analysis and implementation of corrective actions across the Agency to prevent recurrence,
- Development and inspection and audit process such that we critically evaluate our work and identify and correct deficiencies (to be completed in fiscal year 2002), and
- Development, Approval, and Implementation of 41 Safety Programs (implementation of the last program will be completed in fiscal year 2005).

The detailed requirements of safety program implementation have yet to be defined. We will submit a 5-year plan with specific project funding requests with our fiscal year 2004 budget request.

#### CAPITOL VISITOR CENTER

*Question.* Can you give us an update on the Capitol Visitor Center, including the current cost estimate and a description of what that price includes. What are the biggest challenges you face in completing this project on-time and within budget?

*Answer.* The AOC Design Team is currently in the Construction Document Phase and 50 percent complete documents were submitted to the AOC for review at the end of April 2001. Due to the complexities of the design, particularly in the interface with the Capitol Building, a 75 percent Submission has been added to the schedule for AOC review. The 75 percent Submission is due in the beginning of August 2001, with 100 percent Documents due in mid November 2001.

Two separate estimates are currently underway based on the 50 percent complete construction documents. The AOC is working with the Design Team and the Construction Manager to reconcile these estimates to ensure that both estimates correctly reflect the project scope and design intent. Once the estimates have been reconciled, the AOC will consider a range of value-engineering options that can reduce the estimated cost without the affecting the quality or efficiency of the project. The AOC remains confident that the CVC project can be built within the original \$265 million budget.

The cost estimate produced at the end of the Design Development Phase was within 2 percent of the \$265 million project budget, which by standard construction industry practice is "on budget" for that stage of the process. Two separate estimates—one by the Design Team and the other by the Construction Manager—were produced in June 2001 based on the 50 percent complete construction documents. The AOC is working with the Design Team and the Construction Manager to reconcile these estimates to ensure a true "apples to apples" comparison and to arrive at the most accurate numbers possible. The approximate range of total project cost based on the latest drafts of these estimates is from \$260 to \$280 million. It is expected that these estimates will be further reduced during the reconciliation process as the scope of the project is further refined. In addition, approximately \$20 million in potential cost savings that can be achieved without sacrifice in quality of efficiency have already been identified in the higher of the two estimates. The AOC remains confident that the CVC project can be built with the original \$265 million budget.

The project remains on schedule. Assuming timely approvals and availability of full funding, the CVC will be completed in the summer of 2005 with partial completion in support of the inaugural slated for January 2005. Pre-construction work is slated to begin this fall with tree preservation and utility relocations. On the advice of the Construction Manager, the utility pre-construction work has been expanded to include all utility relocations that will be necessary before heavy construction begins. (The original schedule called for much of this work to be done with the heavy construction as part of the general construction contract.) Final drawings for the pre-construction package are due in July, with utility relocation work anticipated to begin in the late fall of this year (2001). Construction documents for the general construction contract will be complete by December 2001. Procurement will take approximately 6 months, putting the start of the heavy construction around June 2002.

The design for the Capitol Visitor Center calls for a three-story underground structure to be built below the East Plaza. The design of the CVC has been con-

ceived as an extension of the Capitol, an extension that will enhance the experience of the millions of annual Capitol visitors, providing them with greater comfort and accessibility, as well as new educational opportunities that currently do not exist. In addition to food service facilities, restrooms and gift shops, the CVC will provide approximately 20,000 square feet of museum quality exhibition space and two 250-seat orientation theaters that will be designed to inform visitors about the Capitol and provide resources on the workings and history of Congress and the legislative process. The project also includes a new monumental stair and elevators inside the East Front Extension which will significantly improve accessibility for visitors to the Crypt, Rotunda, and Gallery Levels of the Capitol particularly for those persons with disabilities. In addition, the project includes a 450-seat Congressional Auditorium, constituent assembly rooms, an underground service tunnel and loading dock, and approximately 85,000 square feet of unfinished shell space both of the House and Senate sides for future finishing and use by Congress. The total square footage for the entire project is approximately 580,000 square feet.

The biggest challenges we face in completing this project on-time and within budget are: (1) Timely decision making for design, funding and construction issues; (2) Project funding and procurement procedures; and, (3) Conflict between construction and on-going Capitol operations.

*Question.* What procedures have been implemented to ensure that schedule delays, deliverables or cost overruns are identified early—for this project and all projects? Has the schedule slipped from the original schedule? If so, please explain.

*Answer.* To help guard against schedule delays, cost overruns, and other problems, the AOC has hired the Gilbane Building Company, a nationally recognized firm that has served as an owner's agent on such projects as the Air and Space Museum, Union Station, and the Vietnam Veterans Memorial. Gilbane was selected through a competitive process conducted with the help of the General Services Administration. Gilbane has been an integral part of the Project Team since January 2001; their input in such areas as logistics, constructibility, and technical support has provided valuable insight to the AOC and its consultant team. With the recommendation of Gilbane, a 75 percent submission has been added to the Construction Document schedule in order to allow for more detailed documentation and more thorough review of the work that will occur within the East Front Extension. This additional advance planning will reduce the potential delays and cost overruns in this highly complex part of the CVC project. Based on their extensive experience with large construction projects, Gilbane has also recommended pulling all of the utility relocation work out of the general contract for construction and putting it into an expanded pre-construction package as a way to reduce the risk to the AOC. (If unforeseen conditions are encountered, they impact only the pre-construction contract and not the much larger general construction contract.) Furthermore, this strategy provides an unencumbered site for the general contractor, enabling faster mobilization and a more rapid start for the major construction. Construction Documents for the single pre-construction utility package will be finished in July 2001, with construction beginning in the fall. Construction Documents for the general construction contract will be complete by December 2001. Procurement will take approximately 6 months, putting the commencement of the heavy construction around June 2002, the same time that was anticipated by the 1999 Revalidation Study. Gilbane is confident that there should be no change in the completion date—the facility should still be completed in the summer of 2005 with partial completion in support of the inaugural in January 2005.

*Question.* Do you anticipate additional appropriated funding will be needed? When are funds needed in order to meet the current schedule?

*Answer.* The project budget is \$265 million, of which \$100 million has already been appropriated. Some portion of the remaining \$165 million will need to be appropriated, depending on how much money is available from the Capitol Preservation Fund and how much is raised by the Fund for the Capitol Visitor Center and by commemorative coin sales. Regarding timing, full funding will need to be in place before a bid package for the general construction contract is released in December of this year.

*Question.* When do you plan to award a construction contract? Do you plan to complete and award a single general construction contract? If not, what alternatives are under consideration?

*Answer.* It is anticipated that major construction contract will be awarded around May of 2002. That date is based on a 6 month procurement process which should begin in December of this year. As described earlier, the AOC plans to complete utility and site preparation work prior to the start of the heavy construction. The AOC has also begun discussions with Gilbane regarding all available options for procuring the general construction contract. The discussions have included methods for

selecting a contractor or contractors such as best value/source selection, options for packaging work such as issuing a separate foundation/structure contract, and other procedures that are considered the best practices within the construction industry.

*Question.* What were the results of the 50 percent review of the construction documents for completeness, accuracy and reasonableness?

*Answer.* The 50 percent documents were submitted on April 27, 2001 and were reviewed by the AOC staff for design intent. They were determined to be appropriately complete, accurate, and reasonable for that stage of development in the project. Gilbane is currently performing a technical review of the 50 percent submittal. They will also perform a "back check" to make sure that all changes/comment do get incorporated into the documents.

#### STAFFING

*Question.* The budget indicates it includes funds for 48 additional staff. What is your current on-board staffing, and what are you proposing to increase it to next year?

*Answer.* The current on-board head count for the AOC is 2,018, including part-time, temporary, Davis-Bacon and summer employees. An additional 132 are paid from the revolving fund of the Senate Restaurant.

The projection for full-time equivalent (FTE) employment for fiscal year 2001 is estimated at 1,781. Each FTE is equivalent to 2,080 work hours. It is anticipated that 1,952 FTE will be realized in fiscal year 2002, which includes an additional 48 positions that funds have been requested to fill in fiscal year 2002.

*Question.* With the additional staff, will you be at the optimal staffing level, or do you project the need for outyear increases? What is the basis for this estimate?

*Answer.* The increase of 48 positions in the fiscal year 2002 budget addresses only the most critical positions of a much longer pending list. It is anticipated that outyear increases in staffing will be required. AOC managers have requested an additional 180 positions that have been deferred. New facilities (such as the reopening of the Botanic Garden and the opening of the National Garden), as well as the increased staffing requirements relating to compliance with various legislation, indicates that additional staff is needed. The impact of implementation of new programs, such as 41 safety-related efforts, requires human resources funding.

*Question.* Has the AOC conducted a human capital study to analyze what the optimal staffing level should be?

*Answer.* No. As part of our business planning process we are in the process of identifying the most effective and optimum staffing levels required to provide excellent levels of service to the Congress.

#### BOTANIC GARDEN

*Question.* I understand the Botanic Garden is a year-and-a-half behind schedule, meaning it will not open until November, 2001. What has caused this significant delay, who was responsible, and why weren't we informed of the delays early on?

*Answer.* The Renovation of the Conservatory of the United States Botanic Garden was originally scheduled for construction completion in September 2000. The original schedule indicated that plants provided by the Contractor would also have been installed at that time. The installation of the rest of the plants was to be done by the Botanic Garden staff and that was scheduled to continue for another four to six months. A formal public opening would have occurred in March 2001, although scheduled tours and events would have been available from December 2000.

As the Committee is aware, this project renovates an historic, unique and monumental building. Renovation projects, by their nature, are subject to delays that are not encountered in new construction. Many unforeseen delays have been experienced during the course of this project. Delays were due to events such as unknown site conditions, including poor subsurface soil and asbestos that were not previously known to exist.

Progressive discovery of unforeseen structural conditions also complicated the construction sequence. For example, upon removal of the brick enclosure around the roof and trusses, excessive corrosion required the addition of brackets to ensure structural integrity of the roof, adding time and cost. Application of a state-of-the-art glazing system to an existing structure required extensive redesign to maintain the historic profiles. The facility was not previously air-conditioned, and all new mechanical space is subterranean. Subterranean space did not formerly exist. The new mechanical and air conditioning systems, installed below grade to maintain the historical look of the existing building, required many days of additional on-site coordination including adjustments and redesigns to accommodate existing foundations and future plantings. When actual components are procured, only then can the final

coordination occur to fit the configured reconstructed spaces within the existing foundations. Working under the existing structure in tightly confined spaces also limited the manpower and size of equipment normally utilized for this size project.

During this process, this agency continually urged the contractor for greater coordination and more qualified technical supervision. In addition, sub-contractor manpower was noticeably deficient in all trades. Continued discussion on these issues proved pointless and a Cure Notice was issued in February 2001. This action brought about the needed changes in management and staffing required for a project of this complexity. With this revised staffing in place, substantial completion of the construction is scheduled for September, 2001.

The reality of today's construction market is also a factor that cannot be ignored. Sub-contractors are finding it impossible to locate qualified tradesmen to staff their jobs. Often times, workers are pulled from one job to complete another at the expense of the first job. Larger projects are siphoning work force resources, thereby creating problems for the smaller projects with less profitable price tags.

In addition to unforeseeable construction conditions and contractor management concerns that delayed this project, other design problems became apparent during construction. The associate architect engaged in the design of the renovation did not respond expeditiously to AOC requests for re-design. This office will follow up on these issues and proceed with any claim that may be necessary.

The Botanic Garden Conservatory Renovation Project has included in its budget a 10 percent contingency. To date, the changes to the project fall within this contingency. It should be noted, however, that this office has been placed on notice that the Contractor will pursue claims for additional money and time as a result of delays. We intend to vigorously defend the Government's rights in these issues and to minimize the impact on the project.

#### RENOVATION OF THE BOTANIC GARDEN CONSERVATORY

[Status Reports With Reference to Completion Delays]

Date of Transmittal Letter	Period of Report	Comments
1/11/2000 .....	December 1999 .....	First mention in report that there were problems and completion may be after the contract completion date.
3/6/2000 .....	January 2000 .....	Advised that Palm House and other areas would not be ready by September 2000.
4/3/2000 .....	N/A .....	Letter to Chairman Bennett forwarding AOC's 4/3/2000 response to Chairman Taylor's 3/21/2000 letter on project status. This letter spelled out some of the problems that had been encountered and reiterated that the project would not be complete by September 5, 2000.
5/5/2000 .....	March 2000 .....	Advised that we directed Clark Construction to complete all areas but Palm House and site work by 12/30/2000 and those areas to be completed by 3/31/2001.
5/25/2000 .....	April 2000 .....	Reiterated dates from previous report.
6/19/2000 .....	May 2000 .....	Transmittal letter explained changes to shade cloth system, fogging system and deletion of the work in the two courtyards. Report reiterated dates from the previous report.
10/10/2000 .....	September 2000 .....	Report advised that contractor had indicated that all work may not be done by 3/31/2001.
2/27/2001 .....	January 2001 .....	Advised that Cure Notice had been issued and planning for a September 2001 reopening was underway.
4/30/2001 .....	April 2001 .....	Report goes thru status and indicates that public opening is being targeted for November 2001.

*Question.* Are you confident you now have the systems in place such that these sorts of delays and communication problems will not occur in the future?

Answer. We are moving to implement systems to preclude these sort of problems in the future. However, construction delays are an inherent potential hazard of the business. In some cases they are unavoidable despite every effort taken to avoid them. However, the AOC is, and continually will be, striving to improve the management of all projects.

As to lessons learned, the Botanic Garden Renovation Project has been selected as one of the AOC case studies in the new Best Practices/Project Delivery Process. At the completion of the project, a complete review of the project will be conducted to determine what went wrong and what can be done better. The history of this project confirms the need to continue with the new and improved review processes.

At the Committee's direction, the AOC has implemented the 100 percent design process for projects so that firm cost estimate is available for project construction. The Conservatory project did not follow this model because it preceded the 100 percent design process requirement.

The extended design period also had an adverse impact on this project, as it would on any construction project. Several years passed from the time of the design to the receipt of funds and construction. During the interim, various members of the design consultant team were replaced; various construction scenarios were mandated, the drawings revised accordingly and then changed back; changes in materials and technology were incorporated as well as some program changes. These issues adversely affected the quality of the final bid documents. The schedule for restarting the project was overly optimistic. The time necessary to get the project "back up to speed" after the interim hold was extensive. During this time, construction for the Botanic Garden project was not anticipated to be forthcoming, therefore other projects were prioritized and commenced. Also, in hindsight, the staffing that was placed on the project should have been augmented sooner. Finally, the Contractor's management staff was, in our opinion, initially not up to the task of this project and this had a major impact on the construction process. The Contractor has since added experienced personnel to the project and the work is progressing.

#### FIVE-YEAR CAPITAL BUDGET

*Question.* Your capital budget is based on a 5-year plan. Last year, you provided us with a 5-year budget plan for fiscal year 2001 through fiscal year 2005 which totaled \$666 million. This year, your budget for fiscal year 2001 through fiscal year 2005, including those funds appropriated last year, totals almost \$800 million. What accounts for this very large increase—20 percent—over last year's 5-year estimate?

Answer. Nine projects account for the most of the increase over what was reflected in the fiscal year 2001 budget; however, there were some decreases, although relatively minor in nature. All of the increases were related to items that were reflected as out-year items either in the 2001 budget or the 2002 budget. The shift from equipment replacement in the East Refrigeration Plant to the expansion of the West Refrigeration plant accounted for \$33 million. The inclusion of multi-media improvements in both House and Senate committee rooms added \$19 million. There were eight cyclical maintenance projects in various House Office Buildings that added \$33 million. Utility tunnel work added \$15 million. The construction estimate for the proposed garage on Square 724 increased by \$15.5 million as capacity was maximized, renovations to the House East and West Underground garages increased by \$11 million, and repairs to the Rayburn garage increased by \$6.4 million. The estimate for the LOC's Copyright Deposit Facility increased by \$12 million. All of these projects contributed to the overall increase in the capital budget estimate.

*Question.* Should we expect the 5-year plan for fiscal year 2002-fiscal year 2006 presented in this year's budget will grow significantly beyond the current estimate of \$906 million?

Answer. The objective of the 5-year plan is to give the AOC oversight committees an idea of the projects, construction and required resources that are seen on the horizon. In many cases, the reflected cost of those projects that are projected several years out are very rough estimates. Until studies are done to identify the scope of the problem or schematic designs are completed, we realize that many of these numbers are not much more than best guesses. However, as projects get close to the budget year and studies, and designs are completed, these estimates will become more realistic. There is no doubt that additional projects will likely be identified by both the AOC and our clients. There is also the dilemma that occurs when a seemingly simple solution expands with further scope investigation. The AOC will make every effort to provide the best estimates available, although out-year estimate increases are likely to occur.

*Question.* How meaningful is this 5-year plan when it differs so radically from last year's plan?



Answer. The AOC believes that the 5-plan is useful in providing the oversight committees with an idea of future capital requirements. Estimating projects, especially renovation projects, that are 3, 4, or 5 years on the horizon cannot be done to a high level of accuracy. The out-year estimates are considered "place holders" until studies and designs can be completed. The out-year estimates are not intended to reflect the final cost of the proposed project. This information is intended to form a basis of future workload and resource requirements.

*Question.* What major capital projects should we be expecting in the out-years?

Answer. The AOC has identified 45 out-year projects that are estimated to each cost \$4 million or more. Some of the most significant are: Upgrade Building Systems in the Capitol; Upgrade the Cable Television System; Construct a Garage on Square 724; Construction of a USCP Command Center, Replace Windows and Doors in the RSOB and the CHOB; Upgrade HVAC Systems in the RHOB and CHOB; Repairs to the East and West House Underground Garages; Utility Tunnel Modernization; Expansion of the West Refrigeration Plant; and Construct a Copyright Deposit Facility for the Library.

FINANCIAL MANAGEMENT

*Question.* You are implementing a new financial management system and have included \$2.1 million in your budget request to complete Phase 2 and for Phase 3. Could you give us a status report of implementation of the new system?

Answer. The Financial Management System (FMS) project is the implementation of a modern federally compliant financial management system for the AOC. An FMS office staffed with 5 systems accountants was established to implement and maintain the system. The FMS project is being performed in a phased approach as follows:

Phase	FMS Module	Scheduled Implementation Date	Estimated Funding Required
1	General Ledger .....	10/01/2000 .....	\$1,200,000 funded
2	Base System Modules: Budget Execution Purchasing Accounts Payable Disbursements Accounts Receivable	03/01/2002 .....	\$1,475,000 funded; \$1,356,000 fiscal year 2002 request
3	Contracting .....	10/01/2002 .....	\$720,000 fiscal year 2002 request
4	Fixed Assets .....	04/01/2003 .....	\$671,000 unfunded
5	Inventory .....	10/01/2003 .....	\$972,000 unfunded
Total .....			\$6,394,000 total of 5 phases

The 1st phase of the project (Standard General Ledger) was successfully implemented on schedule on October 1, 2000. The FMS project is now working on the 2nd phase of the project to implement the other base modules of the system. Phase 2 is scheduled to "go live" on March 1, 2002.

The FMS system will also be integrated with the following other AOC systems:

System	Integrated Data	Scheduled Implementation Date
National Finance Center Payroll System (NFC).	Payroll costs by employee and organization.	Completed 10/01/2000
Project Information Center System (PIC) .....	Project budgets, and obligations .....	In process for 3/1/2002
Computer Assisted Facilities Management System (CAFM).	Work Order costing .....	To be determined (unfunded)

*Question.* Over the past several years, numerous federal agencies have been working towards implementing new financial management systems. However, time and time again we hear about these projects having cost overruns, schedule delays, and failed implementations. These failed system implementation efforts have cost taxpayers billions of dollars. What processes have you put in place to ensure this does not occur?

Answer. The FMS Office has and will be implementing various processes to ensure the FMS implementation is a success. These processes include the following:

- Working with the General Accounting Office (GAO) to ensure the FMS Office complies with project management best practices.
- Working with the Legislative Branch Financial Managers Council (LBFMC) for guidance and review of the FMS Implementation Plan and Status Reports.
- Development of a Configuration Management Plan and Risk Management Plan to identify potential risks and identify alternative solutions.
- The AOC is currently in the process of hiring a Quality Assurance Specialist to develop a Quality Assurance Plan, and review all FMS testing plans and procedures.
- Extensive system testing of the FMS software will be performed to ensure functionality will meet AOC needs and comply with Federal standards.
- A Pilot Test, with AOC configured data will be performed to ensure the expected results are met.
- User Acceptance Testing will be performed to ensure system users will be able to perform their jobs on a daily basis.
- The FMS Office is making every effort to maintain costs by not customizing the Commercial-Off-the-Shelf software (COTS). By maintaining the baseline version, AOC will be able to obtain new releases of the software at minimal cost.

*Question.* Is the AOC ready for a full-scope financial statement audit? If not, when will it be ready and what still needs to be done to get ready? Once completed, will the AOC's financial statements conform to federal accounting principles? If not, why not?

*Answer.* It is anticipated, based on the current FMS implementation plan, that the AOC would be ready for a full-scope financial audit at the end of fiscal year 2003. This would provide the AOC an entire fiscal year on the new system. AOC is planning a financial audit based on Generally Accepted Accounting Principles (GAAP), the same standards currently utilized by the House of Representatives. Funds are included in the fiscal year 2002 request to hire a CPA firm perform an "audit" of pro forma financial statements. While this is not considered an audit, it will prepare the AOC for its first true audit. Because the agency's new financial management system is being implemented in a phased approach this is the soonest an actual audit can be performed.

*Question.* Do you believe AOC should use full-cost accounting for its projects, as is typical in private sector construction, to provide Congress with a true picture of the full cost of each project? If not, why not?

*Answer.* Yes, the AOC believes that it should use full-cost accounting for its projects. However, such an approach is one that would require additional efforts which are well beyond the current, limited resources of the AOC. Existing financial policies and operations would need to be greatly modified and expanded to foster the necessary environment to support such an enhanced, more disciplined reporting environment. Additional personnel staffing, mostly in the financial area, would also be required to lead the implementation of the required cost accounting techniques and methodologies. In addition, an agency-wide cost management philosophy, with supporting policies and procedures, would be required to begin moving the agency towards the type of environment necessary to support such project reporting.

In addition, AOC supporting systems requirements, for both financial and mixed systems, would need to be further refined to address such an environment. The implementation of both the CAFM and FMS systems by the AOC will help to provide much of the needed base to move in such a direction. However, a more focused and concerted effort, obviously with the necessary supporting resources and other type of support, would be required to completely realize a robust, full-cost accounting AOC-wide environment. The AOC's most optimistic projection for accomplishing such a worthy goal, assuming the required resources are forthcoming, would be at least five to six years in the future.

*Question.* What is the status of hiring a chief financial officer—I understand the job was advertised in September—what's the problem with filling the position?

*Answer.* The recruitment of a Chief Financial Officer/Budget Officer, which was first posted in August, 2000, has been difficult. Existing legislation gave authority and set the salary only for a Budget Officer which necessitated its being coupled with the CFO position. However, the combination of two executive financial positions did not work well in the recruitment process. Although the duties of each position fall within the financial areas the actual responsibilities of each are very diverse and distinct. To complicate matters, the legislative pay limitation discouraged potential qualified applicants.

To address this situation, the AOC has reissued a vacancy announcement for the position of Chief Financial Officer, at a salary level of \$120,261–\$125,883 in the hope that required pay flexibility will be granted. The posting for this position will

close on August 3, 2001. The extensive duties and responsibilities of the Budget Office will remain separate with that position.

FIRE SAFETY SUPPLEMENTAL

*Question.* What is the status of the \$17 million in supplemental funding for fire safety projects? How much remains to be obligated and what is the schedule for obligating the balance? When will all projects be completed?

*Answer.* All projects within the fiscal year 2000 Emergency Fire Supplemental funding, with the exception of one, are scheduled to be obligated by fiscal year 2005 with completion in the same fiscal year. The remaining project, "Smoke Detectors and Fire Alarm System, Capitol Building", is scheduled to be obligated through fiscal year 2007. This schedule may be accelerated based on space availability. The majority of funds, 79 percent of the total amounts appropriated, will be obligated by the end of fiscal year 2002. The table below shows the status of funds compared to the obligation plan. As of June, 22, 2001, the AOC has obligated over 55 percent of the fiscal year 2001 planned amount and expects to award the full fiscal year 2001 planned amount by the end of the fiscal year.

Appropriation	Amount	Fiscal Year 2001 Planned	Current Funds Obli- gated	Fiscal Year 2002 Planned	Fiscal Year 2003 Planned	Fiscal Year 2004 Planned	Fiscal Year 2005 and Beyond Planned
Total Capitol Buildings .....	\$7,039,000	\$1,595,120	\$685,821	\$2,023,480	\$1,071,000	\$866,000	\$1,483,400
Total Senate Office Build- ings .....	2,314,000	1,612,330	671,362	701,713	0	0	0
Total House Office Build- ings .....	4,213,000	2,890,516	1,587,440	1,218,570	0	0	0
Total Capitol Power Plant ..	3,000	3,000	3,000	0	0	0	0
Total Library Buildings & Grounds .....	3,885,000	2,449,769	2,024,705	1,280,231	155,000	0	0
Total Botanic Garden .....	26,000	21,000	0				
<b>Total All Items .....</b>	<b>17,480,000</b>	<b>8,571,735</b>	<b>4,972,328</b>	<b>5,223,994</b>	<b>1,226,000</b>	<b>866,000</b>	<b>1,483,400</b>

CAPITOL VISITOR CENTER TEMPORARY VISITOR FACILITY

*Question.* The Congress and this subcommittee are concerned that visitors to the Capitol during construction of the project receive appropriate accommodations. In this regard, please discuss the plans for visitors during construction, particularly: The route being planned for visitors to access the Capitol, including changes in the tour route within the Capitol. Access to the Capitol for persons in need of assistance. The location of facilities for visitors including security screening, restrooms, tour information, and commencement of the tours. The schedule for completing the temporary facility including final design decisions, congressional input, procurement of construction services, beginning construction, and completion of the facility.

*Answer.* The AOC Design Team is also concerned that visitors to the Capitol during construction of the CVC receive appropriate accommodations. To that end, the team has worked very closely with Ted Daniels from the Capitol Guide Service, Insp. Marsha Krug and Capt. Michael Preloh of the U.S. Capitol Police to develop a plan for a temporary visitor screening facility. These plans have received a favorable review from the Capitol Police Board and are undergoing further development and review by the appropriate authorities.

The route that visitors will take to the Capitol during CVC construction will be from the west. Tour buses will drop visitors off at the circle on First St, SW, where they will queue on the walks at the base of the hill on the South-West Drive. Capitol Guides will bring groups of approximately 50 people at a time (similar to how it works at the Rotunda entrance now) up the walkway along the South-West Drive to a temporary ramp that leads up to the lower South Terrace, just west of the Cameron Elm. (This new temporary ramp would be built to create an accessible route to the South Terrace that is separate from the narrow sidewalk used for Members, Staff, and business visitor traffic heading for the South Door and Carriageway Door.) From the ramp, the Guides will lead visitors to a temporary screening facility which will be built on the West Terrace at the door into the connecting corridor between the House wing and the center section of the Capitol (next to the statue of Jack Swigert). The tour route inside the Capitol will need to be modified since construction inside the East Front Extension will make that area inaccessible to visi-

tors. The Capitol Guide Service and the Capitol Police are working together directly to determine how the route will need to be modified.

Persons in need of assistance will be accommodated with motorized carts (similar to those used in airports except that these will be equipped so that wheel chairs can be rolled on). These carts are small enough that they can be driven on the existing walkways with minimal modifications, although construction of a separate temporary cart path may be recommended. Individuals will be picked up at the bottom of the hill on South-West Drive and will be dropped off at the base of the new ramp to be constructed west of the Cameron Elm. The ramp will be constructed in accordance with ADA (Americans with Disabilities Act) guidelines so that all visitors will be able to make their way up the ramp to the South Terrace and around to the new temporary screening facility. New accessible ramps will also be constructed between the Lower and Upper Terraces and then inside the temporary screening facility so that these individuals can easily make their way into the Capitol unimpeded.

The design of the temporary screening facility includes accommodations for 3 screening stations. Enough interior space beyond those screening stations will be provided for the Guides to comfortably assemble approximately two tour groups for orientation before they enter the Capitol itself. Also inside this facility will be a small office for the Capitol Police, and two offices for the Capitol Guides since their current offices will be removed as part of the East Front modifications. The current design also calls for a second temporary structure to be built on the opposite side at the Senate connecting corridor through which visitors will exit the Capitol. Restrooms will be provided in the exit facility because the Crypt-level restrooms in the East Front will be demolished when that area is under construction.

The design for the exterior route and the temporary screening structures has already received a favorable review from the Capitol Police Board. It will be presented to the staff of the Capitol Preservation Commission in the next few weeks. Construction Documents for these facilities have already begun. We anticipate that construction of the facilities will begin in December of this year, with completion in April of 2002. Transition from the east side of the Capitol to the west is anticipated to occur by June 2002 when the general construction of the CVC is slated to begin.

*Question.* The subcommittee is equally concerned that the planning of this facility incorporate the needs of the Capitol Guide Service. How have Capitol Guide Service personnel been incorporated into the planning for this facility?

*Answer.* The Capitol Guide Service and the Capitol Police have been involved throughout the development of this design for temporary visitor facilities and both agencies strongly support the proposed solution. Four options for the visitor screening facility and more than eight options for the visitor access path were considered in the design process.

#### PROGRESS TOWARD CONSTRUCTION OF CAPITOL VISITOR CENTER

*Question.* The report that you issued at the conclusion of the 1999 revalidation study indicated that construction of the Capitol Visitor Center would begin in mid-2001. The subcommittee is interested in when construction will commence, the cause and effect of any slippage from the anticipated commencement of construction in mid-2001, and the impact of any slippage on the facility being operational for the January 2005 presidential ceremonies. What is the status of procurement planning for this work and when do you expect construction to begin?

What are the 3 most significant risks today for the successful, timely completion of the CVC? What can the CPC do to mitigate these risks?

*Answer.* When the schedule published in the 1999 Revalidation Study referred to construction commencement occurring in mid 2001, it was referring to very limited number of pre-construction activities (tree preservation and limited utility relocations) which needed to be complete before the large general contract for construction could begin. At the time it was anticipated that the general construction contract would be awarded in January 2002, and that the first six months would be devoted primarily to mobilization and additional utility relocations. Heavy construction then would begin sometime around June 2002, with the CVC being operational in January 2005. On the advice of the Gilbane Building Company, the Construction Manager hired by the AOC in January 2001, the strategy has shifted. The tree preservation pre-construction contract will be awarded in the fall of this year as planned; the contract is currently in the process of being procured. However, the pre-construction work is being expanded to include completion of all utility relocations before the general construction contract starts. The advantage of this approach is that it helps limit the risk to the AOC. If unforeseen conditions are encountered, they impact only the pre-construction contract and not the much larger general construction contract. Furthermore, this strategy provides an unencumbered site for the gen-

eral contractor, enabling faster mobilization and a more rapid start for the major construction. Construction Documents for the single pre-construction utility package will be finished in July, with construction beginning in the fall. Construction Documents for the general construction contract will be complete by this December. Procurement will take approximately 6 months, putting the commencement of the heavy construction around June 2002, the same time that was anticipated by the 1999 Revalidation Study. We expect no change in the completion date—the facility should still be operational in January 2005.

The three most significant risks today, with the proposed mitigation actions, are:

1. Risk: Timely decision making. Mitigation: Redefine process, empower AOC's CVC team to make the maximum number of decisions related to administering the design and construction process, create and document a hierarchy to the decision process. Establish a subcommittee of the CPC Leadership (perhaps a "Building subcommittee") to meet weekly to help frame solutions to more difficult issues; then establish a monthly reporting system to the CPC Leadership staff that reports the actions taken to date on the project, as well as any established approvals needed in advance of a decision.

2. Risk: Project Funding and Procurement Procedures. Mitigation: Fully fund the CVC project to allow planning and resources to be committed to completion. We are planning a streamlined procurement process that allows contracts and change orders to be finalized in the shortest amount of time, a recommendation that is supported by our Construction Manager (Gilbane).

3. Risk: Conflict between construction and on-going Capitol operations. Mitigation: We are planning to phase construction to allow Capitol access, which will minimize impact; we are planning a program to increase communication with building occupants with our project planning and progress, since everyone associated with the Capitol needs to understand the construction impact from the project, including potential noise and disruption. We plan to centralize communication if something must be shut down during construction and to establish who is authorized to make the call, establish who to call, and protocol that will define and authorize cost and schedule impact with the CVC project team.

#### TRAFFIC AND PARKING STUDIES

*Question.* The design and engineering obligation plan for the CVC Project included funds to perform various studies.

Has the AOC and their contractors started studying pedestrian traffic issues, vehicular traffic issues, and related parking issues, and if so, when did this work begin? When does the AOC expect these studies to be completed? Are these studies on schedule, and if not, why?

*Answer.* The AOC has started studying pedestrian traffic issues, vehicular traffic issues, and related parking issues. These were started March 2001. The pedestrian traffic study has been completed; a preliminary vehicular traffic study was completed May 2000, a more detailed study will commence later this year, through our Construction Manager, to study and recommend vehicular movement related to construction activity on the Capitol grounds for the CVC. This study will focus on construction vehicles entering and exiting the Capitol grounds as it regards Capitol grounds parking and traffic flow. The parking study was completed for the Senate side of Capitol grounds, with preliminary results discussed with the Senate Sergeant at Arms, and the parking study is currently (July 2001) gathering similar information for the House side. All of these studies are on schedule with the information being prepared well in advance to allow for planning alternatives and parking relocation.

*Question.* How many parking spaces currently devoted to Members of Congress will be lost both temporarily or permanently during and after construction of the CVC? What plans are there for parking on the East Plaza by Members of Congress during peak work hours during construction of the CVC? Have alternative parking arrangements for Members of Congress and staff been identified, and if so, what are those alternatives?

*Answer.* Parking allocation on Capitol Square is arranged by Senate and House parking administrators. The AOC does not assign or regulate parking, thus we do not know who is affected. Based on preliminary plans, approximately 345 parking spaces will be lost temporarily during construction of the CVC, of these, 170 spaces will be lost permanently; however, not all of the spaces are lost at the same time. Plans are being developed with our CVC Construction Manager to show affected parking areas and access locations into the Capitol with estimated dates throughout the construction period. These plans and alternative parking areas have been dis-

cussed with the Senate Sergeant at Arms office and are currently under development with the House.

*Question.* Has the AOC and their contractors considered the impact of tour bus drop off locations and routing on both vehicular (including Metro buses) and pedestrian traffic patterns on streets surrounding the Capitol Campus?

*Answer.* It is anticipated that upon completion of the CVC most pedestrian traffic will approach the CVC from the east in a similar fashion to what happens now with the queues of visitors forming along the East Capitol Extension. To help alleviate some of the vehicular congestion along First Street the design of the CVC will incorporate bus drop off and pick up areas along First Street NE & SE across from the Supreme Court and Library of Congress. The AOC Project Team has also been meeting with representatives of the Union Station Redevelopment Corporation, the Downtown Business Improvement District (DBID), the National Park Service, the Washington Metropolitan Transit Authority (WMATA), and the District Government in an effort to coordinate with on-going, city-wide efforts to address tour bus management and to start a downtown circulator bus service for the Mall, the downtown business district, and Capitol Hill.

*Question.* Has the AOC and their contractors reached any preliminary conclusions on how excavated dirt and other construction debris will be transported away from Capitol Square? If so, what impacts are there expected to be on local traffic, especially during rush hours resulting from dirt and debris-hauling trucks? What steps does the AOC plan to take to mitigate these potential impacts? For example, will the Capitol Police be responsible for directing both construction and non-construction traffic in and around Capitol Square?

*Answer.* As part of the Design Development Phase of the project, the Design Team performed a preliminary analysis of how construction traffic should be routed. It was determined that most construction traffic should enter and exit the site along First Street NE/SE, although a limited amount related to the construction of the service tunnel will also need to access the site on Constitution Avenue, west of the North Entry Drive. Preliminary studies show that there is enough street capacity to handle construction traffic on First Street NE/SE, Constitution Avenue, and Independence Avenue heading west. Routes to the Southwest Freeway and to New York Avenue to the Beltway have been identified. Routes to the East were also considered but were dismissed because of the anticipated impact on the residential neighborhood of Capitol Hill. The Construction Manager is currently in the process of refining construction traffic management plans as they continue to work out the logistics of the project as a whole. Further study, in cooperation with the District Government, will be done to identify any changes such as re-signaling, creating turn lanes, etc. that should be completed to facilitate construction traffic.

*Question.* Please explain the nature of the coordination that is occurring between the pedestrian traffic studies and those studies for visitor circulation in the Capitol, West Front exiting, perimeter security, and design of a temporary screening facility. What is the status of these related studies, when did they begin, and are they on schedule for completion? Have there been any delays in starting or completing any of these related studies that have adversely impacted on the pedestrian studies, and if so, what effect have these delays caused?

*Answer.* The sub-consultants performing pedestrian and vehicular traffic studies for the CVC project have participated in Design Team coordination meetings as appropriate and preliminary findings have been incorporated into the planning of the CVC. An analysis of the pedestrian flow within the CVC is will be wrapping up this month. Its findings have shown that the Final Design as approved by the CPC in October, 2000 has greatly improved circulation in the facility from the design that had been proposed at the end of the 1999 Revalidation Study. The Construction Manager has been working with the Perimeter Security project team to coordinate logistical plans for the construction of the CVC as well as with the Capitol Police and Capitol Guide Service in developing plans for the temporary screening facility. The Capitol Square Traffic (once the CVC is completed) and West Exiting studies are also currently underway. All of these studies will be complete by the fall.

#### MANAGEMENT OF CAPITAL PROJECTS

*Question.* The AOC's fiscal year 2002 budget request includes millions of dollars for capital projects, the largest of which is \$42.5 million for repairs to the Capitol Dome.

Which of the AOC's major projects are being designed and/or built by in-house AOC staff and which are being designed and/or built by contractors? Does the AOC need to hire additional staff in fiscal year 2002 to specifically perform any design work required for these projects or to administer contracts for new work?

Answer. None of the AOC's major projects are being designed or constructed by in-house staff. Currently, the only project being constructed by in-house staff is the Dirksen Renovation Project (Phase II). The AOC's current direction and preferred practice is to outsource design on all major projects and to award construction to private sector general contractors. The AOC will need to bring on additional new hires in fiscal year 2002 to help administer consultants and contractors for our over-all workload, not specifically for major projects.

There is much maintenance, restoration and repair work to be done to properly fulfill our stewardship responsibilities for our aging buildings and infrastructure. It is important, of course, to prioritize this work to first address the issues that impact safety, security and the fundamental day-to-day needs of Congress and those who work on or visit Capitol Hill. Given the imperative of operational needs, and availability of both financial and human resources, it is necessary to constantly reevaluate those priorities.

With this perspective I initiated a study, which was completed in March of this year, on the implications of postponing the second phase of the Capitol Dome restoration project. The first phase investigations had concluded that the cast iron support structure was well designed and in good condition. The main issues needing to be addressed related to the need for repair and maintenance of the cast iron "skin" or shell of the Dome and its related railings etc. The study concluded that approximately \$1.6 million should be invested in the Dome to permit us, with proper inspections each year, to postpone the Capitol Dome Phase II project for a number of years, if this were deemed necessary. If funded, this work could be expedited and completed by the summer of 2002.

Based upon this study and the need to maintain all functions in the Capitol with a minimum of disruption during the construction of the Capitol Visitor Center and other safety related projects, I have determined that it would be prudent to postpone the full Dome restoration project until a later time.

It is therefore requested that \$1.6 million for interim Dome work be considered in place of the full restoration request of \$42.5 million. It should of course be noted that the full restoration cost will escalate over the time period of the delay.

The scope of work recommended for this interim period is listed below. This scope represents the work that can be done now without proceeding with a scope of work that approaches the full level of the complete project (The full report is available for review as needed).

- Paint the exterior of the Dome over the present lead-based alkyd system to rejuvenate its appearance, and cover butt joints and corroded areas. It has been 13 years since the most recent painting of the Dome when the proper cycle should be 4–6 years.
- Paint the interior of the Skirt cast iron members to cover base iron and protect it from further corrosion. The paint on the iron surfaces at the Skirt is severely deteriorated and needs to be re-coated to protect the iron.
- Reseal the joints, cracks and defect areas to prevent moisture infiltration and corrosion at exposed edges. Many of these defect areas have been sealed over with temporary repairs. (Inspect this work semi-annually and correct deficiencies found until the implementation of Phase II.) Finish paint all surfaces in the Interstitial Space that was primed and intermediate coated in Phase I. This includes cast iron, wrought iron hangers, steel, sheet metal walls at Second Visitors Gallery, the tin canopy, Lantern Level transite walls, wood railings, wood window sash, and stairs. Bare iron at defect locations will require extra surface preparation to remove rust, a full 3 coats of paint, and re-labeling of defects. The finish coat must be added to prevent UV degradation of the epoxy intermediate coat.
- Seal ledges and joints in the Interstitial Space and Skirt. Delay of the installation of a mechanical ventilation system in the Interstitial Space means continued condensation, which attacks these ledges and joints. The sealant will prevent moisture collection in these areas.
- Remove any loose chipped paint along the tour route, including chipped plaster in the Bulfinch Stair and paint chips and dust from the following surfaces: the Rotunda stone wall from the Bulfinch stair to the Grand Stair and from the Grand Stair to Roof A, cast iron along the Grand Stair and in the First Visitors Gallery to the Interstitial Space. This is needed to reduce the health risk to those frequenting the space.
- Repair all defects in secondary members, including: Two locations at "Y" bracket broken tab, One broken tab connector at a secondary rib, One cracked tab at the base of the Cupola. These are all location where tension forces acting on the cast iron have caused cracks. The load mechanics that caused the failure are still present and although they are not of immediate concern it is not rec-

ommended that they remain for five years un-repaired. For example the tab at the base of the Cupola is cracked three quarters of its length and is still in tension from exterior plate dead load and wind forces.

- Seal all open joints below the Boiler Plate Level and initiate a semi-annual inspection of all plate joints and gutter patches to ensure the watertight integrity of the exterior shell for the duration of the postponement.
- Replace temporary wood walkway at Tholos balcony. This wood structure like any home deck is subject to deterioration due to moisture and UV exposure. For safety precautions it should be replaced.

*Question.* Please explain the process by which the AOC manages and monitors projects of various sizes to ensure adherence to the projects' budget, schedule, and quality measures and to identify variances as early as possible. Are there currently any staffing shortages in any AOC or jurisdiction that could create bottlenecks and lead to schedule delays and/or cost overruns on major ongoing projects or newly funded projects? What type of workflow analysis has the AOC performed to identify possible bottlenecks and what steps has or will the mitigate the risk of these bottlenecks having an adverse effect on projects of all sizes?

*Answer.* In response to concerns about project delivery the AOC conducted a year long effort in a "Best Practices" program to analyze, refine current approaches, and develop new methods for producing a seamless effort to our clients. From that effort, the AOC now assigns a Project Manager who is responsible and accountable for all aspects of each project from its inception to its completion.

The Project Manager is assisted in this effort by a Construction Manager from the Construction Management Division and various task leaders in various disciplines. All information is tracked in the Project Information Center (PIC) and is monitored by the Program Managers who are responsible for similar projects covering a larger spectrum of related scopes. In addition, the AOC has recently created the position of Special Assistant for Project and Program Management. This individual is tasked with monitoring and reviewing current projects in either design or construction and keeping the teams focused on any schedule, budget, design or construction issue that could hamper its successful completion.

New hires are currently being recruited to assist in workload distribution in several disciplines and several more are needed in fiscal year 2002, and the out years. Specific projects such as the CVC and the Supreme Court Renovation have been developed project specific. That is a team that is created out of project funds for the duration of the project and that team is solely responsible for that project.

Attrition and workload are constantly addressed during the year and staff resource loading is assessed accordingly. A Facilities Planning and Programming Department is being instituted to bring professional long range project development into the project planning process. This group will focus on out year projects and develop the programs, scopes issues, budgets, and staff resource loading needed to address future projects.

*Question.* Does the AOC have a preferred ratio of project management to construction staff for projects of various sizes? If so, what are those relationships? How many major projects can a single project manager be in charge of before the quality of the management and monitoring or the actual construction work begins to suffer?

*Answer.* There is no preferred ratio on Project Manager to construction staff for projects of various sizes. The workload of a Project Manager is assessed on an individual basis considering many factors related to that individual's skills and abilities. Some projects classified as major may not have the same degree of complexity as others and some PM's can handle more of those.

Supervisors constantly review their staff's workload and discuss project concerns. Any signs of problems with the quality of the projects whether related to any issue such as stress or workload are addressed at the earliest possible moment.

*Question.* Please describe the process by which the AOC will keep this committee informed of progress of all major projects, including possible schedule delays and cost overruns.

*Answer.* The AOC will keep the committee informed of the progress on all major projects by issuing periodic progress reports.

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#### QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

*Question.* I understand that the contract you have with the Employee Advocate for six months and is part-time—20 hours a week. The fiscal year 2001 Legislative Branch Appropriations bill directed you to fill this position for one year.

What measures will you take to ensure this position is filled for twelve continuous months?



What measures will you take to ensure that, if necessary, the resources are made available to have a full-time, or close to full-time, position available?

Answer. The contact is renewable for another six months upon agreement by both parties. The resources to increase the time devoted to this position will be increased as necessary depending on the availability of the Employee Advocate.

*Question.* I have heard that an employee was recently terminated. While a formal hearing was scheduled, the employee advised the AOC that the employee would be unable to attend, yet the hearing was held anyway. The result was that the employee was terminated, without having a formal hearing. What measures are you taking to ensure flexibility so that all employees will have a formal hearing before their employment is terminated?

Answer. The employee was afforded the opportunity for a formal hearing more than once but chose not to avail himself of the opportunity.

*Question.* As you may know, I strongly supported the creation of the Employee Advocate position because it was clear that employees needed an independent resource to provide education about AOC employment policies, and to help them navigate the system should they have any complaints or concerns.

What level of oversight are you maintaining over the Employee Advocate?

What criteria led you to determine this level of oversight?

How do you think this level of oversight will affect the Advocate's ability to complete the mission of her position?

What steps are you taking to ensure that the Advocate can act independently and in the best interest of your employees?

Answer. The Employee Advocate was recommended competitively by an experienced consultant. The Employee Advocate is not supervised by the Architect of the Capitol, but will provide monthly reports to the Architect outlining activities and services provided to AOC employees. The level of oversight is intended to assure only that the Employee Advocate conducts educational activities within the scope of the contract and operative portions of the Senate and Conference reports. This level of oversight will not impede her ability to independently carry out the activities authorized by these reports and her contract. The expectations for the position are generally as follows: The Employee Advocate will:

- serve as an educational resource for non-union employees;
- provide assistance to non-union employees regarding issues arising in the workplace so long as the issues do not concern disciplinary matters in the post hearing stage in which the Architect's final determination is being awaited;
- provide informal mediation, facilitation and conciliatory assistance when non-union employees waive the right to confidentiality;
- provide coaching assistance to non-union employees to empower them to appropriately manage conflict;
- provide mechanisms to ensure confidentiality, unless otherwise waived; and advise management of employee concerns.

It is clear that the role of the Employee Advocate will continue to evolve. This is not unusual. Typically, someone in such a role will conduct something akin to a needs assessment prior to establishing an office. That assessment then defines the role. The assessment is occurring simultaneously with efforts to provide the service. Thereafter, the role generally takes a natural course of development within the parameters established.

#### SUBCOMMITTEE RECESS

Senator DURBIN. The subcommittee stands in recess. Thank you for your testimony.

[Whereupon, at 11:44 a.m., Tuesday, June 26, the subcommittee was recessed, to reconvene subject to the call of the Chair.]



## Material Submitted Subsequent to the Hearings

[CLERK'S NOTE.—The subcommittee was unable to hold a hearing regarding the Secretary of the Senate and the subcommittee has received a statement from the Financial Clerk which will be placed in the record at this point.]

PREPARED STATEMENT OF TIMOTHY S. WINEMAN, FINANCIAL CLERK OF THE SENATE,  
OFFICE OF THE SECRETARY OF THE SENATE, U.S. SENATE

Mr. Chairman, I appreciate the opportunity to present to your Committee, the Budget of the United States Senate for fiscal year 2002.

Mr. Chairman, the fiscal year 2002 budget estimates for the Senate have been included in the Budget of the United States Government for Fiscal Year 2002. 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 \$680,587,249 which reflect an increase of \$101,656,249 or 17.56 percent over the amount appropriated for fiscal year 2001 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 2001 are \$578,931,000. 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 2002 are divided into three major categories as follows:

Senate Items .....	\$109,558,149
Senate Contingent Expense Items .....	508,117,100
Senate Joint Items .....	62,912,000
<b>TOTAL .....</b>	<b>680,587,249</b>

Specifically, Mr. Chairman, the increase for fiscal year 2002 over the fiscal year 2001 enacted levels is a result of: (1) \$27,086,471 increase in administrative expenses and capital assets, primarily attributable to the request of the Sergeant at Arms and Doorkeeper of the Senate; (2) \$23,711,000 increase in the budget estimate for Senators' Official Personnel and Office Expense Account to fully fund the allowances which are under-funded as a result of the consolidation of population categories, increases in the populations of various states, and the increase in the Legislative Assistance Allowance authorized in the Legislative Branch Appropriations Act, 1993, and the \$50,000 per Member per year increase in the Administrative and Clerical Assistance Allowance authorized by the Legislative Branch Appropriations Acts, 1999 and 2000; (3) \$14,387,872 for the anticipated 4.8 percent cost-of-living increase for fiscal year 2002, and the annualization costs of the fiscal year 2001 cost-of-living adjustment; (4) \$13,239,149 increase in agency contributions applicable to the cost-of-living adjustments and other personnel increase requests; (5) \$23,231,757 for personnel adjustments other than the cost-of-living, attributable primarily to the budget request of the Capitol Police, the budget request for the Sergeant at Arms and Doorkeeper, and the increase in committee funding, authorized pursuant to S. Res. 54.

Mr. Chairman, I submit for the consideration of your Committee, the Budget of the United States Senate for fiscal year 2002.



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